



State of California Proposed Action Plan for Disaster Recovery from 2018 Disasters Master Action Plan

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



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ACTION PLAN AMENDMENT TABLE

Amendment	Substantial or Non-Substantial	HUD Review/Approval	Summary of Changes
No. 1	Non-substantial	March 10, 2022	<ul style="list-style-type: none"> - Updated document formatting - Clarified unmet needs tables - Updated language related to protected classes, equity, and program design - Updated Relocation Assistance and clarified eligible costs under Owner Occupied Rehab Program - Increased program award cap to \$500,000 - Updated Multi Family Program unit size and affordable rent - Clarified the priority of LMI projects in the Infrastructure Program - Renamed the Workforce Recovery Program to the Workforce Development Program - Clarification to admin and planning processes
No. 2	Substantial	September 8, 2022	<ul style="list-style-type: none"> - Updated budget summary table to reflect changes in program allocation. - Housing Recovery Programs - added Homebuyer Assistance to the suite of housing recovery programs. - Multifamily Housing Programs updated eligible activity. - Infrastructure Recovery Program - added Paradise Sewer Project Architecture and Engineering (A&E) direct grant. - Economic Revitalization Programs, updated Workforce Development Program and removed the Small Business Recovery Program.

No 3	Non-substantial	February 27, 2023	<ul style="list-style-type: none"> - Updated Homebuyer Assistance Program for HCD to enter into an agreement with a nonprofit subrecipient - Updated Multifamily Housing Program to allocate Phase II funds to four eligible jurisdictions with project oversubscriptions.
No.4	Substantial	September 12, 2023	<ul style="list-style-type: none"> - Updated Owner Occupied Housing Rehabilitation and Reconstruction Program as follows: <ul style="list-style-type: none"> - Maximum Assistance to include the subsidized loan assistance to the program - Updated deed restrictions. - Multifamily Housing Program: Updated to unmet needs section to change the program budget. - Updated Allocation Methodology to align with the budget update. - Infrastructure Program: Updated unmet needs section to change the program budget. - Workforce Development: Updated unmet needs section to change the program budget.
No.5	Non-Substantial	July 31, 2023	<ul style="list-style-type: none"> - Updated Multifamily Housing Program to provide clarification to the program policy when a Master Standard Agreement (MSA) is cancelled.
No.6	Non-Substantial	August 23, 2023	<ul style="list-style-type: none"> - Updated the Workforce Development Program Notice of Funding Availability (NOFA). This amendment reallocates the funding based on the original methodology to the jurisdictions to meet unmet needs submitted through the NOFA.
No.7	Substantial	Submitted to HUD October 17, 2024	<ul style="list-style-type: none"> - This amendment closed the 2018 Owner Occupied Rehabilitation and Reconstruction Program (OOR) program to new applicants and reallocated \$105,220,977.02 from the

			(OOR) to the Disaster Recovery Multifamily Housing Program (DR-MHP), Homebuyer Assistance Program (HBA), Workforce Development, and Infrastructure Program
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I. BACKGROUND AND SUMMARY OF CHANGES

Action Plan Amendment Number 7

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.

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.

Action Plan Amendment Number 6

This is the sixth amendment to this Action Plan. This non-substantial amendment proposes one clarification to the Workforce Development Program allocation. The Workforce Development Program Notice of Funding Availability (NOFA) closed on February 29, 2024. Based on initial budgets, there were under subscriptions and over subscriptions in the regional allocations. This action plan amendment reallocates the funding based on the original methodology to the jurisdictions to meet unmet needs submitted through the NOFA.

Action Plan Amendment Number 5

This is the fifth amendment to this Action Plan. This amendment proposes one update to the Multifamily Housing Program. This update provides clarification to the program policy when a Master Standard Agreement (MSA) is cancelled.

Action Plan Amendment Number 4

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.

Summary of changes:

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.

Action Plan Amendment Number 3

Summary of Changes:

Action Plan Amendment 3 (APA 3) will address the following change in the following section of the Master Action Plan document:

1. Proposed Disaster Recovery Programs, Connection to unmet needs

B. Program Allocations

1. HCD Administered: HCD will enter into an agreement with a nonprofit

- subrecipient to provide assistance to HBA Program participants.
2. Proposed Disaster Recovery Programs, Programs Overview
 - C. Multifamily Housing Program
 7. Allocation Methodology: HCD will allocate Phase II funds to four eligible jurisdictions with project oversubscription.

Action Plan Amendment Number 2

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”). The 18DR-Action Plan amendment, number two (“APA 2”), is a substantial amendment; it proposes to add a new program, remove an existing program from the initial HUD-approved Action Plan and proposes to change program budgets in excess of the \$10-million-dollar threshold for substantial action plan amendments. APA 2 also clarifies existing program design for 2018 CDBG-DR funds.

A summary of the changes the State of California proposes to make in APA 2 to address California’s ongoing, unmet recovery needs, follows below.

Summary of Changes for APA 2-:

Action Plan Amendment 2 (APA 2) will address changes in the following sections of the Master Action Plan document:

1. **Executive Summary**, proposed uses of CDBG-DR Funds: The budget summary has been updated to reflect changes in the allocations.
2. **Proposed Disaster Recovery Programs**, Connection to unmet needs
 - A. Allocation of funds: Figure 90 will be updated with program allocation changes.
 - B. Program Allocations
 1. HCD Administered: Homebuyer assistance will be added.
 2. Subrecipient Administered: Clarity allocation formula and scoring matrix.
 - C. Method of Distribution: Clarify eligible participants.
3. **Proposed Disaster Recovery Programs**, Program Overviews
 - A. Housing Recovery Programs, add Homebuyer Assistance to the suite of housing recovery programs to address the unmet recovery needs.
 - B. Multifamily Housing Programs updated eligible activity.
 - C. Infrastructure Recovery Program, add Paradise Sewer Project Architecture and Engineering (A&E) direct grant.
 - E. Economic Revitalization Programs, updates to the Workforce Development Program and removed the Small Business Recovery Program

Action Plan Amendment Number 1

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”). The 18DR-Action Plan amendment, number one (“APA 1”), is a non-substantial amendment; it does not propose adding any new program(s) to or removing any existing program(s) from the initial, HUD-approved Action Plan or

changing program budgets in excess of the \$10-million-dollar threshold for substantial action plan amendments. APA 1 clarifies existing program design for 2018 CDBG-DR funds. A summary of the changes the State of California proposes to make in APA 1 to address California's ongoing, unmet recovery needs, follows below.

Summary of Changes:

The 2018 CDBG-Disaster Recovery Action Plan Amendment, number 1, (18DR-APA 1), addresses the following items:

1. Executive Summary

The executive Summary had numerous changes to both Section 3, Ongoing Threat, and Section 5, Proposed Use of CDBG-DR funds. Specific changes by section include:

Sub-Section 3, Ongoing Threat, was updated to include most recent fires from the 2020 season, including the Creek fire, August Complex, SCU Lightening Complex, LNU Lightening Complex, North Complex, SQF Complex, and others.

Sub-Section 4, Anticipated Unmet Recovery Need, was updated to clarify commitment to using more than half of 2018 CDBG-DR funds to service low- and moderate-income households. Language was also updated to reflect the most current unmet need of \$7.2 billion.

Sub-Section 5, Proposed Use of CDBG-DR Funds, has the following four (4) updates:

- Updates were made to 2: 2018 CDBG-DR Budget Summary, was updated to reflect changes to the description of the Infrastructure program from Local infrastructure/FEMA Match” to just “Infrastructure”.
- Small Rental properties section was updated with current procedures to include properties with up to seven units, instead of five, as previously indicated.
- Infrastructure program summary was updated to add other non-FEMA federal share match to the list of activities eligible to use infrastructure program funds, in addition to FEMA Public Assistance (PA), Hazard Mitigation Grant Program (HMGP), and other stand-alone infrastructure projects related to housing. Economic revitalization summary was updated to include the current goal of workforce development focusing on the construction labor force.
- Sub-Section 6, Equitable Use of CDBG-DR Funds was added to clarify the equity commitment of the provision of funds. Changes to recognize this commitment include:
 - More detailed information and alternative data sources to qualify impact and need, including unmet housing needs of vulnerable population and displacement risk.
 - A commitment to community engagement with underserved populations.
 - Equity maps featured in the appendix.

Sub-Section 7, Conclusion, was updated to reflect the non-federal share match of the grant-funded infrastructure program.

2. Needs Assessment

Sub-Section 11, Social Vulnerability Index, on page 60 was updated to include the following language:

“The map above shows a correlation between federal and state protected classes and social vulnerability, including a lack of access to affordable housing, but perhaps an inverse relationship with fire burn scar areas. The potential impacts of HCD’s CDBG-DR programs to protected classes are far better understood at the project-level. See program design descriptions at the section of the Action Plan, below, titled, Proposed Disaster Recovery Programs.”.

Sub-Section 20, Analysis of Unmet Need: Infrastructure, was updated to include most recent data for FEMA PA Match.

3. General Requirements

The General Requirements section had a few updates. In Sources of Funding for Affordable Housing, Small Rentals was reclassified from fewer than five units to 1 – 7 units. The Fair Housing section was updated to reflect the local project selection processes and outputs for HCD reviews. The Displacement of Persons and/or Entities section was streamlined for clarity. In Section 4, Infrastructure Activities,” was edited to state, “As with all of HCD’s CDBG-DR programs, infrastructure activities will undergo an Affirmatively Furthering Fair Housing (AFFH) review prior to approval”.

4. Proposed Disaster Recovery Programs

The 18DR-APA1 has multiple updates to the section, Proposed Disaster Recovery Programs, that seek to clarify and highlight current program design to meet the unmet needs of 2018 disasters. Current changes do not trigger a substantial amendment; they provide additional information.

Sub-section, Connection to Unmet Needs, is updated to reflect the amount of administration (5 percent of total grant amount) allocation amount from \$50,869,800 to \$50,869,950.

Sub-section, Method of Distribution within Programs: Economic Revitalization/Workforce Development, was edited for punctuation and word order to clarify the meaning of the language.

Sub-section, Program Overviews, outlines a summary of programs and edits made for clarification purposes to four (4) programs, Housing Recovery Programs, Multifamily Housing Program, Infrastructure, and Workforce Recovery. Updates for each respective program are as follows:

1. Housing Recovery Programs

Sub-section, Housing Recovery Programs, was altered in the following way:

- HCD’s affirmative marketing procedures was added which clarified outreach to protected class groups least likely to apply.

Sub-section, Owner Occupied Housing Rehabilitation and Reconstruction Program, was altered in the following ways:

- Maximum assistance for the OOR program award cap is increased from \$200,000 to \$500,000.
- Eligible activities were edited to clarify “administrative activities” rather than “activities”.
- The National Objective section was altered to add that the dollar amounts reflected in the budgetary split between the Owner-Occupied Housing Rehabilitation and Reconstruction program, which will serve homeowners, and the Multifamily Housing Program, which will serve renters, take displacement of LMI would-be applicants into account and the Multifamily Housing Program budget is based on FEMA IA data.

- Affirmative marketing for protected class groups was clarified.
- The eligible and ineligible costs section for new housing costs was clarified.

2. Multifamily Housing Program

- Sub-section, Maximum Assistance, has been clarified to provide specific per unit funding limits.
- Sub-section, Eligibility, was edited to establish program affordable rents at the annual High HOME rents for each applicable area. For those units that are for Extremely Low-Income Households, HCD is proposing to establish program affordable rents at the California Tax Credit Allocation Committee (CTCAC) rents for 30% Area Median Income (AMI) for each applicable area.
- Sub-section, Prioritization, has been revised to include clearer metrics and expectations for each of the priority types and includes additional details on the submission and approval of projects.
- Sub-section, Small Rental Projects, describes the current program design and requirements for 1 – 7-unit projects. All requirements for such projects will be established in separate policies and procedures.
- Sub-section, Maximum Assistance, has been clarified to indicate that the stated subsidy limit may not be applicable to Small Rental projects, with a final determination to be made in the program policies and procedures.

3. Infrastructure Recovery Program: Sub-section, Infrastructure Recovery Programs, was updated to clarify specific program elements related to use of funds. The added text expands the description of the local portion of non-federal match and other federal grants that require a non-federal share match, while still demonstrating a tie-back to DR-4407 and DR-4382, that HCD may cover through the Infrastructure program.

- Sub-section, Eligible Applicants, was revised to include language for indirect tie backs to the qualifying disaster.
- Clarity was provided to the FEMA HMGP Match sub-section, specifically, to clarify that notices of intent (NOI) lead to a program allocation, rather than a project, and to add the section for other non-federal match funds, making clear that HCD may fund the local portion of the non-federal share for all other (non-HMGP) federally grant-funded infrastructure projects with a tie-back to the DR-4382 and DR-4407 disaster events.
- Sub-section, Prioritization and Criteria for Selection, was updated to specify that LMI projects are given first priority and non-LMI projects are given second priority, as well as removing housing-related projects as a prioritization factor, while maintaining, as an eligibility criterion, that projects support housing recovery.
- Sub-section, Timeline, has been updated to detail the release of the Notice of Intent (NOI) and subsequent application period, including Technical Assistance.
- Sub-section, Unmet Needs, updated the amount of unmet need calculated post disaster

and allocated \$317,428,488 of CDBG-DR funds to fill the unmet need gap for infrastructure.

4. Workforce Development Program:

The Workforce Recovery program was renamed to the Workforce Development program and language was added to clarify the types of training that are eligible for funding, based on unmet needs.

- The eligible and ineligible cost section was updated to reflect more specific examples of eligible workforce development training.

5. Planning and Administration

Planning and Administration was changed to reflect HCD using five percent rather than four percent of the total grant allocation for administrative costs. It also clarifies the requirements of allocating up to a cumulative one percent to subrecipients; whereas, HCD may use funds for administrative costs at its sole discretion, if such need is identified.

6. Citizen Participation

Citizen Participation was updated to reflect minor changes to the language to improve readability and note HCD's adherence to California's Assembly Bill 434 (2017), which requires that the HCD Disaster Recovery website and all materials posted to it meet applicable accessibility standards. New language also clarifies that Action Plan Amendment Number 1 will be posted to HCD's website for 5 days, prior to its effective date.

II. EXECUTIVE SUMMARY

2018 was the deadliest year for wildfires in California's history. In August 2018, the Carr Fire and the Mendocino Complex Fire erupted in northern California, followed in November 2018 by the Camp and Woolsey Fires. These were the most destructive and deadly of the dozens of fires to hit California that year. In total, it is estimated over 1.6 million acres burned during 2018.¹ The Camp Fire became California's deadliest wildfire on record, with 85 fatalities.²

As a result, the Federal Emergency Management Agency (FEMA) made disaster assistance available for two presidentially declared disasters, DR-4407 covering Butte, Los Angeles, and Ventura counties, and DR-4382 covering Shasta and Lake counties. Many of these communities are now feeling the cumulative impact of several years of destructive fire activity, heightening the need for comprehensive, long-term recovery planning. 2017 and 2018 wildfires resulted in more wildfire-related property damage than the state has experienced in any two consecutive years.³

The impacts of these fires cannot be understated: many lives were lost, thousands of homes were destroyed, and residents, in some cases entire communities, have been forced to relocate. Billions of dollars in damage was caused to homes, businesses, and infrastructure throughout the state.

¹ California Department of Forestry and Fire Protection, 2018 Statistics and Events, <https://www.fire.ca.gov/stats-events/>. Retrieved 3/2/2020.

² California Department of Forestry and Fire Protection – Deadliest California Wildfires https://www.fire.ca.gov/media/5512/top20_deadliest.pdf. September 27, 2019.

³ 2019 Wildfire Risk Report. CoreLogic. https://www.corelogic.com/downloadable-docs/wildfire-report_0919-01-screen.pdf

In recognition of the unmet recovery needs, an allocation of \$1,017,399,000 in Community Development Block Grant-Disaster Recovery (CDBG-DR) funds was granted to the State of California on January 27, 2020 through 85 FR 4681 under Public Laws 115–254 and 116–20, which cover DR-4382 and DR-4407 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. These funds are administered by the U.S. Department of Housing and Urban Development (HUD) and are intended primarily to assist housing recovery and to benefit low- and moderate- income households impacted by the fires.

The California Department of Housing and Community Development (HCD) is the lead and responsible agency for administering these CDBG-DR funds. Additionally, HCD has undertaken an extensive needs assessment to determine the specific priorities of the affected counties, which include economic development and infrastructure activities in addition to housing. This assessment has included significant stakeholder outreach, including meetings and hearings with local government entities and residents of the impacted areas. The results of this needs assessment and the corresponding program areas and activities are outlined in this Action Plan, and stakeholder outreach will be ongoing throughout the life of this grant.

1. JULY-SEPTEMBER 2018 WILDFIRES (DR-4382)

At the end of July 2018, several fires ignited in northern California, eventually burning over 680,000 acres. The Carr Fire, which began on July 23, 2018, was active for 164 days and burned 229,651 acres in total, the majority of which were in Shasta County. It is estimated that 1,614 structures were destroyed, and eight fatalities were confirmed.

The damage caused by this fire is estimated at approximately \$1.659 billion. Now, years since the fire, the county and residents are still struggling to rebuild, with the construction sector pressed beyond its limit with the increased demand.

The Mendocino Complex Fire, which began on July 27, 2018, and was active for 160 days, is the third largest fire in California's history, burning a total of 459,123 acres. It was comprised of the River Fire and Ranch Fire, and impacted Mendocino, Lake, Colusa, and Glenn counties. Lake County was identified as a designated county by FEMA in its DR-4382 disaster declaration. The majority of the fire burned forested areas; however, 246 structures were destroyed and there was one fatality. It is believed the fires caused damages upward of \$267 million. Lake County is experiencing the compounding impact of over 10 disasters since 2015, with over 60 percent of the county's land mass burned in the last few fire seasons.

2. NOVEMBER 2018 WILDFIRES (DR-4407)

On November 8, 2018, the Camp and Woolsey wildfires ignited in Butte, Los Angeles, and Ventura counties. Together, the Camp and Woolsey wildfires claimed 89 lives and burned over 250,000 acres. These fires became some of the most destructive in California's History. The Woolsey Fire spread quickly due to the southern blowing Santa Ana winds and destroyed 1,643 structures in Los Angeles and Ventura counties. This fire caused between \$3.5 billion and \$5.5 billion in damage to residential properties, according to a report released by CoreLogic. This is in a region already struggling with a housing shortage.

The Camp Fire in Butte County has become California’s deadliest and most destructive wildfire on record and destroyed approximately 19,000 structures, including 14,000 homes. Tragically, 85 lives were lost. Nearly the entire Town of Paradise was destroyed in this fire, which moved quickly and was fueled by high winds. Some of the impacted residents are attempting to stay and rebuild, others to relocate within their county, to neighboring communities, or even farther. This will all take place under the effects of a housing crisis already impacting California, with low vacancy rates and ever-increasing costs to rebuild.

3. ONGOING THREAT

The intensity and scale of the 2018 wildfires were fueled by high temperatures, strong winds, and dry conditions. Dead and dying trees also continue to pose a wildfire risk, a condition largely brought on by years of drought. The United States Forest Service estimated that 18 million trees had died in California in 2018, bringing the total to over 147 million trees since droughts began in 2010. And while the rate of mortality has slowed in recent years since the drought officially ended in 2017, Thom Porter, CAL FIRE Director and California’s state forester stated, “...the forests of California are still under significant stress. The stress of drought, insects, disease, and prolific wildfire will continue to challenge the resilience of the state’s forests.”

Extreme weather conditions brought on by climate change, such as the droughts of previous years, will continue to heighten the risk of wildfire activity in California. A study out of Columbia University in 2019 found that California’s wildfire activity has increased eightfold in summertime forest-fire area, largely driven by the dry conditions brought on by human-caused warming.⁴ The resulting tree mortality contributed to the fast-moving and intense nature of the fires that devastated California in 2018.

It is estimated that nearly 650,000 residences in California are at either high or extreme risk of wildfire, and the reconstruction cost value of those properties is valued at over \$280 billion.⁵ A McClatchy analysis identified more than 75 towns and cities with populations over 1,000 where, like Paradise, at least 90 percent of residents live within the Cal Fire “very high fire hazard severity zones,” and the total population living in these very high fire hazard severity zones is believed to be over 2.7 million.⁶ While agencies such as Cal Fire and U.S Forest Service make strides in fire and forest management, the state must plan and prepare for future events such as the disasters that hit in 2018. 2019 was a quieter wildfire season, but still saw several fires, including the Kincadee Fire, which burned over 77,000 acres in Sonoma County. Massively destructive wildfires returned in 2020 with the Creek fire, August Complex, SCU Lightning Complex, LNU Lightning Complex, North Complex, SQF Complex, and others.

ANTICIPATED UNMET RECOVERY NEEDS

The Needs Assessment section details quantified losses resulting from the disasters, resources available to address the identified losses (as of the publication of this document), and the remaining unmet recovery needs. As shown in the table below, the recovery needs far exceed the available resources.

Recognizing the requirement included in the Federal Register Notice to address housing needs

⁵ 2019 Wildfire Risk Report. CoreLogic. https://www.corelogic.com/downloadable-docs/wildfire-report_0919-01-screen.pdf

⁶ “These California communities could be the next Paradise. Is yours one of them?” April 11, 2019. The Sacramento Bee. <https://www.sacbee.com/news/california/fires/article227589484.html>

first, HCD has determined that repairing and rebuilding owner-occupied and rental housing is the priority for CDBG-DR funding currently available to California.

Similarly, recognizing the obligation, also stated in the Federal Register Notice, that 70 percent of 2018 CDBG-DR funds must be used to benefit low- and moderate-income households and as outlined throughout this Action Plan, HCD is committed to equity, across all of the Department’s disaster recovery programs.

HCD is committed to pursuing additional resources and leveraging other resources to support the statewide recovery effort. In addition, HCD is continuing to coordinate closely with local, state, and federal partners with respect to ongoing data collection efforts, identifying resources, and understanding how unmet needs evolve over time.

Federal Register Notice 85 FR 4681 outlines the methodology HUD used to determine serious unmet needs for the major disasters covered by Public Laws 115 -254 and Public Law 116-20. HUD’s methodology typically uses FEMA Individual Assistance and SBA home loan registrations to calculate serious unmet needs. For its part, HCD recognizes the importance of using a more granular and locally informed unmet needs methodology to build the foundation for an equitable distribution of recovery funds. To accomplish this, HCD has elected to utilize more detailed information and alternative data sources, particularly CAL FIRE damage assessments, to qualify both the impacts and remaining unmet needs for disaster declared areas. HCD also takes very seriously a commitment to not just anti-discrimination of protected classes, but also to support for those individuals who may be disproportionately impacted. Therefore, HCD used demographic analyses to determine allocation methodologies and scoring priorities.

The following provides a summary of disaster impacts from DR-4382 and DR-4407 across three categories: housing, infrastructure, and economic revitalization. Funding awarded or obligated represents funding already made available to address these impacts; this includes FEMA, Small Business Administration, and insurance funding. The gap between total impact and available funding makes up the unmet need. CDBG-DR funds must be used to address this unmet need and not duplicate or supplant other recovery funding. The availability of data shifts over the course of recovery; the unmet needs analysis uses the best available data at the time of analysis. As illustrated below, the major wildfires in California in 2018 caused approximately \$23 billion in total need, including housing, infrastructure, and economic factors. Almost \$16 billion of that need is covered through currently available funding sources, leaving an unmet need of \$7.2 billion.

FIGURE 1: 2018 CDBG-DR ACTION PLAN: UNMET RECOVERY NEEDS SUMMARY

	Total Impact (-)	Funding Awarded or Obligated (+)	Unmet Need	% of Unmet Need
Housing	\$14,876,576,401	\$11,651,196,156	\$3,225,380,246	45%
Infrastructure	\$5,643,628,499	\$2,805,280,125	\$2,838,348,374	39%
Economic Revitalization	\$2,451,825,534	\$1,282,847,617	\$1,168,977,918	16%

Total	\$22,972,030,435	\$15,739,323,897	\$7,232,706,538	
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4. PROPOSED USE OF CDBG-DR FUNDS

CDBG-DR is a flexible funding source, and may be spent on a variety of housing, infrastructure and economic revitalization projects and programs. However, per the Federal Register and HUD guidance, the state will prioritize housing and housing related needs first.

Due to federal regulations, all funds must be spent in areas that were impacted by the July-September 2018 and November 2018 fires. Of this, 80 percent must be spent in locations HUD has identified as the Most Impacted and Distressed (MID) Areas (these are all of Butte, Lake, Los Angeles, and Shasta counties). Finally, CDBG-DR requires at least 70 percent of funds must be spent to benefit low-to-moderate income (LMI) persons.

Using the unmet needs analysis as a guide, HCD proposes the following programs to be funded through this Action Plan. The following includes the originally proposed budget for the CDBG-DR funds, and the proposed changes for Action Plan Amendment No. ~~7,6,5,4,3,2~~ Action Plan Amendment No. 1

FIGURE 2: 2018 CDBG-DR BUDGET SUMMARY – 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%

FIGURE 2: 2018 CDBG-DR BUDGET SUMMARY – APA 6 BUDGET

Program	Current Budget	Local Assistance (APA 6 change)	Percentage
Total CDBG-DR Funds	\$1,017,399,000.00	N/A	100.00%
Housing	\$529,855,816.20	N/A	52.08%
Owner-Occupied Rehabilitation and Reconstruction	\$222,383,622.19	\$199,033,341.84	21.86%
Homebuyer Assistance Program	\$26,332,686.65	\$23,567,754.56	2.59%
Multifamily/Small Rental Housing Program	\$281,139,507.36	\$250,687,114	27.63%
Infrastructure	\$389,348,700.80	\$347,441,663.22	38.27%
Local Infrastructure /FEMA Match	\$359,348,700.80	\$347,441,663.22	35.32%
Paradise Sewer A&E	\$30,000,000	N/A	2.95%
Economic Revitalization	\$46,542,372.33	N/A	4.57%
Workforce Development	\$46,542,372.33	\$40,694,942.60	4.57%
Planning	\$782,160.67	N/A	0.33%
Technical Assistance & Capacity Building	\$0		0.00%
Regional & Local Planning Activities	\$782,160.67	N/A	0.33%
State and Local Program Delivery	\$0	\$0	0.00%
Administration	\$50,869,950	N/A	5.00%

The economic revitalization local assistance budget is updated to \$40,694,942.60 to reflect the methodology for local assistance.

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

Program	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%
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%

FIGURE 2: 2018 CDBG-DR BUDGET SUMMARY – 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

FIGURE 3: 2018 CDBG-DR BUDGET SUMMARY – PROPOSED APA 2 BUDGET

Program	Original Program Allocation	APA2 Change	Revised APA2 Allocations	Percentage of Total Program Allocation
Total CDBG-DR Funds	\$1,017,399,000		\$1,017,399,000	100.0%
Housing	\$455,794,752	+25,000,000	\$480,794,752	47.3%
Owner-Occupied Rehabilitation and Reconstruction	\$205,107,638		\$205,107,638	20.2%
Homebuyer Assistance Program		+\$25,000,000	\$25,000,000	2.5%
Multifamily/Small Rental Housing	\$250,687,114		\$250,687,114	24.6%
Infrastructure	\$317,428,488	\$347,428,488	\$347,428,488	34.1%
Local Infrastructure/FEMA Match	\$317,428,488		\$317,428,488	31.2%
Paradise Sewer A&E		\$30,000,000	\$30,000,000	2.9%
Economic Revitalization	\$40,695,960		\$40,695,960	4.0%
Workforce Development	\$40,695,960		\$40,695,960	4.0%
Planning	\$86,217,000	(\$55,000,000)	\$31,217,000	3.1%
Technical Assistance & Capacity Building	\$15,000,000		15,000,000	1.5%
Regional & Local Planning Activities	\$71,217,000	(\$55,000,000)	\$16,217,000	1.6%
State and Local Program Delivery	\$66,392,850		\$66,392,850	6.5%
Administration	\$50,869,950		\$50,869,950	5.0%

FIGURE 2: 2018 CDBG-DR BUDGET SUMMARY – APA 1 BUDGET

Program	Program Allocation	Percentage of Total Program Allocation
Total CDBG-DR Funds	\$1,017,399,000	100.0%
Housing	\$455,794,752	45.0%
Owner-Occupied Rehabilitation and Reconstruction	\$205,107,638	20.0%
Multifamily/Small Rental Housing	\$250,687,114	25.0%
Infrastructure	\$317,428,488	31.0%
Economic Revitalization	\$40,695,960	4.0%
Workforce Development	\$40,695,960	4.0%
Planning	\$86,217,000	8.5%
Technical Assistance & Capacity Building	\$15,000,000	1.5%
Regional & Local Planning Activities	\$71,217,000	7.0%
State and Local Program Delivery	66,392,850	6.5%
Administration	\$50,869,950	5.0%

**FIGURE 2: 2018 CDBG-DR BUDGET SUMMARY (ORIGINAL AP)
August 2020**

Program	Program Allocation	Percentage of Total Program Allocation
Total CDBG-DR Funds	\$1,017,399,000	100%
Housing	\$455,794,752	45%
Owner-Occupied Rehabilitation and Reconstruction	\$205,107,638	20%
Multifamily/Small Rental Housing	\$250,687,114	25%
Infrastructure	\$317,428,488	31%
Local Infrastructure/FEMA Match	\$317,428,488	31%
Economic Revitalization	\$40,695,960	4%
Workforce Development	\$40,695,960	4%
Planning	\$86,217,000	8.5%

Technical Assistance & Capacity Building	\$15,000,000	1.5%
Regional & Local Planning Activities	\$71,217,000	7%
State and Local Program Delivery	66,392,850	6.5%
Administration	\$50,869,950	5%

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.

The multifamily housing program will allow local governments to identify, select, and submit potential projects to the state for eligibility and compliance review, approval, and funding. Local governments that receive funds will work with qualified developers and contractors to construct the developments. Assistance will also be available for the rehabilitation and reconstruction of small rental properties (properties with up to seven units total). Both the multifamily program and the small rental program are aimed at assisting renters impacted by the disasters.

With over \$2.8 billion in unmet infrastructure needs resulting from the 2018 fires, HCD determined that a significant investment in this program area was warranted. HCD has allocated funding for the Infrastructure Program which includes non-federal share match for FEMA Public Assistance (PA) Hazard Mitigation Grant Program (HMGP) and non-federal share match, and for stand-alone infrastructure projects in support of housing recovery.

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.

5. Planning efforts

Planning efforts at a local, regional, and state level are necessary to ensure fire - impacted areas are rebuilt in a thoughtful and more resilient manner. HCD has reallocated most of the original \$86.2 million, for planning efforts and of support local capacity building, to new housing and infrastructure programs. HCD has left \$782,160.67 allocated to the planning efforts. Finally, HUD allows grantees to allocate up to five percent of the CDBG-DR grant to administration. HCD will use the five percent to perform necessary grant administration functions such as required reporting, administering the single-family housing program and managing public engagement and hearings. At its sole discretion if the need is identified, HCD may allocate a portion of the five percent, up to a cumulative total of one percent, to subrecipients, to assist them in their local administration of projects.

6. EQUITABLE USE OF CDBG-DR FUNDS

HCD is committed to the equitable use of CDBG-DR funds. In keeping with this commitment, equity provisions appear throughout the 2018 CDBG-DR Action Plan.

Specifically, recognizing the importance of using a more granular and locally informed unmet needs methodology, as informed by the equity components of statewide planning efforts, to build the foundation for an equitable distribution of recovery funds, HCD utilized more detailed information and alternative data sources to quantify both the impacts and remaining unmet needs for disaster declared areas, including the unmet housing needs of vulnerable populations, on the one hand, and avoiding inequitable displacement, on the other hand.

Moreover, the 2018 CDBG-DR Action Plan makes planning funds available to counties and impacted municipalities to fund local resilience and mitigation planning with an emphasis on 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.

While much of the work of ensuring equity in HCD's Disaster Recovery programs will take place in program design and project implementation, HCD has prepared the equity maps, contained in Appendix E, to inform the design of equitable programs and a way to measure the impact of HCD's Disaster Recovery program.

7. CONCLUSION

The State of California suffered tremendous devastation due to the 2018 wildfires. To assist in its recovery, over \$1 billion in CDBG-DR has been allocated through Public Law 115–254 and 116–20. HCD will administer these funds on behalf of the State of California and submits this amended Action Plan for Disaster Recovery to HUD as is required by the allocation. The Action Plan identifies disaster impacts and unmet recovery needs, provides an overview of the rules and regulations associated with CDBG-DR funding, outlines the uses of the funds and how funds will be distributed to impacted residents and communities, and affords citizens with an opportunity to comment on the state's recovery plan. The following Action Plan outlines HCD's activities to support recovery efforts across the State of California for DR-4382 and DR-4407. The recovery activities include the state operated Owner-Occupied Housing Rehabilitation and Reconstruction program, assistance for small rentals and multifamily housing, FEMA and HMGP match, other grant-funded federal infrastructure projects that require a non-federal share match, dedicated funding infrastructure assistance for localities, and planning funds for state, regional, and local planning efforts.

III. NEEDS ASSESSMENT

1. Unmet Needs Assessment

Although California has experienced an acute increase in wildfire activity in recent years, 2018 gains an unfortunate distinction as both the most destructive and deadliest season ever recorded. A total of 7,639 fires wrought destruction on over 2 million acres, a gross area larger than the state of Delaware. To fully understand the impacts and to better develop a long-term recovery strategy, the State of California has completed a comprehensive needs assessment for the 2018 disaster impact areas. The assessment specifically identifies the effects, long-term unmet needs, and priorities for the U.S. Department of Housing and Urban Development (HUD) allocated CDBG-DR funding intended to aid in recovery, resilience, and future



mitigation. As a vehicle of delivery, these funds have been allocated specifically to address unmet needs from two Presidentially declared disasters. The Major Disaster Declaration for DR-4382 was issued on August 4, 2018, and covers Lake and Shasta Counties. The Major Disaster Declaration for DR-4407 was issued on November 12, 2018, and covers Butte, Los Angeles, and Ventura counties.

This assessment incorporates a comprehensive set of data sources that cover multiple geographies and sectors and was completed according to guidelines set forth by HUD in the January 27, 2020, Federal Register Notice (85 FR 4681). The assessment is based on data provided by State and federal agencies, the U.S. Federal Emergency Management Agency (FEMA), the U.S. Small Business Administration (SBA), the Census Bureau, the California Department of Insurance, impacted jurisdictions, local nonprofits, among other sources.

The Unmet Needs Assessment specifically concentrates analysis on the five counties covered in the Federal Disaster Declaration, with added emphasis on the HUD identified Most Impacted & Distressed (MID) areas of Shasta County, Lake County, Butte County and Los Angeles County. The analysis evaluates impacts and needs concentrated in three major areas: Housing, Infrastructure, and Economic Impact / Revitalization.

3 below summarizes the four major fires, the nine counties impacted by the disasters, the five counties identified by the Federally-Declared Disaster Declarations, and the four counties identified by HUD as Most Impacted & Distressed (MID).

FIGURE 3, 5-4: DISASTER DESIGNATIONS

Event	Impacted Counties	Federally Declared Disaster	HUD Most Impacted & Distressed Area
Carr	Shasta County	DR-4382	★
	Trinity County		
Mendocino Complex (Ranch & River Fires)	Lake County	DR-4382	★
	Colusa County		
	Mendocino County		
	Glenn County		
Camp	Butte County	DR-4407	★
Woolsey	Los Angeles County	DR-4407	★
Event	Impacted Counties	Federally Declared Disaster	HUD Most Impacted & Distressed Area
	Ventura County	DR-4407	

Figures 5 and 6 below show the counties under the two Federal Disaster Declarations. FEMA Individual Assistance (IA) and Public Assistance (PA) funding is flowing to these designated counties.

FIGURE 5: FEMA 4382 DECLARATION

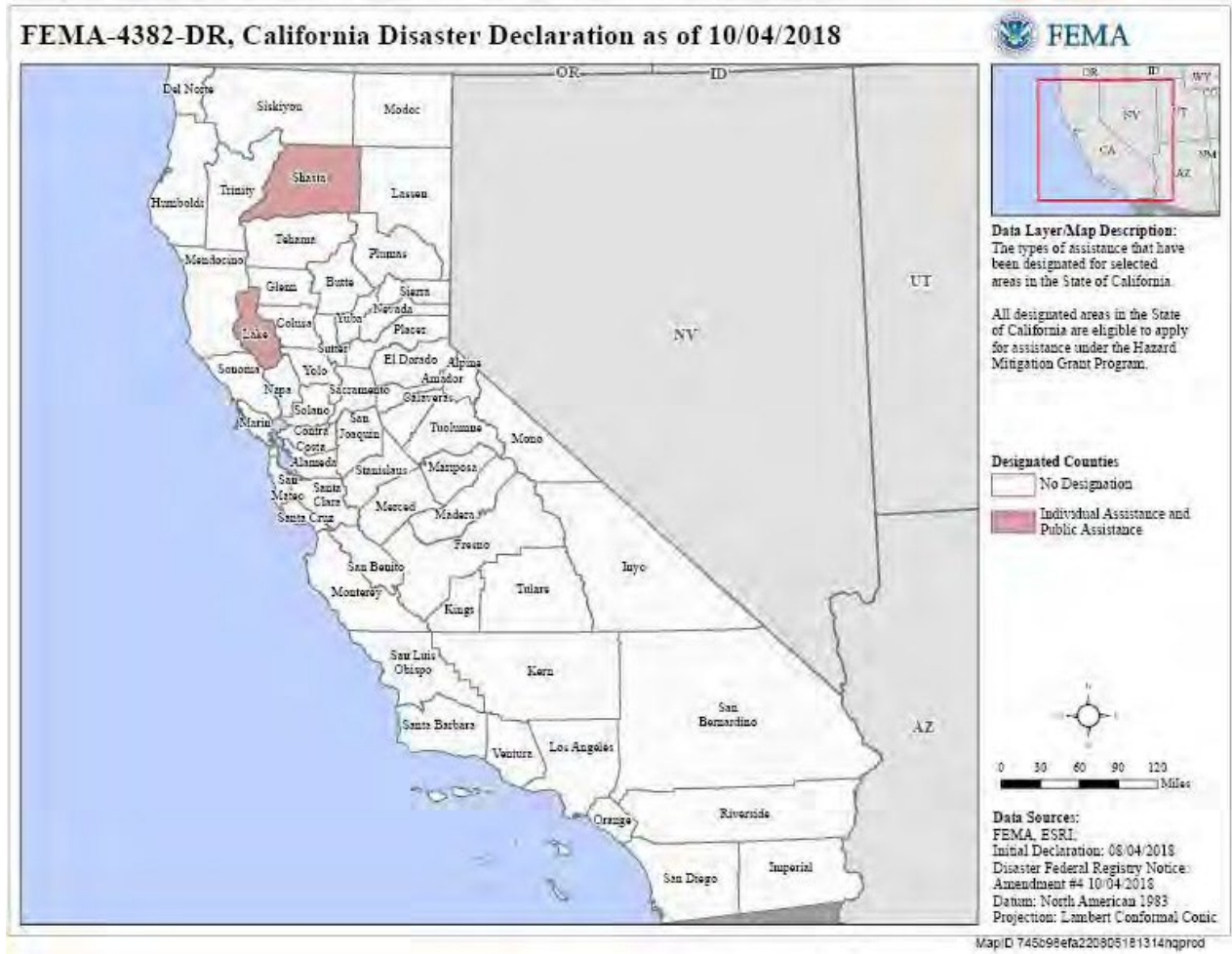


FIGURE 36: FEMA 4407 DECLARATION



Unmet Needs Summary

The major wildfires in California in 2018 caused approximately \$23 billion in total need, including housing, infrastructure, and economic factors. Almost \$16 billion of that need is covered through currently available funding sources, leaving an unmet need of \$7.2 billion. As additional loss estimates are determined and made available, this need is expected to grow.⁷ Of the total unmet need, housing accounts for 45 percent, infrastructure 39 percent, and economic revitalization 16 percent of the need. These proportions may shift as additional needs are identified, additional sources of funds are determined, and as replacement/repair estimates become more refined.

⁷ This is particularly true of infrastructure costs due to the size and complexity of those projects.



FIGURE 4: UNMET NEEDS SUMMARY

	Loss/Need (-)	Funding Awarded or Obligated (+)	Unmet Need (=)	% of Unmet Need
Housing	\$14,876,576,401	\$11,651,196,156	\$3,225,380,246	45%
Infrastructure	\$5,643,628,499	\$2,805,280,125	\$2,838,348,374	39%
Economic Revitalization	\$2,451,825,534	\$1,282,847,617	\$1,168,977,918	16%
Total	\$22,972,030,435	\$15,739,323,897	\$7,232,706,538	

Housing

	Loss/Need (-)	Funding Awarded or Obligated (+)	Unmet Need (=)
Residential Property Loss	\$14,876,576,401		\$14,876,576,401
Public Housing Loss	\$-		\$-
FEMA Individual Assistance (IA)		\$98,316,794	\$(98,316,794)
<i>FEMA Housing Assistance (HA)</i>		\$64,381,734	\$(64,381,734)
<i>FEMA Other Needs Assistance (ONA)</i>		\$33,935,059	\$(33,935,059)
FEMA Rental Assistance		\$23,382,303	\$(23,382,303)
SBA Loans: Residential		\$132,915,500	\$(132,915,500)
CalHome		\$57,008,200	\$(57,008,200)
Community Housing Improvement Program (CHIP) Grant for Paradise Community Village		\$580,000	\$(580,000)
Private Insurance Payments		\$11,338,993,359	\$11,338,993,359
Total Housing	\$14,876,576,401	\$11,651,196,156	\$3,225,380,246

Infrastructure

	Loss/Need (-)	Funding Awarded or Obligated (+)	Unmet Need (=)
Response: Debris Removal	\$4,083,130,524		\$4,083,130,524
Response: Fire Suppression	\$559,232,614		\$559,232,614
Infrastructure & Public Facilities Damage/Need	\$1,001,265,361		\$1,001,265,361
Cal Fire Funds		\$440,000,000	\$(440,000,000)
FEMA Public Assistance		\$1,922,796,522	\$(1,922,796,522)



	Loss/Need (-)	Funding Awarded or Obligated (+)	Unmet Need (=)
(PA)			
<i>FEMA PA Emergency Work</i>		\$1,694,517,544	\$(1,694,517,544)
<i>FEMA PA Permanent Work</i>		\$190,253,583	\$(190,253,583)
<i>FEMA PA Admin Costs</i>		\$38,025,394	\$(38,025,394)
FEMA HMGP		\$110,663,253	\$(110,663,253)
FEMA Mission Assignments		\$313,720,350	\$(313,720,350)
California Legislature Backfill		\$14,600,000	\$(14,600,000)
Insurance Payments (Paradise Irrigation District)		\$3,500,000	\$(3,500,000)
Total Infrastructure		\$2,805,280,125	\$2,838,348,374

Economic Revitalization

	Loss/Need (-)	Funding Awarded or Obligated (+)	Unmet Need (=)
Commercial Property Loss	\$1,566,536,326		\$1,566,536,326
Business Interruptions	\$600,000,000		\$600,000,000
Government Revenue Loss	\$192,800,000		\$192,800,000
Agricultura Loss	\$77,489,208		\$77,489,208
Tourism Loss	\$15,000,000		\$15,000,000
SBA Loans: Business/Economic Injury Disaster Loans (EIDL)		\$61,755,900	\$(61,755,900)
U.S. Department of Commerce: workforce training and emergency management grant		\$7,400,000	\$(7,400,000)
California Employment Development Department: grant for Butte County		\$999,500	\$(999,500)
U.S. EDA Disaster Relief		\$200,000	\$(200,000)
Disaster Unemployment Assistance (DUA)		\$2,077,255	\$(2,077,255)
Private Insurance Payments		\$1,210,414,962	\$(1,210,414,962)
Total Economic Revitalization	\$2,451,825,534	\$1,282,847,617	\$1,168,977,918

Source: California Department of Insurance, FEMA Individual Assistance, CalHome, Paradise

Community Village, CAL FIRE, FEMA Public Assistance, FEMA HMGP, Paradise Irrigation District, US SBA, US EDA, US Department of Commerce, California Employment Development Department

Data Availability and Scope of Analysis

To understand the totality of response and recovery needs for disaster impacted communities, the use of quantitative and qualitative data analysis is critically important but somewhat challenging. Specifically, the availability of data shifts over the course of a recovery and complicates the ability to paint an accurate and all-encompassing portrait of how a community was impacted by a disaster event. It is for this reason that HCD uses the best available data at the time of the analysis, and qualifies results as solely based on the data utilized, at the time it was used. HCD will amend the Unmet Needs Assessment and the Action Plan as required to account for updated circumstances and new data. The foundation of this Unmet Needs Assessment is based on data sources that provide consistent, replicable data across all four of the MID areas to ensure the most accurate comparisons across the MID areas. HCD strives to provide the most detailed analysis reasonably achievable, accounting for the variability in data availability from community to community. However, efforts were made to ensure consistent or comparable data was used across counties wherever possible. An overview of the core data sources is outlined below, followed by a discussion of the methodology utilized to perform this Unmet Needs Assessment.

A Note on Covid-19

To comply with HUD requirements, these unmet needs analysis and any programming resulting from this analysis must be tied to the impacts of only the DR-4407 and DR- 4382 disasters. Without knowing the full impacts, the unprecedented and evolving COVID-19 crisis will have on the State of California, the demographics and trends outlined in this Action Plan must be based on verified data, which will ultimately be based on previous years' information. While this may no longer reflect the felt reality of the State's economy, workforce, or housing, it is the most accurate data from the time of the fires and the immediate aftermath and reflects the impact of the scope of the applicable disasters allowed by HUD per the Federal Register Notice, 85 FR 4681.

Overview of National and State-Wide Data Sources

The following provides an overview of the core data sources used in the Unmet Needs calculation. These data sets are available either at the national or state-wide level.

U.S. Federal Emergency Management Agency Individual Assistance (FEMA IA) – FEMA provides direct assistance to individuals and households through the IA program. Individuals and households must voluntarily register for IA assistance. FEMA IA registrations are based on information provided by disaster survivors applying for assistance from the program and from information collected by a FEMA inspector responsible for determining loss based on FEMA's standard loss verification method, including inspection (onsite or geospatial), and may include review of available documentation. The FEMA IA data includes information on both renters and owners. FEMA IA provides Housing Assistance (HA) awards to homeowners to repair or replace an owner-occupied residence to a habitable condition, not to return a home to its pre - disaster condition. HA awards also aid owners and renters for short term lodging and rental assistance for temporary housing when they are displaced from

their primary residence. In addition, individuals may be eligible for Other Needs Assistance (ONA), which can assist with various expenses ranging from loss of personal property to transportation to funeral and medical expenses.

U.S. Small Business Administration (SBA) – Despite the Administration’s name, the SBA Disaster Loan Assistance program also assists impacted homeowners, renters, and businesses. Like FEMA IA, this is a voluntary program and therefore applicant information is based on individuals who pursue assistance through this program. The program provides low-interest loans to renters and homeowners to repair or replace personal property damaged or destroyed in the disaster. In addition, homeowners may receive low-interest loans to repair or replace their primary residence to pre-disaster condition. As a low-interest loan program, SBA residential loans tend to be used more by homeowners than renters as they are often those who feel able to take out a loan. Compared to FEMA loss values, which only cover the cost for repair and replacement, SBA verified loss amounts tend to be higher as they are based on the full cost to restore a home. Rental properties may be eligible for business loans through SBA. SBA also provides businesses and non-profits with Business Physical Disaster Loans to use to repair or replace real property, inventory, machinery, etc. and Economic Injury Disaster Loans (EIDL), which can provide working capital for operating expenses.

CAL FIRE Damage Inspection – As the state fire agency, CAL FIRE deploys inspectors after all disasters within the State of California. Using ArcGIS, inspectors use parcel maps to document damage by property. The damage inspection includes parcel, address, structure type, construction type, damage categories, and vegetation clearance information for all impacted properties. This parcel-by-parcel survey includes conventionally built homes, mobile homes, manufactured homes, outbuildings and detached structures, and commercial structures. This parcel level assessment provides a more robust picture of structural damage but does not include information on the occupants. The CAL FIRE data proved most effective at identifying destroyed structures,⁸ which account for 94 percent of all damaged structures identified in the data.

California Department of Insurance Claims – While floods and hurricanes can rely on National Flood Insurance Program data, fire damage must be collected from individual insurance companies as there is no comparable national fire insurance program. The CA Department of Insurance, however, collected data from private insurance companies in California specific to the 2018 wildfires, and provided information aggregated at the county level on the number of claims and privately insured losses for homeowners and businesses for the 2018 fires.⁹

Ultimately, no single data source accurately captures the population impacted by DR- 4382 and DR-4407. This Action Plan and Unmet Needs analysis captures a point in time and reflects the best available data at the time of its publication, using data available state-wide as the foundation for the calculation and supplementing the data sources with locally available information.

Data Analysis Methodology

When determining the method of aid distribution to disaster impacted communities, HUD

⁸ Destroyed structures are those that are more than 50 percent damaged.

⁹ HCD requested address level insurance claim information for disaster impacted households but household level information on claims was not available.

typically uses a combination of data sources to calculate serious unmet needs. Federal Register Notice 85 FR 4681 outlines the methodology HUD used to determine serious unmet needs for the major disasters covered by Public Laws 115 -254 and Public Law 116-20. Specific to the disaster events covered under this Action Plan, HUD's unmet need calculation utilized a combination of FEMA Individual Assistance, Public Assistance, and Small Business Administration (SBA) data to qualify impacts to housing, the economy, and infrastructure of Presidentially declared disaster areas. Specific to Housing, HUD utilized home inspection data from the FEMA Individual Assistance Program and the Small Business Administration (SBA) disaster loan programs. For estimating serious unmet economic revitalization needs, HUD relied on data from SBA disaster loans to business; and for infrastructure needs, HUD used data from the FEMA Public Assistance program on permanent public infrastructure projects (FEMA Category C-G) costs.

For its part, HCD recognizes the importance of using a more granular and locally informed unmet needs methodology to build the foundation for an equitable distribution of recovery funds. To accomplish this, HCD has elected to utilize more detailed information and alternative data sources to qualify both the impacts and remaining unmet needs for disaster declared areas.

While the use of FEMA IA and SBA data has overwhelmingly been used as the acceptable standard for quantifying damage and need in disaster impacted areas, our review of the available data from these agencies found it to be inadequate. Specifically, the number of Individual Assistance and SBA loan applications was significantly less than the known number of substantially damaged or destroyed properties within these areas. Our analysis found that FEMA also did not inspect the overwhelming majority of applicants' homes due to their policy of denying the assistance requests of applicants that indicated that they either had insurance or they were initially approved for SBA loans. Regardless of approval numbers, the aggregate total of eligible FEMA IA recipients and SBA Loan recipients still appears to dramatically under-represent the universe of fire-impacted properties, both owner- and renter-occupied.

To qualify this disparity, HCD utilized data provided by the California Department of Insurance (CDOI) and the Department of Forestry and Fire Protection (CAL FIRE) to more completely ascertain the impact to owner-occupied, rental and commercial properties within the Presidentially declared counties.

The CDOI data indicates 42,880 claims were made for residential personal properties with direct insured losses in excess of \$11.4 billion. Commercial property losses (which include apartments and condominium complexes) totaled 3,195 with direct insured losses in excess of \$1.36 billion. The SBA losses are significantly less, with 12,877 applications and only 8,178 applications determined to have verified loss; the total loss captured in the SBA home loan data totals \$2.26 billion. That loss amount is less than 20 percent of the total insurance loss value, demonstrating how significantly the SBA data underrepresents the personal property losses associated with California's 2018 wildfires.

The FEMA IA data appears to be even more disparate. It shows the program received 31,338 applications, of which only 10,475 had a FEMA Verified Loss (FVL) greater than \$0. The total FVL for all FEMA IA applicants is \$0.4 billion, which is only three percent of the insured loss total for residential personal property reported by the CDOI. Regarding commercial property, the SBA data includes 2,425 applicants and only 1,659 with verified loss. The total verified



loss is \$0.8 billion according to the SBA, which is only 59 percent of the loss demonstrated in the CDOI data. For the commercial business loss calculation, HCD relied on the CDOI data as it appears to provide the most complete accounting of the business loss.

While the data gathered from CAL FIRE does not include monetary loss estimates, it does represent the greatest number of damaged structures among the available datasets, and further outlines structure type and level of damage for each. The dataset includes 17,400 residential structures with some level of damage; more than twice the number in the SBA home loan dataset and nearly 70 percent more than represented in the FEMA IA dataset.

In the calculation of unmet needs, CAL FIRE data was only used for the housing calculation, using the residential structures information, including Single Family, Multifamily, and Mobile Home structures to establish a baseline of known damage within the impacted areas.

HCD understands that HUD and the public is accustomed to the use of both FEMA IA and SBA data when performing unmet needs analyses and thus provides further detail on its use of alternate data sources in the corresponding sections.

2. Background

The State of California completed the unmet needs assessment to identify the long-term needs and priorities for CDBG-DR funding allocated as a result of the wildfire events in 2018. The needs assessment evaluates the effects of four major wildfire events. In 2018, California had the following major wildfires: Camp, Carr, Mendocino Complex (a combination of the River and Ranch Fires), and the Woolsey fires. These fires affected 9 counties in total. Five of the nine were disaster-declared counties and four are considered MID areas per the HUD Federal Register Notice of January 27, 2020.

FIGURE 5: DISASTER DECLARED AREAS

Event	FEMA Presidentially Declared Disaster Areas		HUD CDBG-DR Most Impacted & Distressed Areas
	Fire Name	Declaration	County
Mendocino Complex	DR-4382	Lake County	Lake County
Carr Fire		Shasta County	Shasta County
Camp Fire	DR-4407	Butte County	Butte County
Woolsey Fire		Los Angeles County	Los Angeles County
		Ventura County	

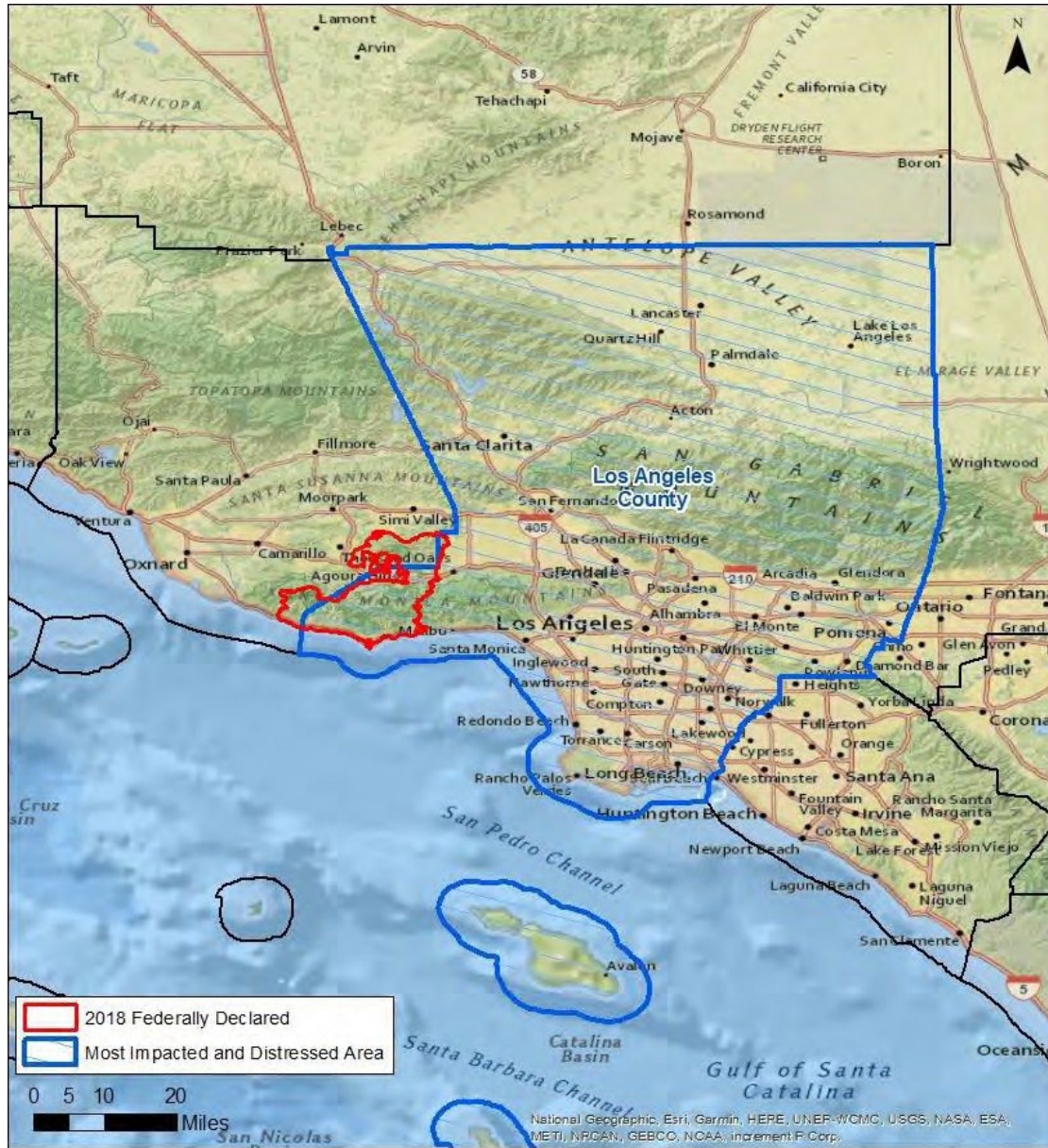
Source: FEMA Disaster Declarations, HUD Federal Register Notice 85 FR 4681

Depending on the scale of the information available, the analysis may present data for the four major wildfires, for the five Presidentially declared disaster counties, and/or for the four MID counties. As

specified in Federal Register Notice (85 FR 4681), 80 percent of all allocated funds are required to be spent in the four HUD identified Most Impacted and Distressed (MID) areas. However, the State is committed to also addressing unmet needs in Ventura County and will do so within the budgetary allotment allowed by HUD. Three of the four declared areas, the Camp Fire, Carr Fire, and Mendocino Complex, were in more rural areas of Northern California. The Woolsey Fire was in Southern California, west of the City of Los Angeles, was much closer to large urban centers. As can be seen in the figures below, for each of the fires or complexes, the MID areas were designated county-wide but did not necessarily encompass all counties with impacted communities. Woolsey Fire, for example, burned in Ventura County, but Ventura County was not included in the MID. **FIGURE 6: MOST IMPACTED AND DISTRESSED AREAS – NORTHERN COUNTIES**



FIGURE 7: MOST IMPACTED AND DISTRESSED AREAS – SOUTHERN COUNTIES



The Disasters

Four major wildfires ripped through northern and southern California in 2018: Camp, Carr, Mendocino Complex, and Woolsey Fires. The Camp Fire was the most destructive wildfire in recorded history and world’s costliest natural disaster in 2018 according to a report by Munich Re, a reinsurance fund. It was also California’s deadliest wildfire, resulting in 85 fatalities. In total, 939,059 acres burned from the four wildfires, an area 1.2 times the size of the state of Rhode Island. Sadly, 22,341 structures were damaged or destroyed, the vast majority of them (18,804) in the Camp Fire. The remaining wildfires in California in 2018 covered a larger footprint of 1,024,042 acres, but only resulted in 1,885 damaged or destroyed structures. Thus,

over 92 percent of the structural damage for 2018 was in less than half of the total affected acreage for all fires in 2018. Tragically, 97 people lost their lives as a result of these four fires. Considering that the other 7,635 California fires in 2018 caused only three fatalities, the gravity and severity of these major wildfires is apparent.

The Camp Fire

The Camp Fire in northern California was centered in Butte County and was the deadliest and most destructive fire in California history. The fire burned 153,336 acres and destroyed 18,804 structures, including nearly 14,000 residences. Over 52,000 people were evacuated because of the fire.¹⁰ Tragically, the fire claimed 85 lives. Most of the deaths were in Paradise, but according to Butte County Sheriff's Office records, the towns of Concow, Magalia, and Chico also reported deaths. An additional 50 deaths have been attributed to the secondary impacts of the fire.¹¹ The fire burned almost entirely within Butte County, which was designated as MID (see 9). Despite being outside the burn areas, nearby cities and towns like Chico and Oroville were significantly impacted by the fire, from impacts on resident health, as smoke settled into the area for weeks, to increased pressure on the already limited housing stock, to significant wear and tear on road infrastructure due to significant increases in volume of heavy machinery on their roads.

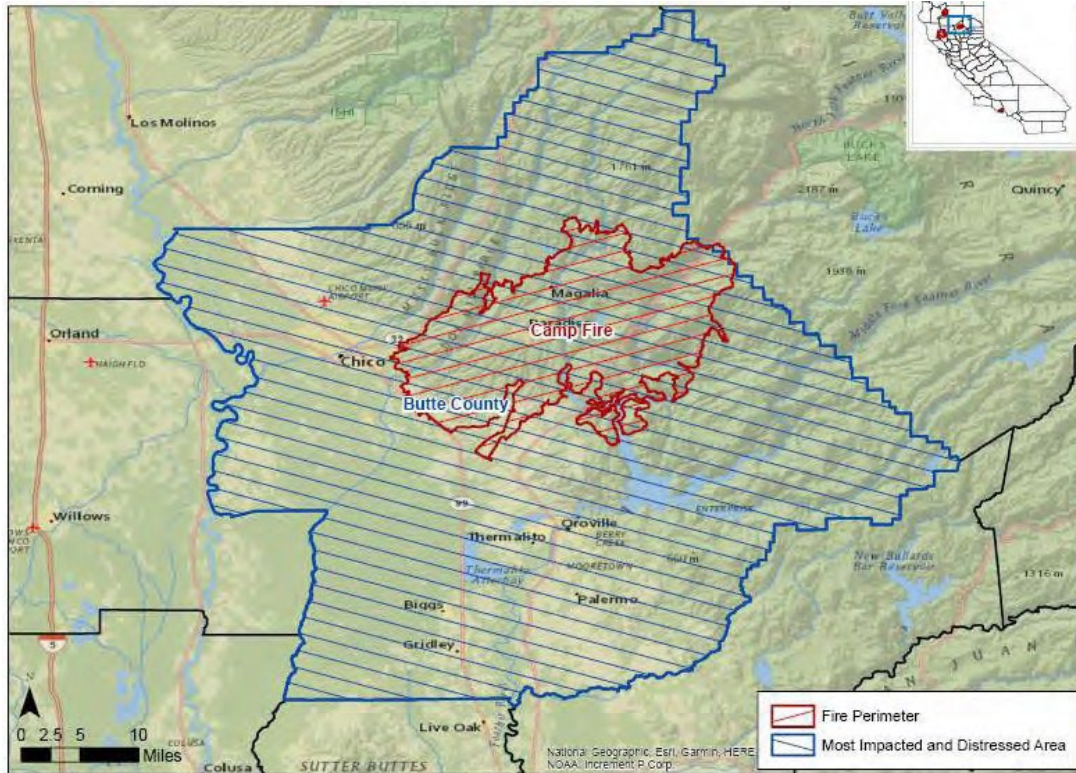
FIGURE 8: CAMP FIRE

¹⁰ "Camp Fire: Latest Numbers and Information," *Action News Now*, November 8, 2018, updated December 17, 2018, <https://www.actionnewsnow.com/content/news/CAL-FIRE-Butte-County--500045591.html>

¹¹ "Camp Fire: Official tally is 85 deaths, but we found 50 more" *Mercury News*, February 15, 2020, <https://www.mercurynews.com/2020/02/15/official-camp-fire-tally-is-85-deaths-but-we-found-50-more/>

State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



Source: CAL FIRE, HUD 2015 ACS Low- and Moderate-Income data, Federal Register Notice 85 FR 4881

The fire started the morning of November 8, 2018, on Camp Creek Road in Butte County. The towns of Paradise and Concow were mostly burned to the ground in the first day of the fire. The fire spread so quickly that many residents were unable to evacuate to safety before the fire arrived. As such, getting people out alive was the critical priority, putting aside efforts to control and contain the fire. Dry and windy conditions made containment all the more challenging.¹² The fire lasted 17 days until it was contained on November 25, 2018. On that date, 296 people were still unaccounted for by the Butte County Sheriff.¹³ Malfunctioning Pacific Gas & Electric (PG&E) electrical transmission lines near Pulga, California, were ultimately determined as a cause of the Camp Fire.¹⁴ Additionally as a result of this fire, the State of California's Department of Toxic Substance Control (DTSC)¹⁵ removed household hazardous waste from 13,328 parcels.¹⁶

The Carr Fire

The Carr Fire was centered in the western edge of Shasta County, crossing into Trinity County. The Carr Fire first ignited on July 23, 2018, after a trailer's tire blew out. The rim of the tire made contact with the pavement, shooting sparks into the dry brush, and igniting a blaze that ran up California's Highway 299. The blaze was exacerbated by triple-digit temperatures and dry winds.¹⁷ On July 26, the fire jumped the Sacramento River, reaching the city of Redding, where 38,000 people were evacuated. In addition, evacuations took place in Summit City, Keswick, Lewiston, Shasta Lake City, Igo, Ono, and French Gulch. The Carr Fire was the seventh-largest, eighth-most destructive, and fourteenth-deadliest California wildfire in history, with 1,614 structures destroyed, 229,651 acres burned in two counties, and two deaths. In the small town of Keswick (2010 population: 451), only 2 of its approximately 50 homes remained standing; the rest were completely destroyed or heavily damaged. The DTSC removed household hazardous waste from 1,180 parcels.¹⁸

¹² Camp Fire and Woolsey Fire" Homeland Security Digital Library, <https://www.hsdl.org/c/tl/camp-woolsey-fire/>

¹³ Butte County Sheriff Twitter feed, <https://twitter.com/ButteSheriff/status/1066896571248259072>

¹⁴ PG&E power lines to blame for California's deadliest wildfire ever, officials say," The Washington Post, May 15, 2019, <https://www.washingtonpost.com/nation/2019/05/15/camp-fire-caused-by-electrical-lines-owned-operated-by-pge-authorities-say/>

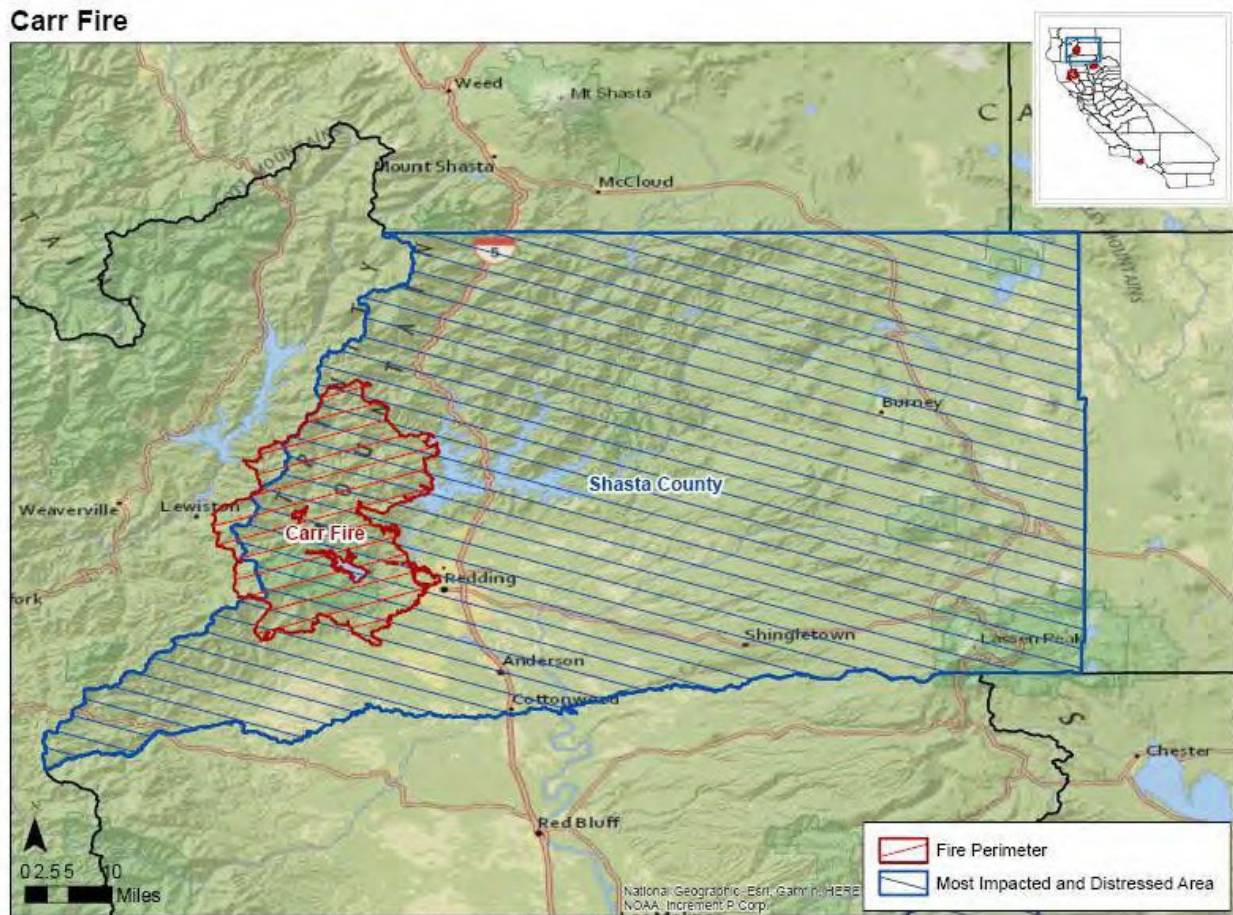
¹⁵ "Disaster Related Hazardous Waste Removal," California Department of Toxic Substances Control, <https://dtsc.ca.gov/erp/disaster-related-hazardous-waste-removal/>

¹⁶ <https://maps.arcgis.com/apps/webappviewer/index.html?id=3b84da0eedd24c6a97e25d994d81f226>, accessed 3/5/20

¹⁷ The fire that caused widespread devastation in Northern California was started by a flat tire" The Business Insider,

¹⁸ <https://dtsc.maps.arcgis.com/apps/opsdashboard/index.html#/ac68be696d0d46688349a9d31c62205f>

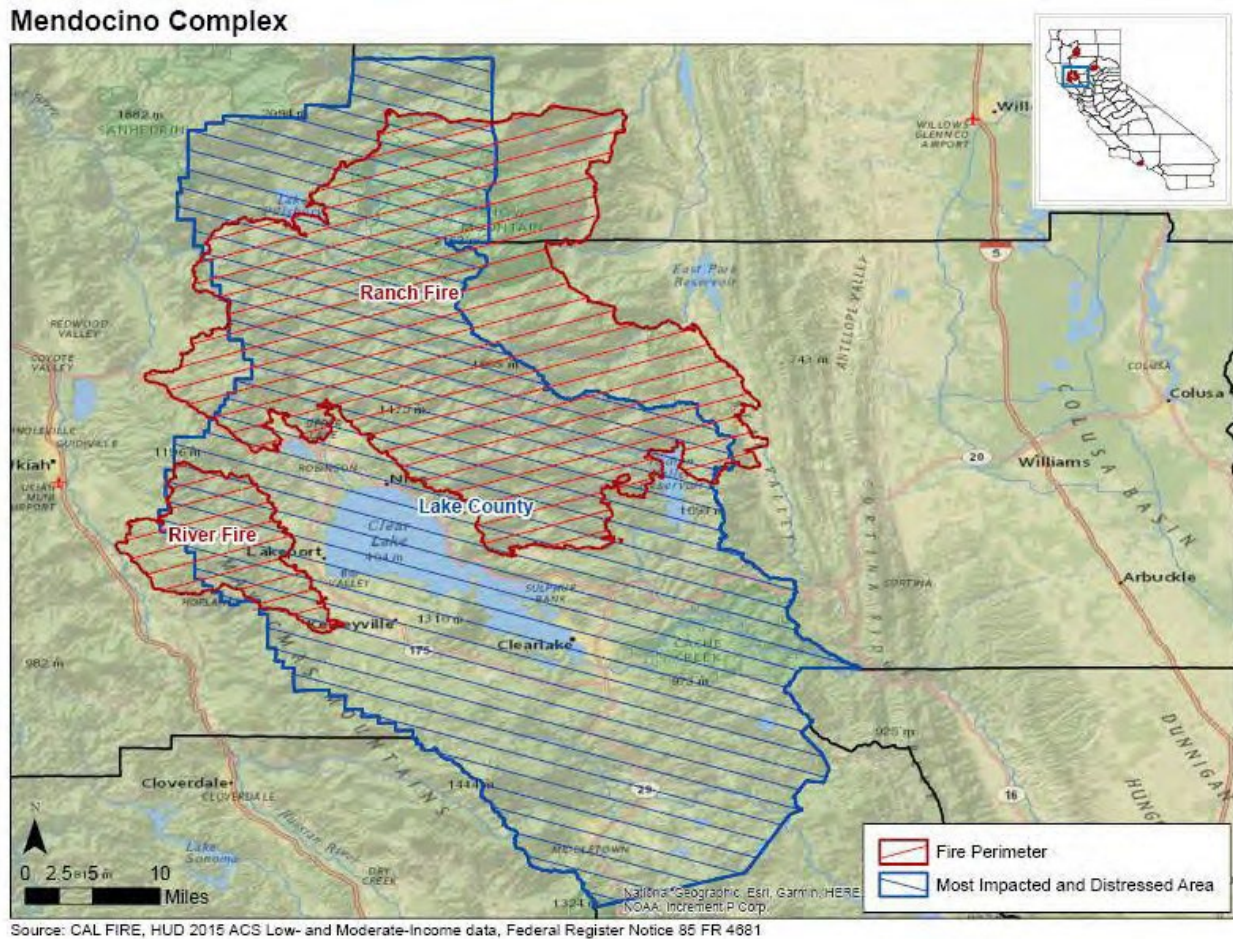
FIGURE 10: CARR FIRE



The Mendocino Complex (Ranch Fire and River Fire)

The Mendocino Complex Fire was the largest California wildfire in history, with 459,123 acres burning in four counties, 63 percent bigger than the second-largest fire in history. It was composed of the Ranch Fire, which burned north of Clear Lake including large portions of the Mendocino National Forest, and the River Fire, which burned west of Clear Lake. Both were centered in Lake County. Lake County was designated as MID (see 12), where most of the commercial and residential structure damage occurred. However, the fire burned in surrounding counties as well including Colusa and Glenn Counties, where it primarily burned National Forest land, and in Mendocino County, where a dozen residential structures were burned. Over the last 5 years, Lake County – which has had fires in 2015, 2016, 2017, and 2018 – has seen over 70 percent of its land mass burned in the last few fire seasons.

FIGURE 11: MENDOCINO COMPLEX



The Ranch Fire alone burned a total of 410,203 acres, destroyed 280 structures, and caused one firefighter fatality and three firefighter injuries. It was caused by a “spark or hot metal fragments landing in a receptive fuel bed the spark or hot metal fragment came from a hammer that was driving a metal stake into the ground.”¹⁹ DTSC removed household hazardous waste from 194 properties.²⁰

The Woolsey Fire

The Woolsey Fire burned near the boundary of Los Angeles County and Ventura County. The fires threatened Thousand Oaks and Malibu, burning 96,949 acres. More than 250,000 people were evacuated, larger than the entire population of Fremont, CA.²¹ The Woolsey Fire was the seventh

¹⁹ “CAL FIRE investigators release cause of 2018 Ranch Fire,” KCRA, June 6, 2019, <https://www.kcra.com/article/cal-fire-investigators-release-cause-2018-ranch-mendocino-fire/27793658>

²⁰ <https://dtsc.maps.arcgis.com/apps/opsdashboard/index.html#/3645207a4501464ea51d138a34c0e750>, accessed 3/5/20

²¹ County of Los Angeles: After Action Review of the Woolsey Fire Incident,” Citygate Associates, LLC, November 17, 2019, <https://lacounty.gov/wp-content/uploads/Citygate-After-Action-Review-of-the-Woolsey-Fire-Incident-11-17->

most destructive fire wildfire in California history, with 1,643 structures destroyed. In the Seminole Springs Mobile Home Park, 110 of 215 mobile homes burned.²² The Woolsey Fire burned 83 percent of National Park Lands in the Santa Monica Mountains National Recreation Area. Los Angeles County is included in the MID area; however, Ventura County is not. Due to the extent of the impacts to Ventura County, those impacts are included throughout this report.

FIGURE 12: WOOLSEY FIRE



Source: CAL FIRE, HUD 2015 ACS Low- and Moderate-Income data, Federal Register Notice 85 FR 4681

Los Angeles County is included in the MID area; however, Ventura County is not. Due to the extent of the impacts to Ventura County, those impacts are included throughout this report.

After an investigation from the Ventura County Fire Department, a report said that utility company Southern California Edison's electrical equipment caused the fire.²³ DTSC removed household

[19.pdf](#)

²² “The Woolsey Fire destroyed 110 homes in this mobile home park. No one has moved back yet,” *VC Star*, November 5, 2019, <https://www.vcstar.com/story/news/2019/11/05/woolsey-fire-seminole-springs-mobile-home-park-california-wildfire/3909997002>

²³ “Power company says it is likely responsible for starting one of the most destructive fires in California history,” *CNN*, October 30, 2019, <https://www.cnn.com/2019/10/30/us/southern-california-edison-responsible-woolsey-fire/index.html>

hazardous waste from 1,422 properties for Los Angeles²⁴ and 297 properties for Ventura.²⁵

Smoke and Air Quality

The 2018 fires resulted in air quality in Northern California ranking among the worst in the world, with higher pollution levels than many of the most polluted cities in China and India. Air quality got so bad during the fires that on November 16, San Francisco, Stockton, and Sacramento ranked as the world's three "most polluted cities."²⁶ The smoke, however, did not stay just in Northern California; it reached as far east as New York City. NASA Worldview Satellite Imagery (see 14 through 16) clearly shows the extent of the smoke from the day the Camp Fire started on November 8, 2018 as it began to blanket much of Northern California, growing in size and remaining for weeks.²⁷ In California, the smoke impacts were extensive. At least 27 colleges and universities were closed, including California State University Chico, Stanford University, UC Davis, UC Berkeley, and numerous other California State Universities, city colleges, and private colleges.²⁸ Transit operations were impacted including removing cable cars from operation in San Francisco, 150 miles from the source of the smoke. Residents across California, from Los Angeles to Chico, were advised to stay indoors and wear protective masks to reduce the health impacts of the wildfire smoke. Even when wildfire smoke is strictly from woodsmoke and does not contain smoke from burnt industrial and household structures, it contains some of the same toxic chemicals found in city pollution.²⁹

Despite the impacts to everyday life they caused, school closures and expansive calls for people to remain indoors were important safety recommendations as exposure to wildfire can have serious health impacts. During the 2018 fires, hospitals saw an increase in patients with breathing problems, with as much as a 43 percent increase in respiratory diagnoses reported at Adventist Health Clear Lake, near the Mendocino Complex.³⁰ Exposure to wildfire smoke can result in headaches, irritation of eyes, nose sinuses, throat, and bronchi resulting in sneezing, coughing, and shortness of breath. These symptoms can impact healthy populations but are particularly concerning among the very young, the elderly, and individuals who already have health conditions that impair breathing, such as asthma. In some instances, research indicates that smoke may lead to increased mortality.³¹ Very small particulates contained in smoke, less than 2.5 micrometers, pose the most concerning risk and

²⁴ <https://dtsc.maps.arcgis.com/apps/webappviewer/index.html?id=54356b4935134203a0f5f5838fff6aca>, accessed 3/5/20

²⁵ <https://dtsc.maps.arcgis.com/apps/webappviewer/index.html?id=d6b1f73678c843bc986ed9fb26b86b96>, accessed 3/5/20

²⁶ "Camp Fire and Woolsey Fire," Homeland Security Digital Library, November 8, 2018, https://www.hsdl.org/c/tl/camp_woolsey-fire/

²⁷ NASA Worldview Satellite Imagery, accessed 3/15/20: <https://worldview.earthdata.nasa.gov>

²⁸ "College Closures Due to Poor Air Quality," *Inside Higher Ed*, November 19, 2018, <https://www.insidehighered.com/news/2018/11/19/colleges-cancel-class-due-poor-air-quality-california-fires>

²⁹ "Air Quality in California; Devastating Fires Lead to a new Danger," *New York Times*, November 16, 2018, <https://www.nytimes.com/2018/11/16/us/air-quality-california.html>

³⁰ "The Smoke's Gone, But Hearts and Lungs Still May Be in Danger Months After Wildfires," *Mother Jones*, December 1, 2018, <https://www.motherjones.com/environment/2018/12/the-smokes-gone-but-hearts-and-lungs-still-may-be-in-danger-months-after-wildfires/>

³¹ "Here's How Smoke from California Wildfires Affects the Human Body" *Live Science*, November 21, 2018, <https://www.livescience.com/64144-wildfire-smoke-health-effects.html>

may increase heart risk by getting into the respiratory system and crossing into the bloodstream.³² The long-term health impacts of prolonged wildfire smoke exposure are still being studied, but researchers like Dr. Nadeau, a Stanford University pediatric allergy and asthma specialist, warn that short-term exposure to wildfire can lead to a lifetime of asthma, allergy, and constricted breathing.³³

FIGURE 13: CAMP FIRE SMOKE NOVEMBER 8, 2018



Source: NASA Worldview Satellite Imagery

³² Wildfires pose new threats as homes burn, releasing toxic fumes," *National Geographic*, October 31, 2019, <https://www.nationalgeographic.com/science/2019/10/airborne-health-concerns-emerge-from-california-wildfire/>

³³ "Air Quality in California; Devastating Fires Lead to a new Danger," *New York Times*, November 16, 2018, <https://www.nytimes.com/2018/11/16/us/air-quality-california.html>

FIGURE 14: CAMP FIRE SMOKE NOVEMBER 8, 2018



Source: NASA Worldview Satellite Imagery

FIGURE 15: CAMP FIRE SMOKE NOVEMBER 8, 2018



Source: NASA Worldview Satellite Imagery



3. THE RESPONSE

The response to these fires was immense, involving federal, State, and local agencies, many non-profits, houses of worship, and volunteers. It was not without substantial challenges.

Downed trees and infrastructure damage caused some evacuation routes to be blocked or cut off, as was most tragically the case in the Camp Fire. “Road closures greatly impeded emergency response movements,” during the Woolsey Fire.³⁴ During the Camp Fire, it was reported that at one point over 1,000 people on the road were trapped by fire.³⁵ This also meant that ingress for first responders was challenged. In some areas, such as Paradise and Upper Ridge (Camp Fire) as well as Topanga Canyon (Woolsey), limited access and steep terrain posed a challenge for the egress of victims and ingress of responders.

Other infrastructure losses also impacted the response. Telecommunications were either knocked out or were overwhelmed. A loss of cellular data networks led to fire crews having challenges locating victims of the fires.³⁶

The extent of damage for these four fires was immense. Cumulatively, over 22,000 structures were destroyed and over 900,000 acres burned. For the Woolsey Fire, nine victim shelters and six animal sheltering sites opened. For the Camp Fire, at least seven evacuation shelters and three animal shelters were opened.³⁷

Major Wildfire in California, 2018

FIGURE 16: PROFILES OF THE MAJOR 2018 WILDFIRES

Fire Name	Camp	Carr	Mendocino Complex (Ranch & River Fires)	Woolsey
Date (started – extinguished)	November 8-25, 2018	July 23, 2018 – January 4, 2019	July 27, 2018 – January 4, 2019	November 8, 2018 – January 4, 2019
Days Active	17	164	160	56
Cause	Powerlines	Human Related	Under Investigation	Under Investigation
Acres	153,336	229,651	459,123	96,949
Structures	18,804	1,614	280	1,643
Deaths	85	8	1	3

³⁴ “Los Angeles County: After Action Report for the Woolsey Fire Incident” Citygate Associates, LLC, November 17, 2019, <https://lacounty.gov/wp-content/uploads/Citygate-After-Action-Review-of-the-Woolsey-Fire-Incident-11-17-19.pdf>

³⁵ “Camp Fire” presentation, David Hawks, Fire Chief Cal Fire Butte County Fire Department, November 8, 2018, <http://forestry.nv.gov/wp-content/uploads/2019/05/Camp-Fire-Presentation-Fire-Adapted-Nevada-Final.pdf>

³⁶ Ibid.

³⁷ “Map: Here are the current Camp Fire evacuation centers,” *Curbed San Francisco*, November 13, 2018, <https://sf.curbed.com/maps/map-camp-fire-evacuation-centers>

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Top 20 Most Destructive CA Wildfire	#1	#8		#7
Top 20	#16	#7	#1	

Fire Name	Camp	Carr	Mendocino Complex (Ranch & River Fires)	Woolsey
Largest CA Wildfire				
Top 20 Deadliest CA Wildfire	#1	#14		

Totals

	TOTAL: Camp, Carr, Mendocino, Woolsey	Other 2018 Fires	GRAND TOTAL 2018
Acres	939,059	1,024,042	1,963,101
Structures	22,341	1,885	24,226
Deaths	97	3	100

Source: CAL FIRE (<https://www.fire.ca.gov/stats-events/>), accessed 2/15/20; California Department of Insurance (Direct Incurred Loss column)

The four fires included a significant level of response. For each fire, there were a minimum of seven federal, State, and local agencies involved, including over 5,600 personnel. CAL FIRE assigned over 170 crews to battle the fires. Sadly, there were six injuries reported, three for the Camp Fire and three for the Mendocino Complex Fire.

Level of Response for 4 Major Wildfires in 2018

FIGURE 17: LEVEL OF RESPONSE

Fire Name	Agencies (Federal, State, Local)	Firefighter Personnel	Engines Deployed	CALFIRE Crews Assigned	Personnel & Civilian Injuries
Camp	9	5,000	630	11	3
Woolsey	16	3,000	768	69	0
Carr	7	4,766	390	5	0
Mendocino Complex (Ranch & River Fires)	20	3,900	441	89	3
TOTAL: Camp, Carr, Mendocino, Woolsey	52	16,666	2,229	174	6



Source: CalFIRE Incidents reports, County of Los Angeles After Action Review of the Woolsey Fire Incident, Homeland Security Digital Library, redding.com, time.com, mercurynews.com

4. THE AFTERMATH

In the aftermath of the disaster, tens of thousands of individuals’ lives were altered, some in minor ways and some profoundly. Some residents were displaced temporarily and able to return to their homes in a matter of days, others lost their homes entirely and face rebuilding their homes from the ashes left by the fires, while others still were permanently displaced, relocating across the county or across the country. Due to the Camp Fire, eight of the nine schools in the region were damaged or destroyed, and only one of them had reopened six months after the fire.³⁸ Approximately 80 percent of the Town of Paradise was destroyed by the Camp Fire. In 2017, the population of Paradise was 26,437.³⁹ A California State University, Chico study mapped out where survivors of Paradise ended up. Researchers found new mailing addresses for about a third of former Paradise residents. After the fire, Paradise lost a lot of its older population, with half of the 65 and older population moving beyond 30 miles of the fire.⁴⁰ The receiver communities for those displaced by the Camp Fire were Chico (population 93,293), Oroville, Biggs (pop. 1,707), and Gridley (pop. 7,224). While Chico is the largest community in the northern Central Valley, the rural town of Gridley is home to the largest FEMA group site of approximately 1,100 survivors. In Chico, the increased population will mean approximately \$1 million per year for additional wastewater. In addition, because of increased traffic, the city is reprogramming many of the traffic lights.

As show in 19: Insured Losses from the 2018 California Wildfires, insured losses for the four major wildfires topped \$13 billion, with \$12.4 billion (or 95 percent) of that in the four MID Counties. Of those insured losses, \$11.4 billion (88 percent of the total) were for residential personal property. Almost \$1.4 billion of the insured losses were commercial property losses.

FIGURE 18: INSURED LOSSES FROM THE 2018 CALIFORNIA WILDFIRES

Date	Fire Name	County	Total # of Claims	# of Claims Resulting in Total Loss	Direct Incurred Loss
July 2018 Wildfires	Subtotal		10,322	1,026	\$980,758,847
	Carr Fire	Shasta	6,690	928	\$892,553,941
		Trinity	156	5	\$789,872
		Other	730	14	\$8,910,683
	Mendocino Complex	Colusa	17	2	\$707,700
		Lake	1,813	62	\$58,181,423

³⁸ “Six Months Later, How Are the Communities Affected By the Camp Fire and Woolsey Fire Recovering?” *Pacific Standard*, May 9, 2019, <https://psmag.com/news/six-months-later-how-are-the-communities-affected-by-the-camp-fire-and-woolsey-fire-recovering>

³⁹ “Camp Fire in Paradise: A Housing Assessment,” Housing Recovery Support Function, May 8, 2019.

⁴⁰ “Where Did All the Camp Fire Survivors Go?” *KQED*, January 22, 2020, <https://www.kqed.org/news/11797124/where-did-all-the-camp-fire-survivors-go>.

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	Fire	Mendocino	61	8	\$5,546,984
		Other	855	7	\$14,068,246
November 2018 Wildfires	Subtotal		48,001	13,449	\$12,043,834,734
	Camp Fire	Butte	28,118	12,047	\$8,473,363,059
		Other	2,157	49	\$168,737,571
	Woolsey	Los Angeles	12,025	1,193	\$2,932,132,215

	Fire Name	County	Total # of Claims	# of Claims Resulting in Total Loss	Direct Incurred Loss
	Fire	Ventura	4,551	148	\$387,897,062
		Other	1,150	12	\$81,704,826
Grand Total			58,323	14,475	\$13,024,593,581

Residential Personal Property

Date	Fire Name	County	Total # of Claims	# of Claims Resulting in Total Loss	Direct Incurred Loss
July 2018 Wildfires	Subtotal		8,888	1,015	\$910,201,852
	Carr Fire	Shasta	5,798	920	\$850,497,135
		Trinity	151	5	\$666,638
		Other	696	13	\$3,865,926
	Mendocino Complex Fire	Colusa	6	2	\$104,227
		Lake	1,557	62	\$45,011,003
		Mendocino	27	6	\$2,388,282
		Other	720	7	\$7,668,639
November 2018 Wildfires	Subtotal		33,992	12,962	\$10,500,979,373
	Camp Fire	Butte	18,533	11,646	\$7,439,591,231
		Other	566	47	\$34,791,060
	Woolsey Fire	Los Angeles	10,024	1,125	\$2,659,114,911
		Ventura	4,091	135	\$344,779,079
Other		778	9	\$22,703,092	
Grand Total			42,880	13,977	\$11,411,181,225

Homeowners; Condominium Unit Owners; Mobile Home; Tenants/Renters; Dwelling Fire and Allied Lines; and Lender/Force-Placed and Real Estate Owned (REO)

Commercial Property

Date	Fire Name	County	Total # of Claims	# of Claims Resulting in Total Loss	Direct Incurred Loss
July 2018 Wildfires	Subtotal		488	11	\$45,070,545
	Carr Fire	Shasta	232	8	\$23,045,598
		Trinity	3	-	\$108,283
		Other	33	1	\$3,865,085
		Colusa	2	-	\$493,679

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	Mendocino Complex Fire	Lake	160	-	\$9,551,643
		Mendocino	18	2	\$2,735,036
		Other	40	-	\$5,271,222
November 2018 Wildfires		Subtotal	2,707	487	\$1,317,134,956
	Camp Fire	Butte	1,322	401	\$903,772,159
		Other	108	2	\$110,425,705
	Woolsey Fire	Los Angeles	913	68	\$236,192,833
		Ventura	290	13	\$37,852,729
		Other	74	3	\$28,891,530
Grand Total			3,195	498	\$1,362,205,501

Commercial Residential: Apartment and Condominium Buildings; Condominium Association; and Homeowners Association.

Commercial Non-Residential: Commercial Multi-Peril; Fire and Allied Lines; and All other Commercial Property policies not specified above.

All Others Lines & Auto

Date	Fire Name	County	Total # of Claims	Direct Incurred Loss
July 2018 Wildfires		Subtotal	946	\$25,486,450
	Carr Fire	Shasta	660	\$19,011,208
		Trinity	2	\$14,951
		Other	68	\$1,179,671
	Mendocino Complex Fire	Colusa	9	\$109,794
		Lake	96	\$3,618,777
		Mendocino	16	\$423,666
		Other	95	\$1,128,384
November 2018 Wildfires		Subtotal	11,302	\$225,720,405
	Camp Fire	Butte	8,263	\$129,999,668
		Other	1,483	\$23,520,806
	Woolsey Fire	Los Angeles	1,088	\$36,824,472
		Ventura	170	\$5,265,255
Other		298	\$30,110,204	
Grand Total			12,248	\$251,206,855

Other Lines – All Other Commercial: Non-residential exposures (Ocean Marine, Inland Marine, Aircraft, Boiler and Machinery, etc.)

Source: California Department of Insurance

Cleanup/Debris Removal

In addition to the immediate cost of cleanup, there are concerns over the impact of the toxins released in the fire on the health of those assisting with the cleanup. According to research on the 2018 Carr Fire from National Institute for Occupational Safety and Health (NIOSH), the occupational safety agency of the Centers for Disease Control and Prevention agency, “cleanup workers were overexposed to crystalline silica. Each worker tested also tested positive for

lead on their hands.”⁴¹ These cleanup concerns may result in health impacts from the fire which are not-yet-known.

Water Quality

According to [USGS](#), “potential effects of wildfire on municipal water supplies and downstream aquatic ecosystems include the following:

- Changes in the magnitude and timing of snowmelt runoff, which influence filling of water-supply reservoirs
- Increased sediment loading of water-supply reservoirs, shortened reservoir lifetime, and increased maintenance costs
- Increased loading of streams with nutrients, dissolved organic carbon, major ions, and metals
- Post-fire erosion and transport of sediment and debris to downstream water- treatment plants, water-supply reservoirs, and aquatic ecosystems
- Increased turbidity (cloudiness caused by suspended material), or heightened iron and manganese concentrations, which may increase chemical treatment requirements and produce larger volumes of sludge, both of which would raise operating costs
- Changes in source-water chemistry that can alter drinking-water treatment.”⁴²

Power Lines

Power lines have been a major source of causing wildfires. Seven of the 10 most destructive wildfires between 2013 and 2018 were caused by power lines.⁴³ Pacific Gas and Electric Company (PG&E) has been blamed for over 1,500 fires since 2014. In January 2019, PG&E filed for bankruptcy after being sued by several law firms, and faced liability costs related to fire damages of \$30 billion. Investigators found “old PG&E equipment caused 17 wildfires. It didn’t keep up with maintaining thousands of miles of aging power lines and trimming millions of trees in a service area larger than Florida. The company estimated it would cost between \$75 billion and \$150 billion to comply with a judge’s maintenance plan. To pay for the plan, it would have to increase rates by five times over a one-year period. It would have to remove 100 million trees on federal, state, and private property.”⁴⁴ It has yet to be seen how PG&E legal settlements will impact fire damaged communities and which entities will receive financial compensation as a result of the lawsuits. It will be important to monitor the PG&E suits to

⁴¹“Asbestos, Heavy Metals, Lead. Long After a Wildfire, Toxic Substances Linger.” DirectRelief.org, February 21, 2020, <https://www.directrelief.org/2020/02/asbestos-heavy-metals-lead-long-after-a-wildfire-toxic-substances-linger/>

⁴² “From the Ashes: Wildfire Effects on Water Quality,” Babcock Laboratories, Inc., August 29, 2018, <https://www.babcocklabs.com/news/from-the-ashes-wildfire-effects-on-water-quality/2018>

⁴³ “A rising number of US companies are flagging wildfire risk as suppression costs climb,” *CNBC*, November 10, 2019, <https://www.cnbc.com/2019/11/10/more-companies-are-flagging-wildfire-risk-as-suppression-costs-climb.html>

⁴⁴ “Wildfire Facts, Their Damage, and Effect on the Economy,” *The Balance*, July 8, 2019, <https://www.thebalance.com/wildfires-economic-impact-4160764>

determine if there are any duplication of benefits issues and whether any compensation would need to be accounted for in future Unmet Needs Assessment updates.

A. THE BIGGER PICTURE

California is a fire prone state and has a long history of wildfires, which burn across most of the state. 20 and 21 below show the fires in Northern and Southern California that burned in the decade leading up to the 2018 fires. It is clear from these maps that fire is common and widespread across California, covering significant land areas even in a single decade. The natural ecosystems in California are adapted to periodic wildfire, which is critical to maintaining the health of most ecosystems in California. Somewhat counterintuitively, frequent fires create more resilient ecosystems in California. California ecosystems rely on fire for everything from clearing out underbrush and making room for new growth to reducing the buildup of organic material that creates fuel for fires. More frequent fires burn available fuel, mitigating the intensity and destructive force of wildfires.⁴⁵

The Forest Service's understanding of the complex relationship between the ecosystem and fire however is relatively new. When the Forest Service was created, and for nearly a century thereafter, "the Forest Service pursued a single-minded goal regarding fire: minimize the size and number of wildland fires, if not eliminate them all together."⁴⁶ This was despite local resistance from diverse communities that lived in these fire-adapted ecosystems from the Southeast to the west coast.⁴⁷

In Northern California, native people including the Yurok, Karuk, and Hupa used fire for millennia to manage the forest and protect the land from larger more devastating fire. This traditional knowledge however was often sidelined and prohibited in favor of the official Forest Service approach to fire elimination. The near century of fire suppression policy combined with the increasingly hot and dry conditions set the stage for larger and more destructive wildfires.⁴⁸

A slow process of changing fire policy is underway. The National Park Service changed its prescribed fire policy in 1968, and in 1978 so did the U.S. Forest Service. Implementation of prescribed burns however has been uneven across the country and has been adopted slowly in California. The southeast leads the way, where Florida landowners and governments burn over 2 million acres a year. California's adoption has been slower. In 2018, following disastrous fire seasons, the state made plans to triple the prescribed burns, bringing the acreage to 125,000 acres a year.⁴⁹

With 45 percent of California's land under Federal management, the policies of Federal agencies have very significant impacts on the overall management of California's forests. Nearly 45.5 million acres of land in California are managed by a combination of the Forest Service, the National Park Service, Bureau of Land Management, Fish and Wildlife Service,

⁴⁵ "Learning to Live with Fire" CAL FIRE, August 1999, https://www.fire.ca.gov/media/8657/live_w_fire.pdf

⁴⁶ "Sustainability and Wildland Fire: The Origins of Forest Service Wildland Fire Research" (p. 2), *U.S. Forest Service*, May 2017, https://www.fs.usda.gov/sites/default/files/fs_media/fs_document/sustainability-wildlandfire-508.pdf

⁴⁷ Ibid.

⁴⁸ "Fire is medicine: the tribes burning California forests to save them," *The Guardian*, November 21, 2019, <https://www.theguardian.com/us-news/2019/nov/21/wildfire-prescribed-burns-california-native-americans>

⁴⁹ Ibid.

and Department of Defense.⁵⁰ Changing the approach to forest management therefore demands the cooperation of many large and complex federal agencies, in addition to coordination across local agencies, tribal governments and private landowners.

Despite the increasing understanding that prescribed burns are a critical tool to mitigating the destructive power of wildfires, limited funding for fire suppression has meant Federal agencies have had to use money slated for fire preparedness on fire suppression. Over the twelve-year period ending in FY2013, \$3.2 billion in U.S. Forest Service funds were transferred from forest management programs to fire suppression, resulting in many “cancelled” fire preparedness activities.⁵¹

In addition to the immediate risks posed by wildfire, high intensity fires create a cascading set of impacts over time. Particularly intense fires decimate the vegetation which protects the natural landscape and, if hot enough, even create hydrophobic soils that repel water. Vegetation slows water down, encourages water to seep into the soil, and stabilizes soils. When high intensity fires destroy the vegetation, particularly on hillsides and steeper slopes, these areas become particularly prone to flooding, debris flows and mudflows as water moves quickly from the hillsides into lower lying areas, carrying with it the debris left from the fire and destabilizing entire slopes.⁵² Following the Woolsey Fire, heavy rains in December 2018 created dangerous condition and prompted the evacuation of nearly 3,000 residents due to high risk of mudslides in burned areas.⁵³

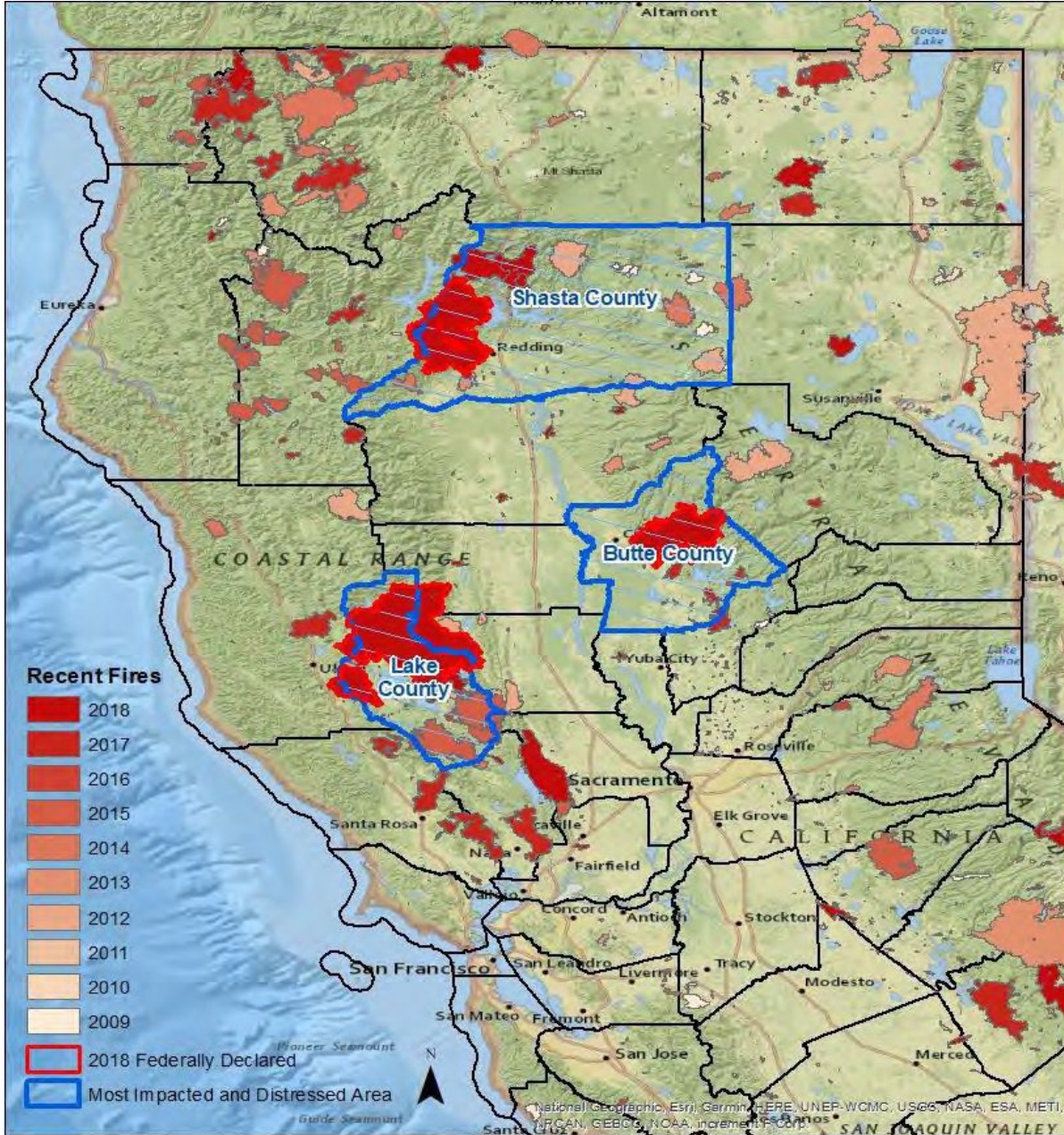
⁵⁰ “Federal Land Ownership: Overview and Data,” *Congressional Research Service*, February 21, 2020, <https://fas.org/sgp/crs/misc/R42346.pdf>

⁵¹ “USDA Releases State by State Impacts of Limited Wildfire Suppression In Recent Years,” United States Department of Agriculture, June 9, 2014, <https://www.fs.usda.gov/news/releases/usda-releases-state-state-impacts-limited-wildfire-suppression-recent-years>

⁵² “Threat of mudslides returns to California after devastating fires. How do they work?” *Los Angeles Times*, November 28, 2019, <https://www.latimes.com/california/story/2019-11-27/threat-of-mudslides-returns-to-california-after-devastating-fires>

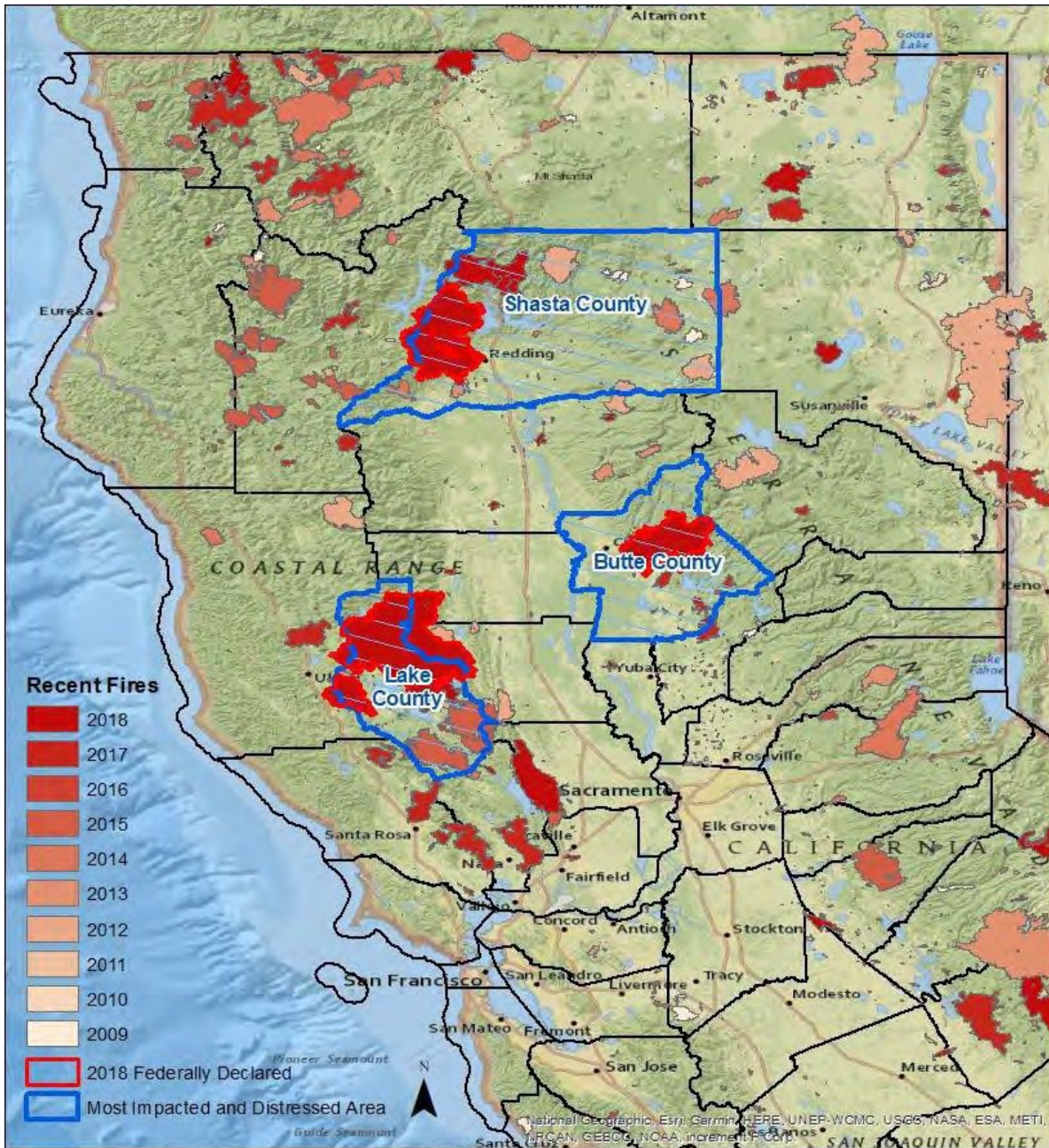
⁵³ “Mudslide risk in Southern California wildfire zones prompts evacuation of thousands,” *Reuters*, December 6, 2018, <https://www.reuters.com/article/us-california-wildfires-weather/mudslide-risk-in-southern-california-wildfire-zones-prompts-evacuation-of-thousands-idUSKBN1O603U>

FIGURE 19: FIRES IN THE PRIOR DECADE (NORTHERN CALIFORNIA)



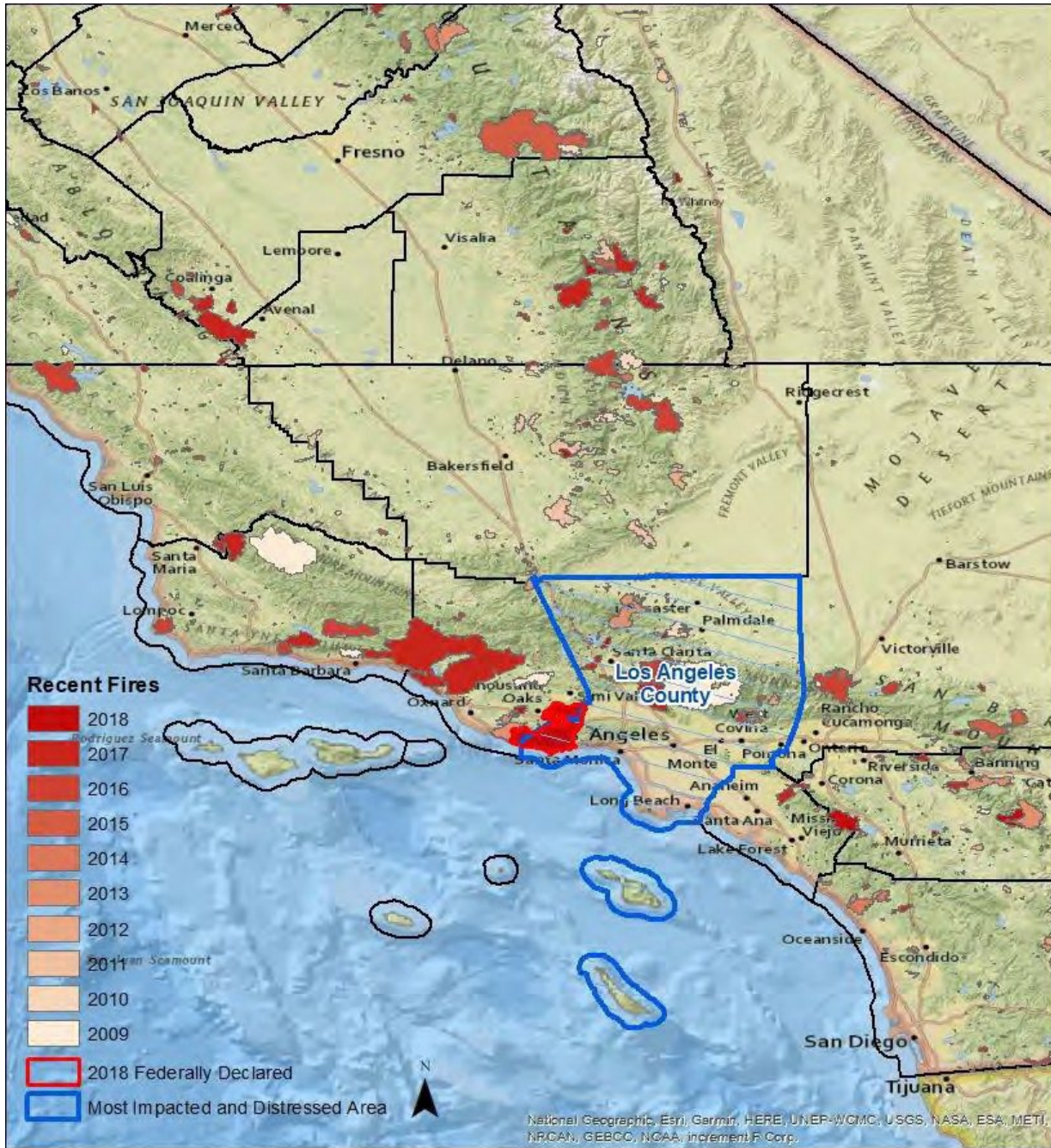
Source: CAL FIRE

FIGURE 20: FIRES IN THE PRIOR DECADE (NORTHERN CALIFORNIA)



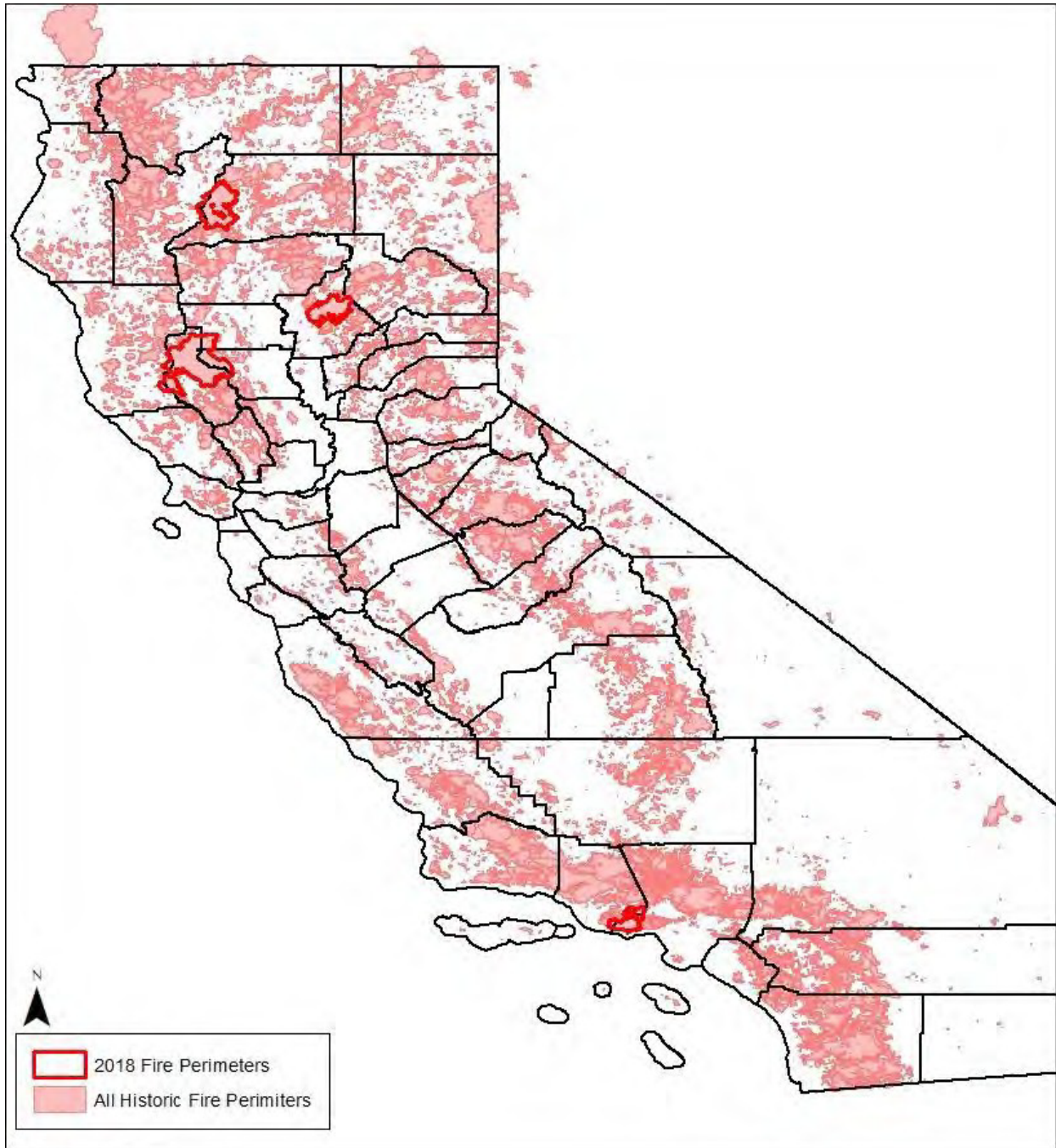
Source: CAL FIRE

FIGURE 21: FIRES IN THE PRIOR DECADE (SOUTHERN CALIFORNIA)



Source: CAL FIRE

FIGURE 22: HISTORIC CALIFORNIA FIRES



Source: CAL FIRE

FIGURE 23: NUMBER OF WILDFIRES IN CALIFORNIA: 2014-2018

California is burning at an increasingly dangerous pace. Wildfires are a significant and growing problem in the state due in large part to drought exacerbated by climate change. The number of wildfire incidents in California has hovered around 7,000 -9,000 per year for the past five years.



While the number of wildfires in 2018 was less than the previous year, they were more damaging. In the past five years, the number of acres that have annually burned in the State of California has tripled from 625,540 to 1,963,101.

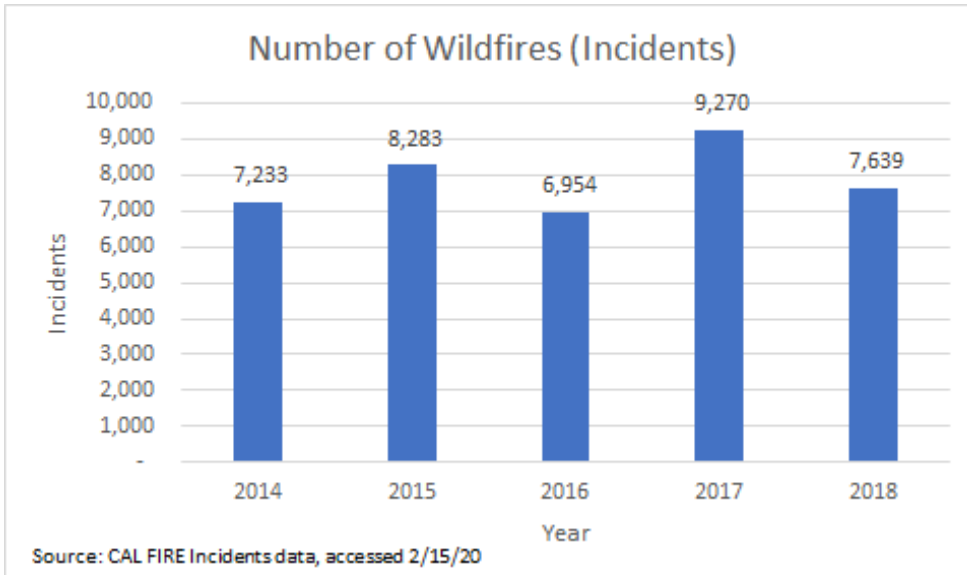
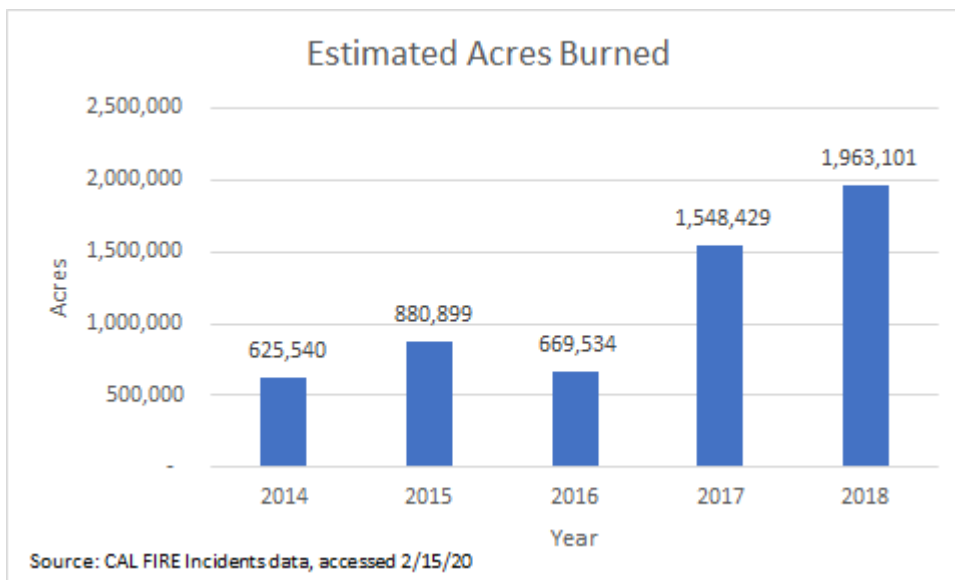
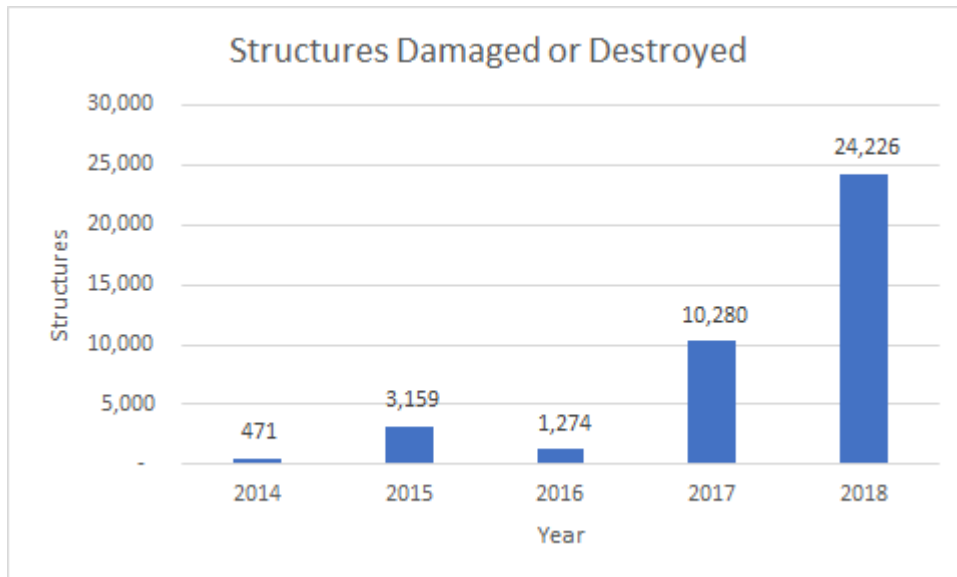


FIGURE 25: ESTIMATED ACRES BURNED IN CALIFORNIA: 2014-2018



Structural damage or destruction has also increased between 2014-2018.

FIGURE 24: DAMAGED OR DESTROYED STRUCTURES IN CALIFORNIA: 2014-2018



Tragically, there has also been a significant increase in the loss of life from California wildfires in the past five years. In 2014, there were two fatalities from wildfires, but in 2018 there were 100. Of those fatalities, 97 were due to four major fires: Camp Fire, Carr Fire, Mendocino Complex, and Woolsey Fire.

Throughout California there is serious concern about natural disasters, including earthquakes and wildfires. As the numbers show for wildfires, they are increasingly larger, more dangerous, and more deadly.

RESILIENCE AND MITIGATION SOLUTIONS

Although California is a national trendsetter in mitigation strategies designed to help cope with the impacts of climate change, the need to increase housing and infrastructure resilience goes beyond enacting stronger laws, policies, and building codes. Independent of severe weather events, earthquakes, and sea level rise impacting California coastlines, the State has also experienced over 17,600 wildfires in 2017 and 2018 alone. This has resulted in over 3,275,000 acres burned and the destruction of over 28,000 structures. In these two years alone, 44 of California’s 58 counties experienced a fire event, punctuating the need for wildfire housing resilience throughout the State. The Governor issued an executive order in March 2019, prioritizing fuel break projects and other fire reduction projects to mitigate against future fire damage. The resulting priority fuels reduction projects strategically targets high impact fuels reductions projects, using data to identify areas with existing vetted fire plans which would mitigate risks to particularly vulnerable populations including those with high poverty rates, many residents with disabilities, language barriers, elderly, non-white, and households reliant on public transportation. According to CAL FIRE reports, in 2019, 35 priority projects were identified, reducing risk for over 200 communities by removing hazardous trees and vegetation, creating fuel brakes, creating ingress and egress corridors, and defensible space.

HOUSING RESILIENCE

It is critical to build more resilient housing in California, which prior to the devastating fires was already struggling to meet housing demands due to economic pressures. When wildfires erupt, their wind-borne embers can blow miles ahead of the direct fire line, igniting untreated flammable materials they interact with. An “ember attack,” where burning parts of branches or leaves become airborne, can not only be carried to the exterior of properties, but can also enter vents, windows or crawl spaces. As a result, these embers can create burn conditions from within a home, reducing the effect of exterior water treatment.

Wildland-Urban Interface (WUI) building codes were developed specifically to incorporate fire prevention elements into housing construction on properties built in areas where there is a certain amount of wildland fuel. Although adhering to WUI standards is already mandated for any substantial rehabilitation or new construction by state law, many existing structures built in the last 30 -40 years lack these lifesaving elements. In fact, the average age of a housing unit in California is between 40 and 49 years old.⁵⁴

While the primary resilience strategy for mitigating wildfire risk continues to be creating a defensible space around the immediate structure, additional considerations should be given to including fire-prevention elements into the structure itself. Accommodation for incorporating these life-saving elements should be available to all homes deemed to meet high risk criteria, including:

- A high volume and density of young, flammable vegetation in their immediate geographical proximity
- The flammability of the structures (homes, businesses, outbuildings, decks, fences)
- The average age of structures in the area, and an associated assessment of fire - proofing components incorporated into their construction
- Weather patterns and topography that could accelerate or increase the severity of burn events in the area
- Availability of and ease of distribution for water, retardant and other fire -fighting techniques

It is recommended that special consideration be applied to expansion of the CAL FIRE wildfire prevention grant programs that are specifically designed to retrofit structures in high risk areas⁵⁵, in addition to training and planning for homeowners in these areas.

Additional consideration should be given to evacuation, communication, staging, and implementation planning for residents in high-risk areas. This includes strategic emergency management initiatives targeted at ensuring communication of impending threats is improved, transportation is available to vulnerable populations, and that critical evacuation routes are hardened to ensure safe passage immediately prior to and during large burn events.

RESILIENCE

⁵⁴ 2015 American Communities Survey: <http://eyeonhousing.org/2017/01/age-of-housing-stock-by-state/>

⁵⁵ “Fire Prevention Grants Program,” CAL FIRE: <https://www.fire.ca.gov/grants/fire-prevention-grants/>



As is the case with housing resilience, all recovery infrastructure programs will build on the foundation set by the State of California to account for current and future climate conditions, including the increased probability of natural disasters. Infrastructure resilience must account for various risks California faces, including but not limited to wildfires, earthquakes, floods, heat, droughts, and sea level rise.

Two key pieces of California law are particularly important to guiding recovery infrastructure investments in the State. In 2015, California’s Governor Jerry Brown signed Executive Order B-30-15, which directed State agencies to account for current and future climate conditions and integrate climate change into all planning and infrastructure investments. This led to the development of “Planning and Investing for a Resilient California: A Guidebook for State Agencies.”⁵⁶ This provides guidance for California agencies on integrating climate change considerations into infrastructure planning and investing. All recovery projects undertaken will be reviewed for long-term viability and resilience of infrastructure investments.

In 2016, California passed AB 2800 Climate-Safe Infrastructure Bill, which requires the Natural Resources Agency “to update the state’s climate adaptation strategy to identify vulnerabilities to climate change by sectors and priority actions needed to reduce the risks in those sectors” and established the Climate-Safe Infrastructure Working Group.⁵⁷ As a result, a report was published in 2018 that includes guidance on addressing climate change impacts on infrastructure design, with particular attention paid to improving architectural and engineering tools and practices.⁵⁸

The fires in 2018 made clear that investments in infrastructure must be planned and designed to increase resilience to meet the needs of the local communities. Paramount among local infrastructure needs is the creation of additional roads serving isolated communities to provide for safe ingress and egress during a fire event. Additionally, the fires created infrastructure needs in impacted communities where septic systems were heavily relied upon, creating significant challenges to rebuilding those neighborhoods absent significant wastewater infrastructure investments. In Paradise, the extreme heat of the Camp Fire led to water pollution issues in the town which may require costly infrastructure repairs to ensure the long-term safety and resilience of the potable water systems.

In addition, there is a need for matching funds for Federal grants such as FEMA Public Assistance Category C-G permanent repair projects, which have a 25 percent non-federal share match requirement. These funds will go to important recovery projects such as repairing damaged roads due to unusually heavy use during fire suppression, and debris removal in areas in and around the fires. These impacts extend beyond the immediate burn scars and include communities such as Chico, which provided much needed support during the fire and recovery period.

⁵⁶ “Planning and Investing for a Resilient California: A Guidebook for State Agencies,” Governor’s Office of Planning and Research, March, 2018, <http://opr.ca.gov/planning/icarp/resilient-ca.html>

⁵⁷ “California Report Plots Path for Climate-Safe Infrastructure,” Infrastructure Report Card, September 6, 2018, <https://www.infrastructurereportcard.org/california-report-plots-path-for-climate-safe-infrastructure/>

⁵⁸ “Paying it Forward: The Path Toward Climate-Safe Infrastructure in California,” Climate-Safe Infrastructure Working Group, 2018, https://resources.ca.gov/CNRALegacyFiles/docs/climate/ab2800/AB2800_ES_FINAL.pdf



DEMOGRAPHIC PROFILE OF IMPACTED COMMUNITIES AND DISASTER IMPACTS

B. Demographic Profile of Impacted Counties

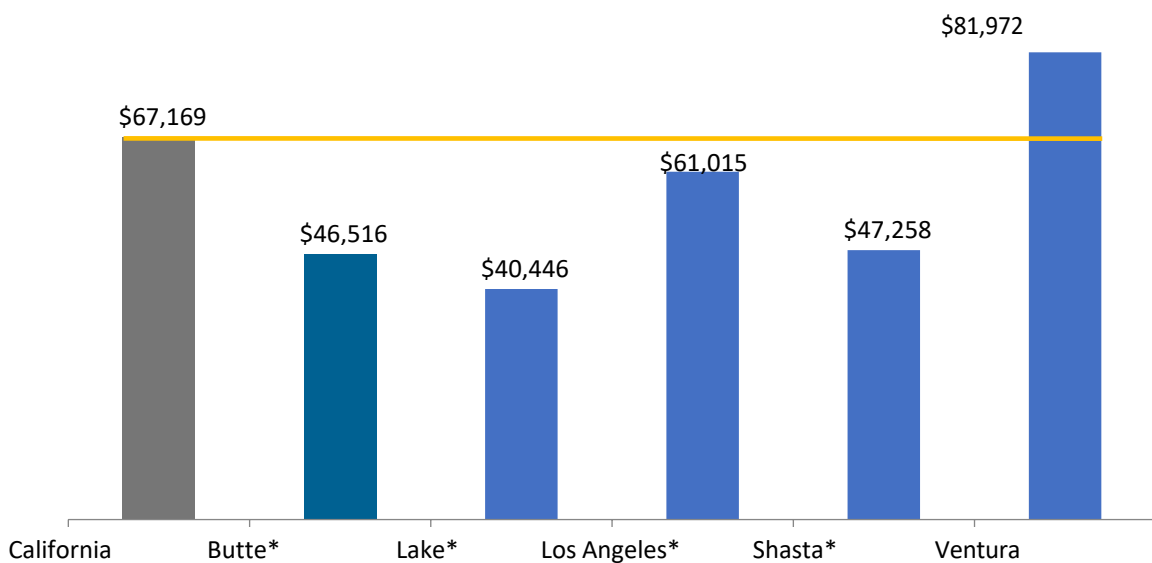
The State of California is home to approximately 39 million people. Of that, approximately 11.4 million live in the five disaster-impacted counties, almost 30 percent of the state. The majority of this population call Los Angeles County home (approximately 10.1 million people). The 2018 fires, while the largest in California’s history, mostly impacted less densely populated counties. Butte, Lake, and Shasta counties each have populations under 250,000 people and Lake County’s population stands around 64,000 people.

The following demographic profile for the State of California, as well as the federally declared disaster areas and MID counties, was compiled using 2013-2017 American Community Survey (ACS) Five-Year Estimates. This data provides the most relevant five-year data, available at the block group level at the time of analysis.

1. Income

All four of the MID areas had a median household income lower than the statewide median household income. As seen in 26, Butte County’s median household income stood more than \$20,000 below the statewide value at \$46,516. The difference was even greater in Lake County, with a median household income of \$40,446, more than \$26,000 below the statewide value. Of the impacted counties, only Ventura County has a higher median household income than the statewide value, and Ventura is not considered a MID county.

FIGURE 27: MEDIAN HOUSEHOLD INCOME (2017 DOLLARS)

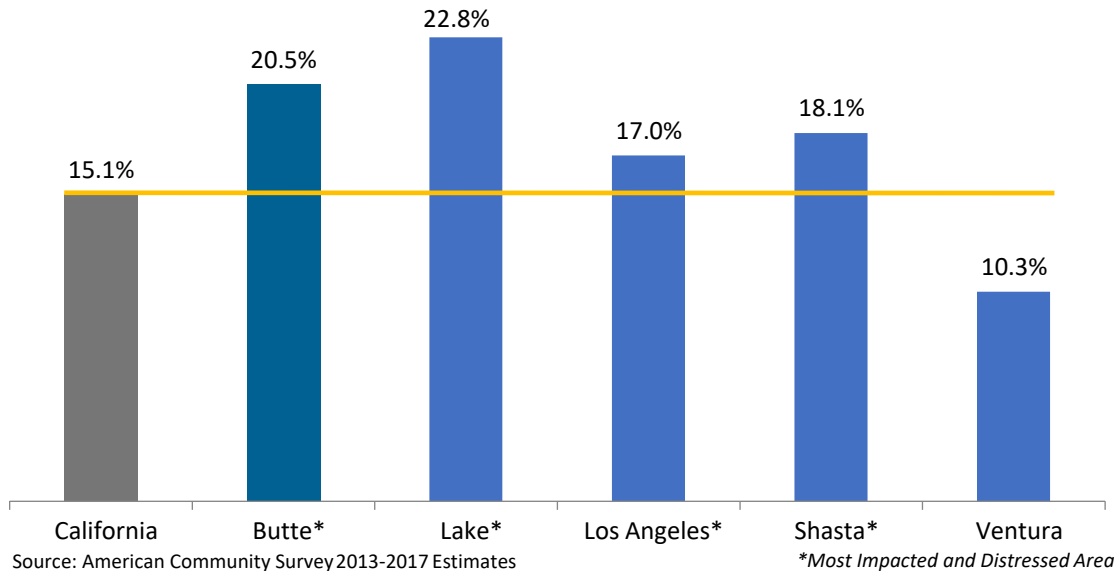


Source: American Community Survey 2013-2017 Estimates

*Most Impacted and Distressed Area

As illustrated in the figure below, the poverty level in all four MID counties is above the statewide average. In both Butte and Lake counties, over 20 percent of the population is below 100 percent of the poverty level.

FIGURE 28: POPULATION BELOW THE POVERTY LEVEL



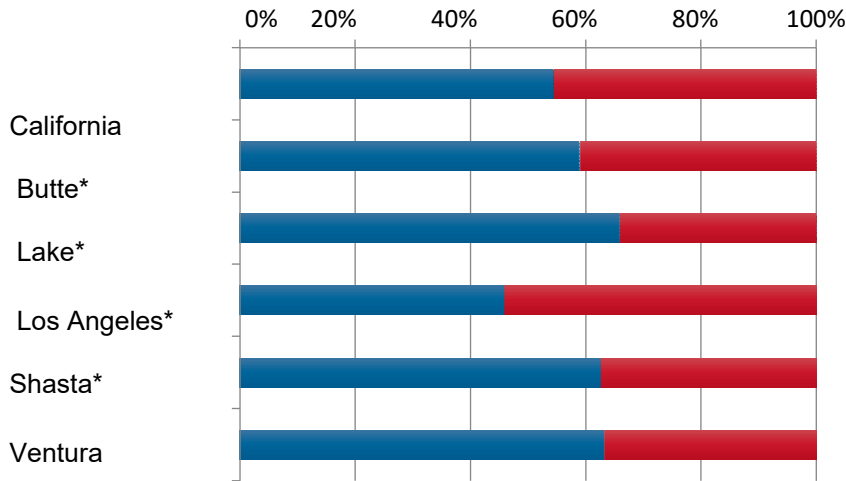
These disability and income s help to illustrate the immense financial pressure the impacted counties and their residents will have during the recovery process. These populations will be strained to rebuild or relocate, with increasing construct ion, insurance, and housing costs.

2. Housing & Cost Burden

To best serve the housing recovery needs of the impacted areas, it is essential to have a clear understanding of the housing stock and occupant types. The state of California has a total of almost 14 million housing units. The impacted counties make up about 4 million of those units (however, if L.A County is removed, the stands at close to 500,000). As captured in 29, housing tenure is fairly evenly split between rental and ownership. Statewide, 54.5 percent of housing units are owner-occupied (45.5 percent being renter occupied). Most of the impacted counties have a slightly higher percentage of owner-occupied units, close to 60-65 percent. Los Angeles is the only county to have a higher percentage of renter-occupied units than owner-occupied.



FIGURE 25: HOUSING TENURE

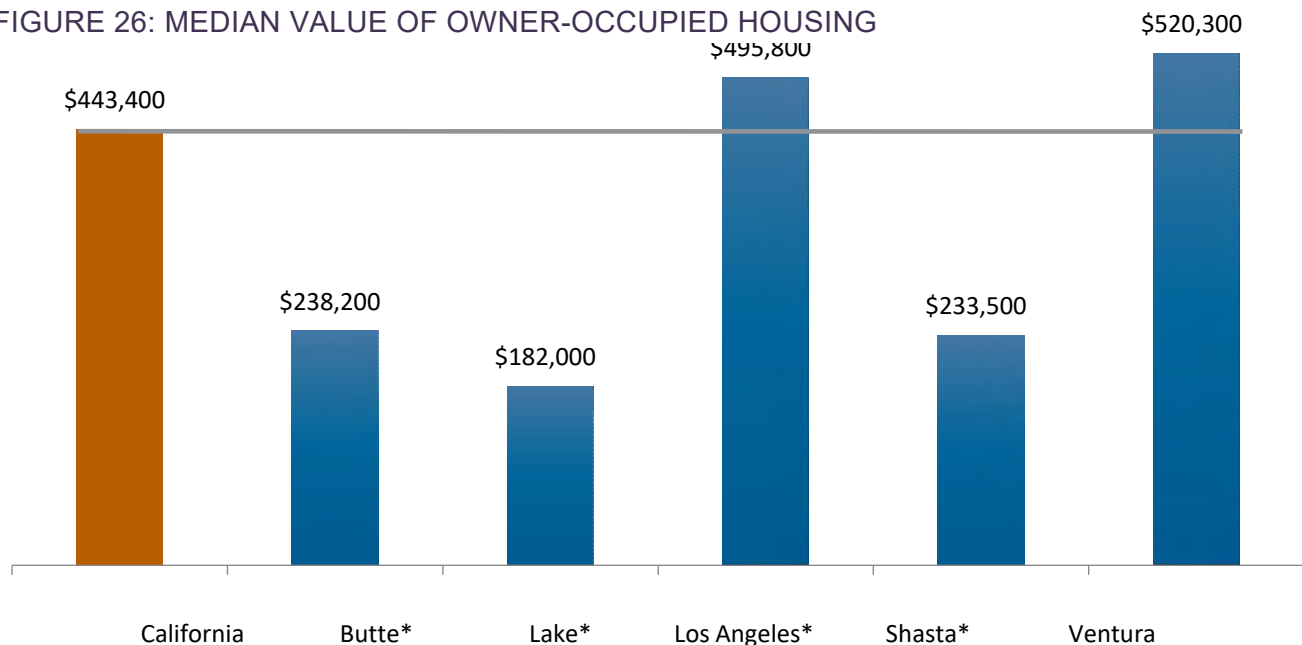


Source: American Community Survey 2013-2017 Estimates

*Most Impacted and Distressed Area

HCD is specifically concerned about housing affordability and the high proportion of households statewide, and in the affected areas, considered to be cost burdened. Housing is considered “affordable” if the household rent (including utilities) is no more than 30 percent of its pre-tax income. Households spending more than 30 percent are “cost burdened” or “rent-stressed.” Those spending more than 50 percent of income on housing are “severely cost burdened” or “severely rent-stressed.” For homeowners, the median value of owner-occupied housing units varies greatly across counties and disasters. 30 shows that in Butte, Lake, and Shasta counties, the median values of owner-occupied units are close to half of the statewide median. Los Angeles and Ventura counties’ median values surpass the statewide median.

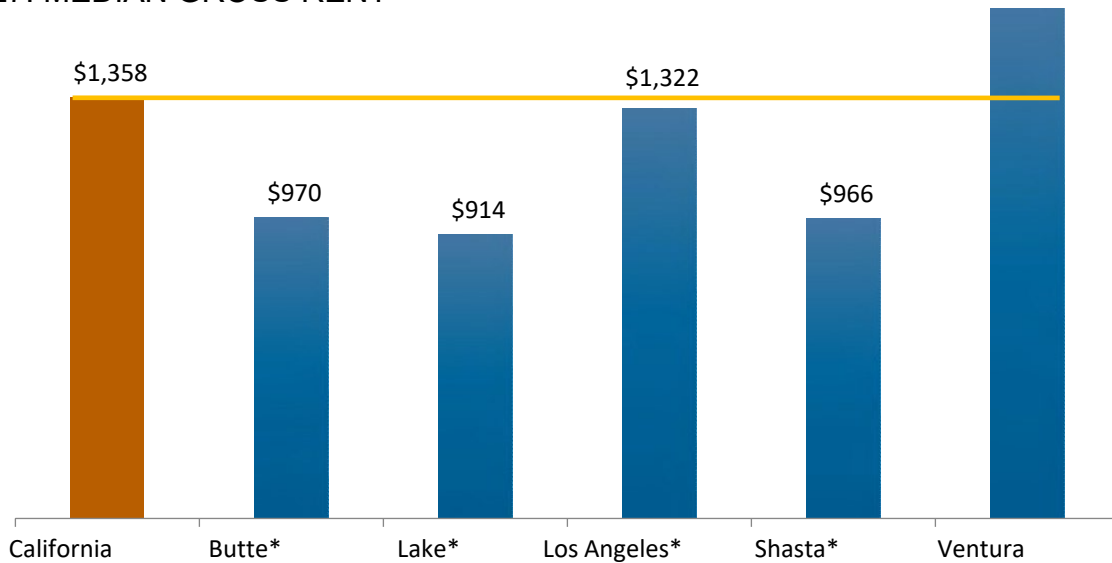
FIGURE 26: MEDIAN VALUE OF OWNER-OCCUPIED HOUSING



Source: American Community Survey 2013-2017 Estimates

*Most Impacted and Distressed Ar

FIGURE 27: MEDIAN GROSS RENT

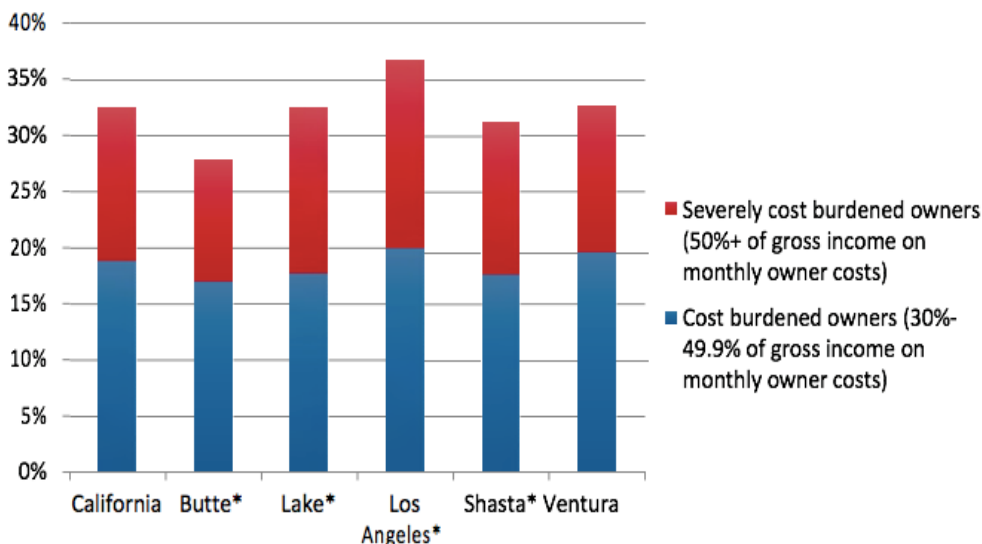


Source: American Community Survey 2013-2017 Estimates

*Most Impacted and Distressed Area

In the State of California, there are about 5.8 million renter-occupied housing units, 33 percent of which are located in the five impacted counties (this number drops to only 3 percent when L.A. County is removed). These renters face similar, sometimes more extreme financial pressures related to the cost of housing. 32 shows the median gross rent in the Most Impacted and Distressed counties falls below the statewide average; in Lake County the median gross rent is 33 percent below the statewide value. However, it should not be misconstrued that lower gross rent values equates to affordability. All five impacted counties have a higher level of cost-burdened and severely cost-burdened renters than the statewide percentage (see 32 and 33: Cost Burdened Renters (as a percentage of all renters).) In Butte County, 58.3 percent of renters are cost-burdened or severely cost-burdened.

FIGURE 28: COST BURDENED HOMEOWNERS

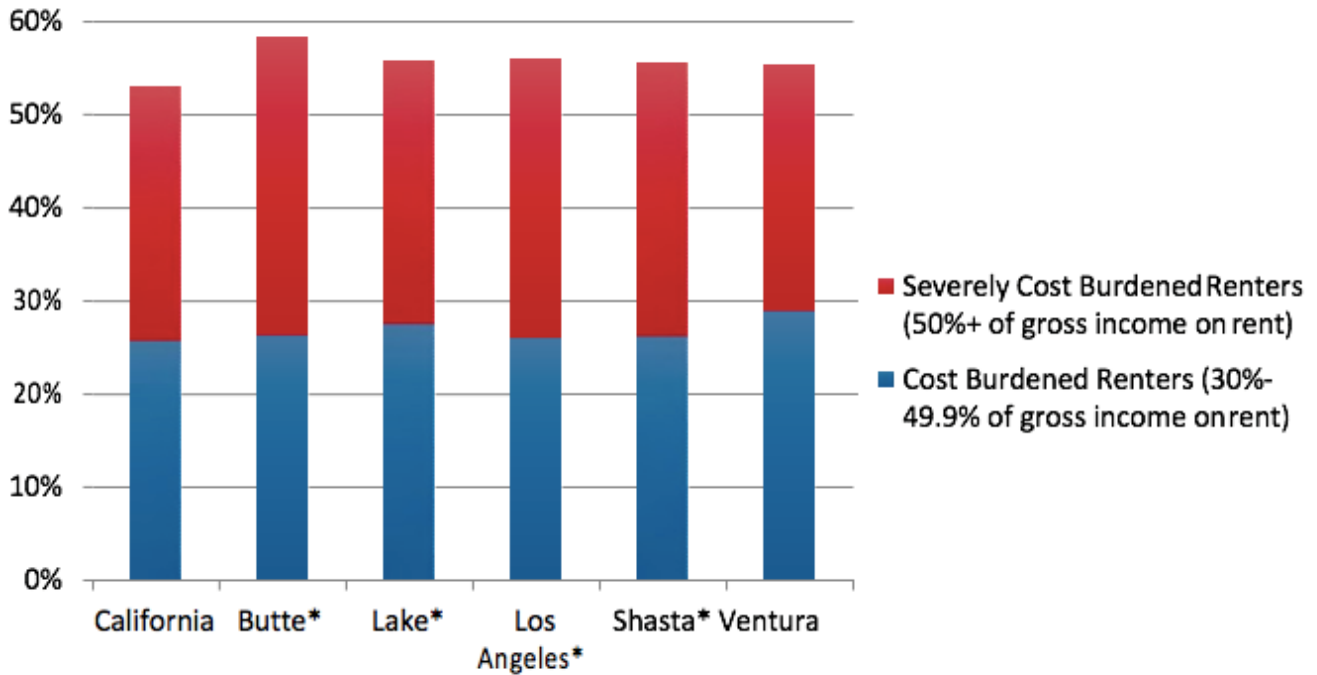


Source: American Community Survey 2013-2017 Estimates

*Most Impacted and Distressed Area



FIGURE 33: COST BURDENED RENTERS (AS A PERCENTAGE OF ALL RENTERS)



Source: American Community Survey 2013-2017 Estimates

*Most Impacted and Distressed Area

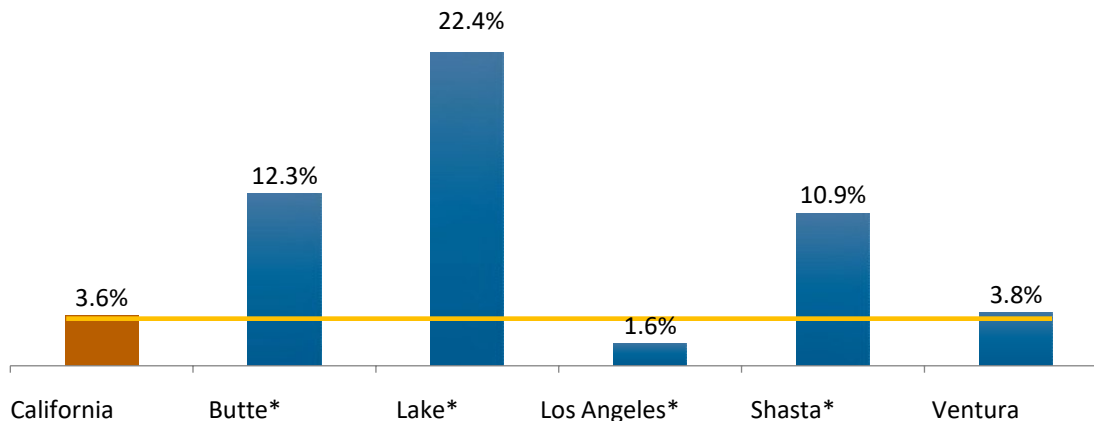
3. Mobile Housing Units

The DR-4382 and DR-4407 fires destroyed a total of 4,082 mobile homes. This accounts for nearly 25 percent of all residential units destroyed in the fires. Ninety percent of all mobile homes destroyed were in Butte County (3,695 mobile homes in total), a devastating result of the Camp Fire.

Mobile units make up a disproportionately large percentage of the total housing units in Butte, Lake, and Shasta counties (see 34), well above the statewide percentage. And even though Los Angeles has a comparatively smaller percentage of mobile homes, they are no less vulnerable to wildfire risk. The Woolsey Fire tore through the Seminole Springs Mobile Home Park in Los Angeles County, destroying 110 homes. By the end of 2019, none of the impacted residents had been able to return.



FIGURE 29: MOBILE HOME UNITS (AS A PERCENTAGE OF TOTAL HOUSING)



Source: American Community Survey 2013-2017 Estimates

*Most Impacted and Distressed Area

4. Population Demographics

In considering the populations to be served, 35 demonstrates that three of the impacted and Most Impacted and Distressed areas – Butte, Lake, and Shasta Counties – have higher White and elderly (65 and over) populations than average for the State of California as a whole. Los Angeles and Ventura counties stay closer to statewide percentages, generally younger and with the Hispanic or Latino population making up closer to 40-50 percent of the population.

FIGURE 30: POPULATION DEMOGRAPHICS (PERCENTAGE OF TOTAL POPULATION)

Characteristic	California	Butte	Lake	Los Angeles	Shasta	Ventura
Age						
Under 5	6.4%	5.5%	5.6%	6.3%	5.9%	6.2%
65 and over	13.2%	17.3%	21.2%	12.5%	19.4%	14.1%
Race						
White alone	60.6%	82.2%	77.8%	51.8%	86.9%	79.9%
Black or African American alone	5.8%	1.5%	2.3%	8.2%	1.1%	1.7%
Asian alone	14.1%	4.5%	1.5%	14.5%	3.0%	7.2%
Native Hawaiian or Pacific Islander	0.4%	0.2%	0.05%	0.3%	0.1%	0.2%
American Indian or Alaskan Native	0.7%	1.2%	3.4%	0.7%	2.5%	0.8%
Two or more races	4.7%	6.1%	2.5%	3.8%	4.4%	4.4%
Hispanic or Latino	38.8%	15.7%	19.4%	48.4%	9.6%	42.3%

Source: American Community Survey 2013-2017 Estimates



Educational attainment amongst the impacted counties varies, however it should be noted that the percentage of the population over 25 that has completed a bachelor’s degree or higher is lower in all of the Most Impacted and Distressed counties, compared to the statewide percentage (Figure 35). Butte, Lake, and Shasta counties have the lowest levels attaining a bachelor’s degree or above, however these counties exceed the statewide average in attaining some college or an associate’s degree.

FIGURE 31: EDUCATIONAL ATTAINMENT (PERCENTAGE OF POPULATION OVER 25 YEARS)

Education Level Attained	California	Butte	Lake	Los Angeles	Shasta	Ventura
Less than high school graduate	17.5%	11.2%	15.3%	21.8%	9.3%	16.0%
High school graduate (includes equivalency)	20.6%	22.6%	30.3%	20.7%	25.7%	18.9%
Some college, Associates degree	29.3%	39.5%	39.1%	26.2%	43.6%	32.5%
bachelor’s degree or higher	32.6%	26.6%	15.3%	31.3%	21.4%	32.6%

Source: American Community Survey 2013-2017 Estimates

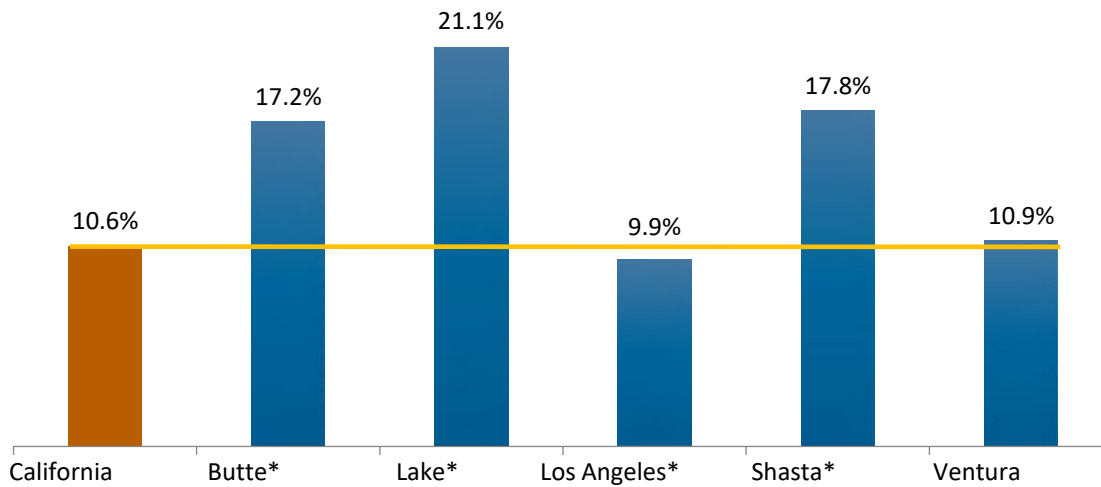
C. Impact on Vulnerable Populations

1. Population with Disabilities

Persons with disabilities are among the groups considered as being more at risk of suffering negative effects from natural disasters. They may not be reached in time by early warning systems that alert the public, which contributes to their vulnerability. Additionally, they may have more difficulty immediately evacuating disaster zones and may not have an individual preparedness plan. These populations may also rely on the availability of another to help them evacuate.

Butte, Lake, and Shasta counties have populations with a disability over 17 percent, which is well above the statewide percentage of 10.6 percent. These populations would require special monitoring, outreach, and services before, during, and after disasters.

FIGURE 32: ESTIMATE OF NON-INSTITUTIONALIZED POPULATION WITH A DISABILITY)



Source: American Community Survey 2013-2017 Estimates

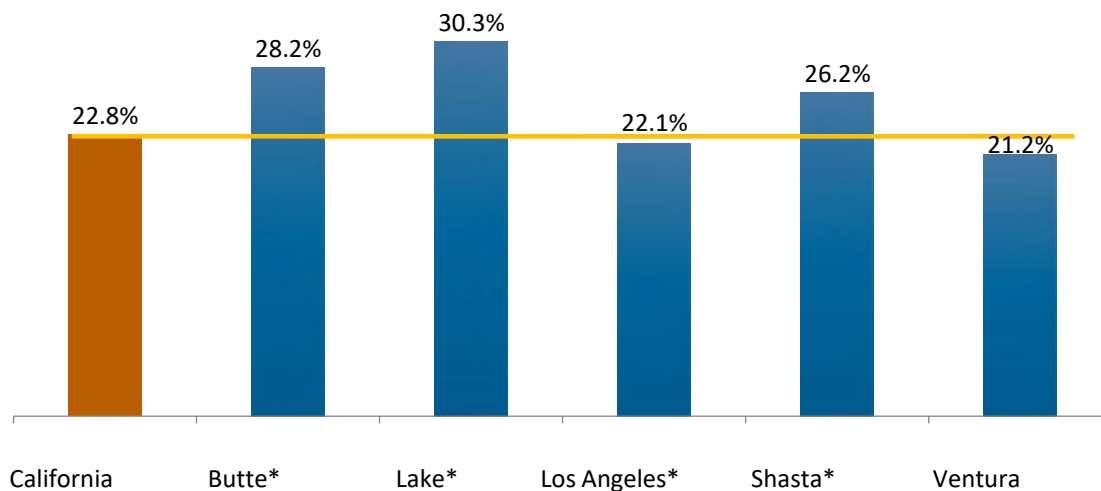
*Most Impacted and Distressed Area

2. Elderly Population

Senior households also face special challenges and are disproportionately affected in the face of disaster. Challenges range from owner-occupied households not having insurance as the mortgage is likely paid off, to persons unable to take medication due to lack of electricity which is needed to properly store medications, to those with limited mobility or who may no longer drive.

As previously discussed, Butte, Lake and Shasta counties all have populations over 65 years well above the statewide average. An additional risk is presented when these populations live alone. 38 shows that amongst these three counties with larger proportional elderly populations, these seniors also live alone at higher rates.

FIGURE 33: ELDERLY POPULATION LIVING ALONE (PERCENT OF POPULATION 65 YEARS AND OVER)

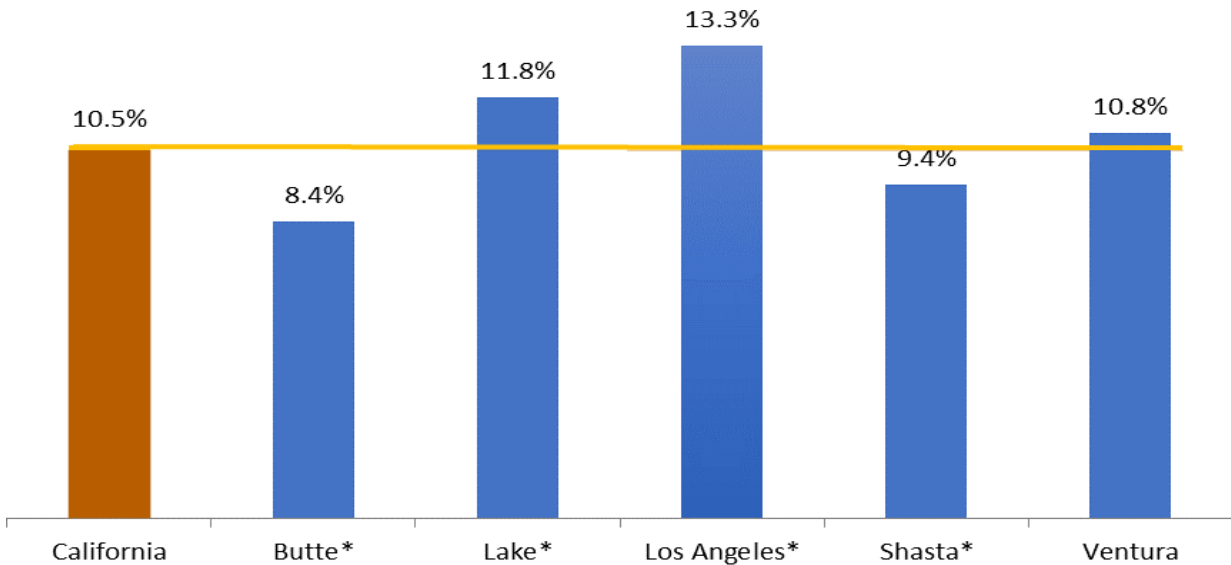


Source: American Community Survey 2013-2017 Estimates

**Most Impacted and Distressed Area*

2. Uninsured

FIGURE 34: NON-INSTITUTIONALIZED POPULATION WITHOUT HEALTH INSURANCE



Source: American Community Survey 2013-2017 Estimates

**Most Impacted and Distressed Area*

Lake, Los Angeles, and Ventura Counties all have above 10 percent of their civilian non-institutionalized population without health insurance, above the State average. Butte County (8.4 percent) and Shasta County (9.4 percent) are below the State average of 10.5 percent.

3. Population with Limited English Proficiency

Limited English Proficiency (LEP) persons are people who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English. LEP persons are especially vulnerable in the face of disaster, as they may not be able to effectively participate in or benefit from federally assisted programs. Title VI of the Civil Rights Act of 1964 requires recipients of federal financial assistance to take reasonable steps to ensure meaningful access of LEP persons.

HCD conducted a four-factor analysis using 2017 ACS 5-year estimates data to determine the proportion of populations within impacted counties that were LEP. The analysis uses thresholds of a minimum of 1,000 persons or at least five percent of the population who speak a language other than English at home and also speak English less than “very well” to determine the proportion of persons who are LEP.

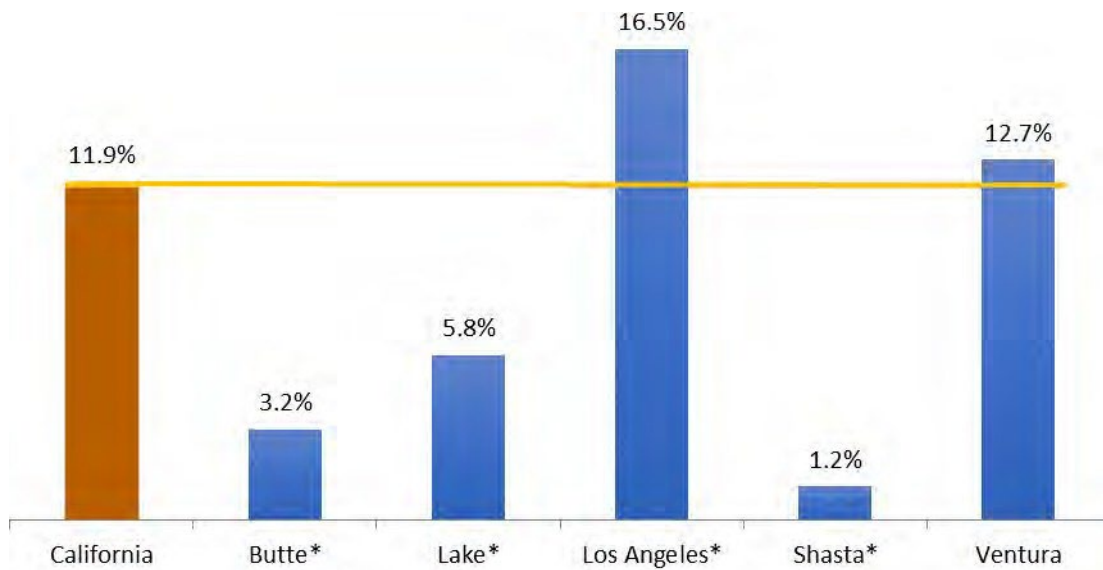
Results of the analysis showed that all five affected counties (Butte, Lake, Los Angeles, Shasta, and Ventura) met the 1,000 persons or five percent LEP persons threshold for Spanish. In addition, Butte, Los Angeles, Shasta, and Ventura counties met the 1000 persons, but not the five percent threshold for languages other than English and Spanish.



Los Angeles and Ventura counties have the highest populations of Spanish-speaking LEP persons, both exceeding 10 percent of the total county population. These two counties also have the largest number of additional languages spoken by more than 1,000 people who also speak English less than “very well”. These persons may require special attention and outreach for participation in federal assistance programs. HCD will ensure that all citizens have equal access to information about the programs, including persons with disabilities (vision and hearing impaired) and LEP.

A Spanish version of the Action Plan will be available. For Butte, Los Angeles, Shasta, and Ventura counties, HCD will work collaboratively with county officials and community-based organizations to identify if there is a need, as well as the best approaches for conducting targeted outreach in any additional languages, which may include translating pertinent materials and having language translators available at public meetings if requested in advance. Language access services and the availability of accessible features and reasonable accommodations for persons with disabilities will be provided to individuals for all public meetings as well as applicants during program case management of housing programs. HUD LEP Guidance will be included within program policies (<https://www.hud.gov/sites/documents/FINALLEP2007.PDF>).

FIGURE 35: SPANISH SPOKEN AT HOME BY ABILITY TO SPEAK ENGLISH LESS THAN "VERY WELL" (AGES 5+)



Source: American Community Survey 2013-2017 Estimates

*Most Impacted and Distressed Area

SPANISH LANGUAGE SPOKEN AT HOME BY ABILITY TO SPEAK ENGLISH (AGES 5+)

FIGURE 36: SPANISH LANGUAGE SPOKEN AT HOME

	Estimate Speak English Less than “Very Well”	Percent Speak English Less than “Very Well”
Butte County	6,789	3.20%



Lake County	3,508	5.80%
Los Angeles County	1,565,418	16.52%
Shasta County	1,998	1.19%
Ventura County	100,584	12.65%

Source: American Community Survey, 2017 5-Year Estimates

D. Homeless Population

Homeless population pre-disaster

In 2018, the Chico, Paradise/Butte County Continuum of Care (COC) reported 1,125 homeless persons, made up of 919 households.⁵⁹ About two-thirds of all homeless persons (745) were unsheltered. Forty-five percent of all homeless persons (506 persons) were considered chronically homeless.

The Lake County COC reported 615 homeless persons, made up of 281 homeless households, in 2018.⁶⁰ The vast majority of those homeless persons (591) were unsheltered. Thirteen percent of all homeless persons (82 persons) were considered chronically homeless.

FIGURE 37: HOMELESS POPULATION 2018

Continuum of Care	Wildfire	Homeless Persons	Homeless Households	Unsheltered Homeless Persons # and %		Chronically Homeless Persons # and %	
				#	%	#	%
Chico, Paradise/Butte Counties	Camp	1,126	919	919	82%	506	45%
Lake	Mendocino	615	218	591	96%	82	13%
Los Angeles	Woolsey	49,955	44,497	37,570	75%	13,275	27%
Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, Sierra Counties	Carr	1,149	937	690	60%	431	38%
TOTAL		52,845	46,571	39,770	75%	14,294	27%

Source: <https://www.hudexchange.info/programs/coc/coc-dashboard-reports/>, accessed 3/12/20

In 2018, the Los Angeles County CoC reported 49,955 homeless persons in 2018, made up of 44,497 households. Seventy-five percent of homeless persons (37,570 persons) were unsheltered. Twenty-seven percent of all homeless persons (13,275 persons) were considered chronically

⁵⁹ “HUD 2018 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations: Chico, Paradise/Butte County CoC,” HUD Point in Time data, 2/21/18, https://files.hudexchange.info/reports/published/CoC_PopSub_CoC_CA-519-2018_CA_2018.pdf

⁶⁰ “HUD 2018 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations: Lake County CoC,” HUD Point in Time data, 1/23/18, https://files.hudexchange.info/reports/published/CoC_PopSub_CoC_CA-529-2018_CA_2018.pdf

homeless.

The Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, Sierra Counties CoC reported 1,149 homeless persons, made up of 937 households, in 2018.⁶¹ About half of all homeless persons (690 persons) were unsheltered. Thirty-eight percent of all homeless persons (431 persons) were considered chronically homeless.

Newly homeless

At the end of January 2019, almost three months after the Camp Fire, the final evacuation center for the fire was closed. Approximately 600 residents at the Silver Dollar Fair Grounds in Chico were displaced, adding to the homeless roles. Weeks before that closure, Dianna Van Horn of the American Red Cross said: “It is a humanitarian issue. We are trying to make sure that everyone has a place to go.”⁶² It was reported that “some of the people at the shelter were homeless before the Camp Fire hit and have taken advantage of the federally-aided effort to find a shelter with food, water, and other services. Some others were what officials refer to as being “precariously housed” prior to the fire. They may have lived in the hillside towns of Paradise, Concow and Magalia, but were struggling financially and did not own – or even rent their homes.⁶³ Ed Mayer, head of the Housing Authority of the County of Butte, added: “These hill communities are often very low-income and it attracts people who live on the margins. You may do odd jobs, and you cobble together a lifestyle where you might be sleeping in an extra room, a trailer or a shed. You pay some rent this month, but can’t sustain it, and you move on.”⁶⁴

E. Impacts on Low- and Moderate-Income Populations

All projects supported by CDBG-DR funds must meet one of the program’s three National Objectives:

- Benefiting Low- and Moderate-Income (LMI) persons
- Aiding in the prevention or elimination of slums or blight
- Meeting a need or having particular need (Urgent Need)

HUD uses Low- and Moderate-Income Survey Data (LMISD) to identify these populations based on block group. The most recent LMISD is based on 2011-2015 ACS Five-Year Estimates. HUD defines LMI households as households whose gross income is below 80 percent of Area Median Income (AMI), adjusted for family size. Programs and projects considered to benefit LMI persons may do so directly, such as through a homeowner assistance program, or by benefitting low- and moderate-income areas, where it is determined that at least 51 percent of a service area’s population is LMI, such as certain infrastructure projects.

⁶¹ “HUD 2018 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations: Redding/Shasta, Siskiyou, Lassen, Plumas, Del Norte, Modoc, Sierra Counties CoC,” HUD Point in Time data, 1/22/18, https://files.hudexchange.info/reports/published/CoC_PopSub_CoC_CA-516-2018_CA_2018.pdf

⁶² “A huge shelter for Camp Fire refugees is closing. ‘More are seniors. That breaks my heart’” *The Sacramento Bee*, January 18, 2019, <https://www.sacbee.com/latest-news/article224717220.html>

⁶³ Ibid.

⁶⁴ Ibid.



In recognition of the responsibility to spend at least 70 percent of CDBG-DR funds to the benefit of LMI persons and households, it is important to identify where those populations live. As shown in 43, most impacted counties hover around the statewide average of 47.9 percent LMI populations. This results in an LMI population of just over 6 million people throughout the five counties. If Los Angeles County is removed, the total LMI population drops to just over 564,000 people.

FIGURE 38: LOW- AND MODERATE-INCOME POPULATION

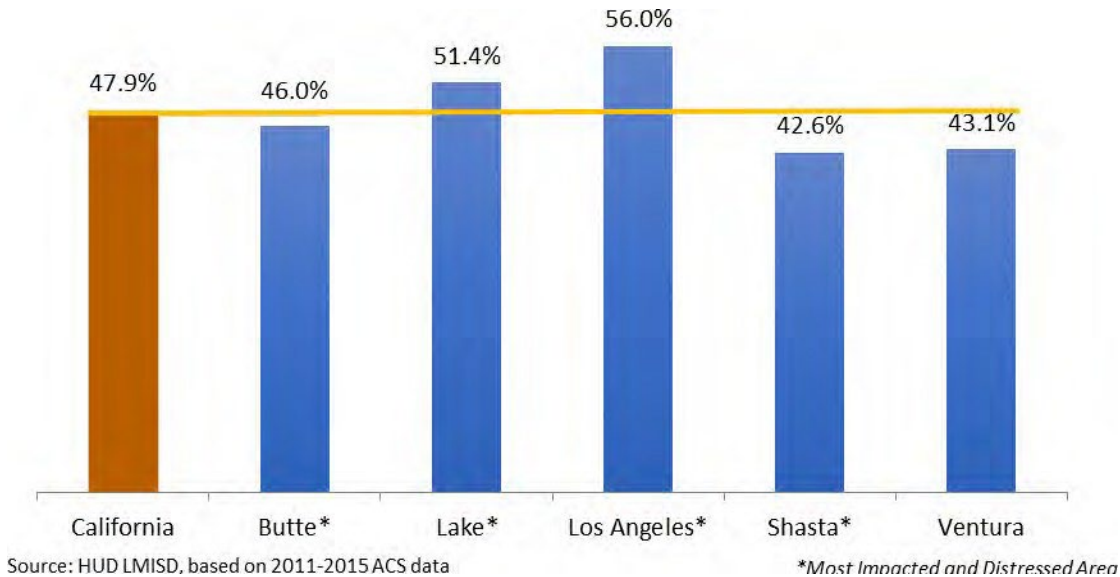


FIGURE 39: HUD LOW- AND MODERATE-INCOME LIMITS (2018)

Income Limit Area	30% Median Income	50% Median Income	80% Median Income
Chico, CA MSA	\$18,150	\$30,250	\$48,400
Lake County, CA	\$17,900	\$29,850	\$47,750
Los Angeles-Long Beach-Glendale, CA FMR Area	\$29,050	\$48,450	\$77,500
Redding, CA MSA	\$18,400	\$30,700	\$49,100

Source: HUD

FIGURE 40: LMI POPULATIONS IN FIRE BURNED AREAS

County Name	LMI Population	LMI Universe	% LMI in Fire Burned Areas
Butte County	24,740	62,175	39.8%
Lake County	10,815	19,850	54.5%
Shasta County	12,160	31,610	38.5%
Los Angeles County	22,075	80,410	27.5%
Ventura County	15,135	71,740	21.1%
Grand Total	84,925	265,785	32.0%

Source: 2011-2015 ACS data from HUD



Despite the fact that there are very few census tracts that are predominantly LMI in the fire burned areas⁶⁵, there are many households in those areas that are Low- and Moderate- Income. Notably, there are over 37,000 people who live in the area that was burned by the Woolsey Fire who are considered LMI (22,075 people in Los Angeles County and 15,135 people in Ventura County). Butte County, including the town of Paradise, has the highest percent of LMI individuals in the burn area, with nearly 25,000 people considered to be LMI, making up 40 percent of the population in the burn area.

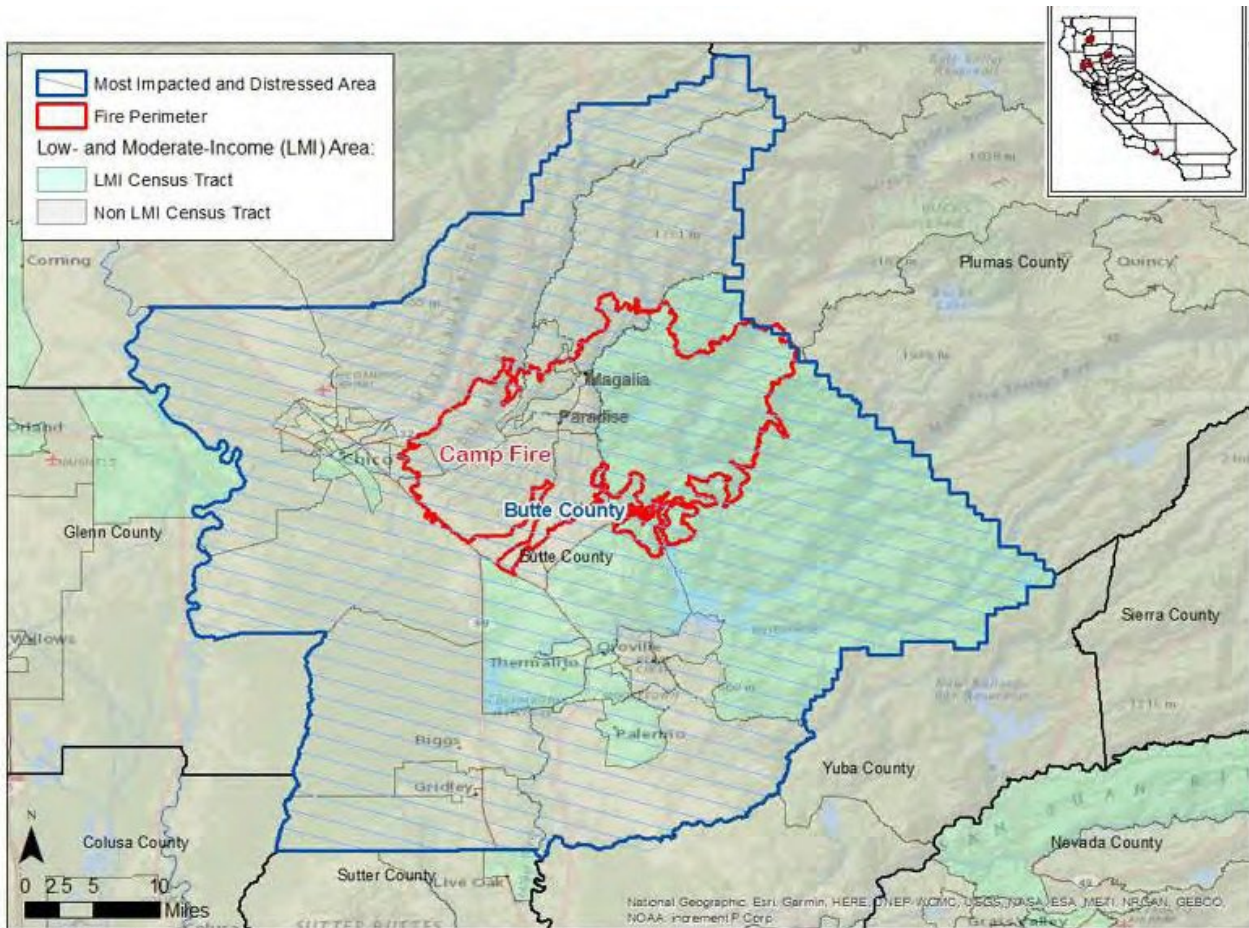
FIGURE 41: LMI DISTRIBUTION ACROSS FIRE BURNED AREAS

County Name	LMI Population	Portion of the Total Impacted LMI Population
Butte County	24,740	29.1%
Lake County	10,815	12.7%
Shasta County	12,160	14.3%
Los Angeles County	22,075	26.0%
Ventura County	15,135	17.8%
Grand Total	84,925	100.0%

Source: 2011-2015 ACS data from HUD

⁶⁵ Areas that fall within a Census tract that intersects the CAL FIRE mapped fire perimeters for the Camp Fire, Carr Fire, Mendocino Complex fires, and Woolsey Fire.

FIGURE 42: CAMP FIRE LMI MAP

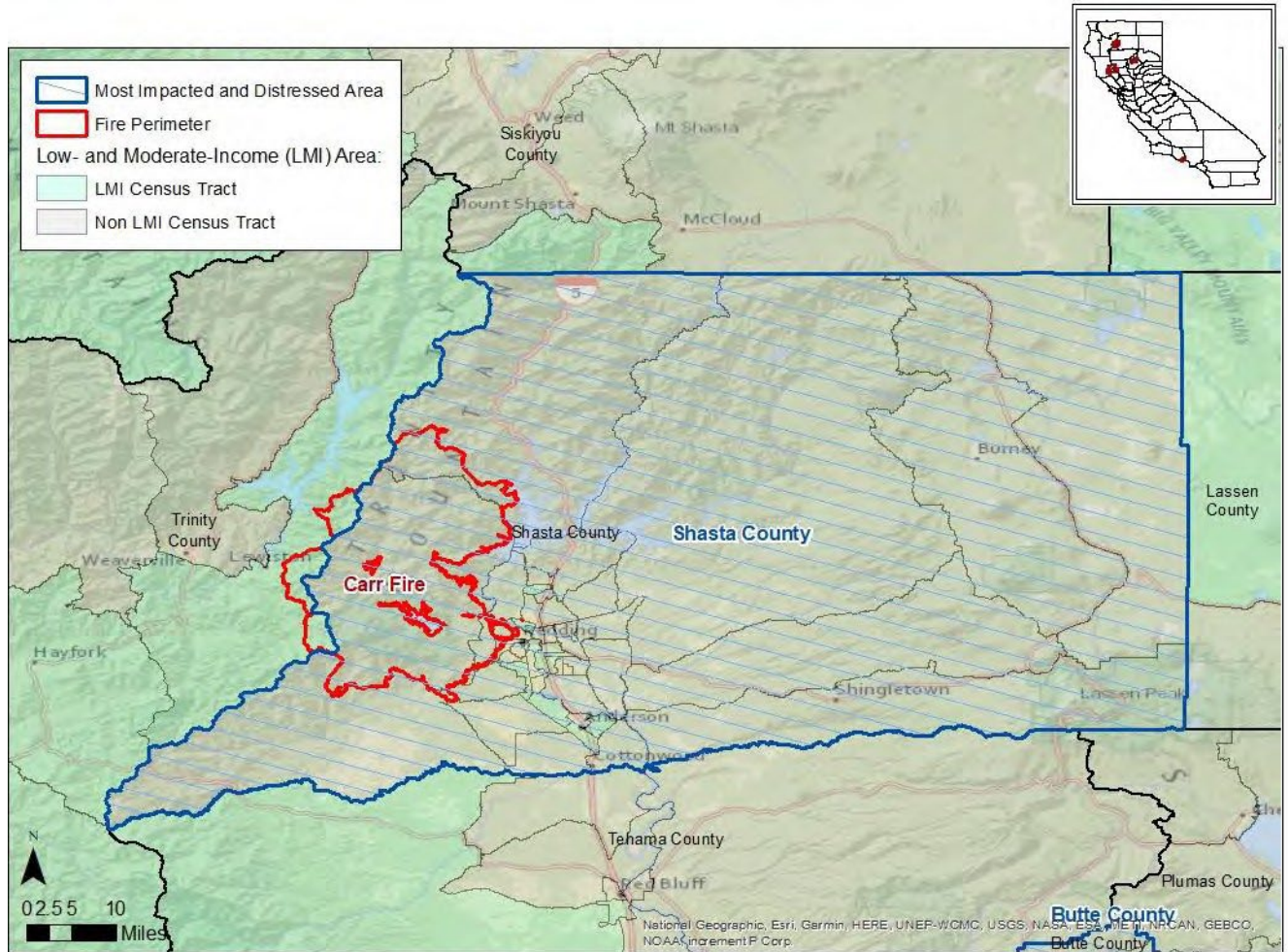


Source: CAL FIRE, HUD 2015 ACS Low- and Moderate-Income data, Federal Register Notice 85 FR 4681

The Camp Fire burned across census tracts that are both predominantly LMI and predominantly Non-LMI. An analysis of the population in fire burned areas⁶⁶ shows that there are 24,740 LMI individuals, making the LMI population 39.9 percent of the population in the burned area. When compared to the LMI populations across the three other fire burned areas, the LMI population in the Camp Fire burn area is 29.1 percent of the total LMI population.

⁶⁶ Analysis looked at the populations in Census tracts that intersect with the fire burned areas

FIGURE 43: CARR FIRE LMI MAP

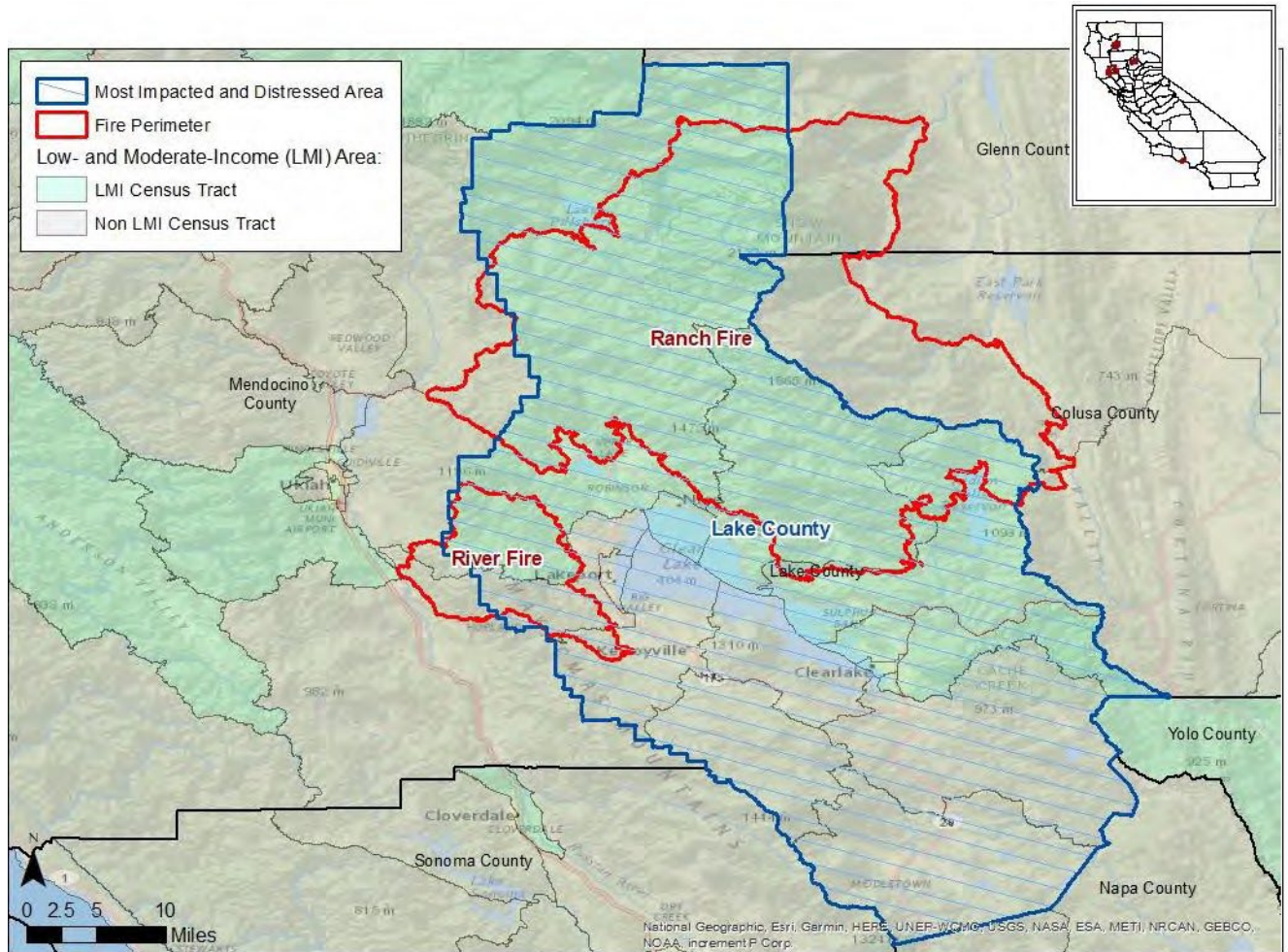


Source: CAL FIRE, HUD 2015 ACS Low- and Moderate-Income data, Federal Register Notice 85 FR 4681

The Carr Fire burned in predominantly non-LMI census tracts, but since LMI individuals live throughout the census tracts, that does not mean that LMI individuals were not in the burn area or directly impacted. Analysis of the population in fire burned areas⁶⁷ show that there are 12,160 LMI individuals, which translates to an LMI population of 38.5 percent in the burned area. When compared to the LMI populations across the three other fire burned areas, the LMI population in the Carr Fire burn area is 14.3 percent of the total LMI population.

⁶⁷ Analysis looked at the populations in Census tracts that intersect with the fire burned areas.

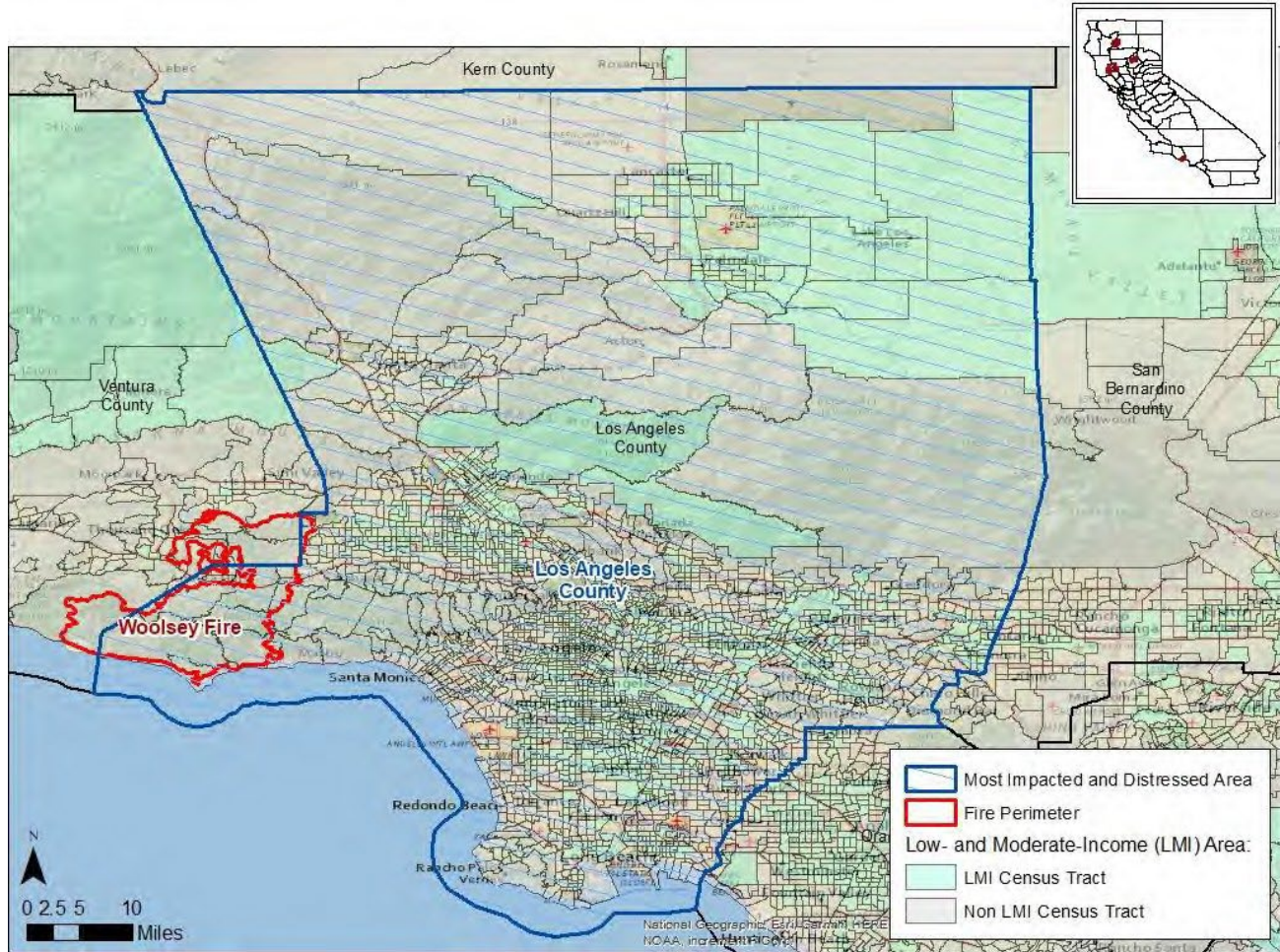
FIGURE 44: MENDOCINO COMPLEX LMI MAP



The Mendocino Complex (Ranch Fire and River Fire) burned mostly in census tracts that are predominantly LMI. Analysis of the population in fire burned areas⁶⁸ show that there are 10,815 LMI individuals, which translates to an LMI population of 54.5 percent in the burned area. When compared to the LMI populations across the three other fire burned areas, the LMI population in the Mendocino Complex burn area is 12.7 percent of the total LMI population.

⁶⁸ Analysis looked at the populations in Census tracts that intersect with the fire burned areas

FIGURE 45: WOOLEY FIRE LMI MAP



Source: CAL FIRE, HUD 2015 ACS Low- and Moderate-Income data, Federal Register Notice 85 FR 4681

The Woolsey Fire burned in predominantly non-LMI census tracts, but since LMI individuals live throughout the census tracts, that does not mean that LMI individuals were not in the burn area or directly impacted.

Analysis of the population in fire burned areas of Los Angeles County⁶⁹ show that there are 22,075 LMI individuals, which translates to an LMI population of 27.5 percent in the burned area. When compared to the LMI populations across the three other fire burned areas, the LMI population in the Woolsey Fire burn area is 26.0 percent of the total LMI population.

Analysis of the population in fire burned areas of Ventura County⁷⁰ show that there are 15,315 LMI individuals, which translates to an LMI population of 21.1 percent in the burned area. When compared to the LMI populations across the three other fire burned areas, the LMI population in the Woolsey Fire burn area is 17.8 percent of the total LMI population. Taken together, the

⁶⁹ Analysis looked at the populations in Census tracts that intersect with the fire burned areas

⁷⁰ Analysis looked at the populations in Census tracts that intersect with the fire burned areas. Ventura County is not part of the MID but had significant damage and has significant LMI populations in the Woolsey Fire burn area and was therefore included in the analysis.



LMI population in the Woolsey Fire burned area is over 37,000 individuals and constitutes 43.8 percent of all LMI individuals in the fire burned areas of the 2018 fires.

F. SOCIAL VULNERABILITY INDEX

Social vulnerability is a measure of a community’s ability to withstand and recover from external stresses, including natural disasters such as wildfires. Communities that have high levels of social vulnerability are particularly vulnerable to natural or human cause d disasters, while communities with low levels of social vulnerability tend to have greater resilience to these stressors. The Center for Disease Control and Prevention (CDC) publishes a Social Vulnerability Index (SVI), which is based on a combination of factors including poverty, lack of access to transportation, age, language and crowded housing. The SVI accounts for a variety of factors that make it more difficult for a community to prevent human suffering and financial loss in a disaster.⁷¹

The CDC’s SVI is intended to assist emergency response planners and public health officials identify communities that likely need additional support before, during, and after a disaster. This is a useful tool for assisting in the identification of areas of particular need for long-term recovery efforts as the index helps identify which communities likely need extra resources to be able recover and where those resources may have the most impact.

The SVI uses geographically located data from the U.S. Census on 15 social factors that address four key themes: socioeconomic status, household composition, race/ethnicity/language, and housing/transportation. This analysis is conducted at the census tract level across the nation. Each census tract gets a value for each theme, and then those values are combined to create a composite value. For each theme and for the composite value, a percentile ranking is then assigned relative to the values for the rest of the State.

FIGURE 46: LMI DISTRIBUTION ACROSS FIRE BURNED AREAS

County	Population	Composite Theme Value	Overall Percentile Ranking
Butte	223,877	7.42	51.7%
Lake	64,076	8.72	68.2%
Shasta	179,228	7.08	47.5%
Los Angeles	10,056,676	7.82	56.7%

Source: Centers for Disease Control and Prevention Social Vulnerability Index

At the county level, Lake County has the highest overall SVI, with a rank of 8.72 and overall percentile ranking of 68.2 percent ranking it as the most socially vulnerable of the four MID counties. This is largely due to a high value in the Household Composition Theme, which

⁷¹ CDC’s Social Vulnerability Index (SVI): A tool to identify socially vulnerable communities” Agency for Toxic Substances and Disease Registry, Centers for Disease Control and Prevention, September 10, 2018, <https://svi.cdc.gov/factsheet.html>



accounts for prevalence of disability (over 20 percent for Lake County). It also accounts for age, including the portion of children and elderly in the population, and single-parent households.

Shasta County also a high ranking for household composition (79.7 percent), followed by Butte County (64.9 percent).

Lake County has the highest SVI rank in the Socioeconomic Theme, making it the most socioeconomically vulnerable among the MID counties. All four MID counties have a rank higher than 50 percent for their socioeconomic vulnerability, with Butte, Los Angeles, and Shasta Counties all in the 50-60 percent range. Lake County also leads the Household Type and Transportation Theme, with 13 percent of the population residing in mobile homes. Butte, Los Angeles, and Shasta all rank in the 50 -60 percent range for this theme.

Los Angeles County has the highest percentile ranking (63.8 percent) for the Minority and Language Theme, with a large portion of the population, largely driven by a 73 percent minority population and 13 percent of the population with limited English proficiency. Lake, Butte, and Shasta are all in the bottom quarter of vulnerability for this theme.

The four SVI theme values and respective percentile ranking at the county level are listed for each of the MID counties in 52, below.

FIGURE 47: COMPONENT SOCIAL VULNERABILITY INDEX (SVI) VALUES

		Butte	Lake	Los Angeles	Shasta
Population		223,877	64,076	10,056,676	179,228
Socioeconomic Theme	Theme Value	2.31	2.78	2.21	2.01
	Percentile Ranking	59.5%	73.1%	56.4%	51.0%
Household Composition Theme	Theme Value	2.26	2.74	1.93	2.54
	Percentile Ranking	64.9%	88.2%	46.7%	79.7%
Minority/Language Theme	Theme Value	0.36	0.47	1.26	0.17
	Percentile Ranking	16.6%	22.1%	63.8%	6.9%
Household Type/ Transportation Theme	Theme Value	2.48	2.73	2.41	2.36
	Percentile Ranking	56.4%	65.4%	54.2%	51.6%
Composite of Themes	Theme Value	2.48	2.73	2.41	2.36
	Percentile Ranking	56.4%	65.4%	54.2%	51.6%

Source: Centers for Disease Control and Prevention Social Vulnerability Index

The s show in 52 overlay the overall SVI ranking (low, low-medium, medium, medium-high, and high) with the fire perimeter and damaged structure locations and structure types (residential, commercial, infrastructure, and others) for each of the fires. These maps show all

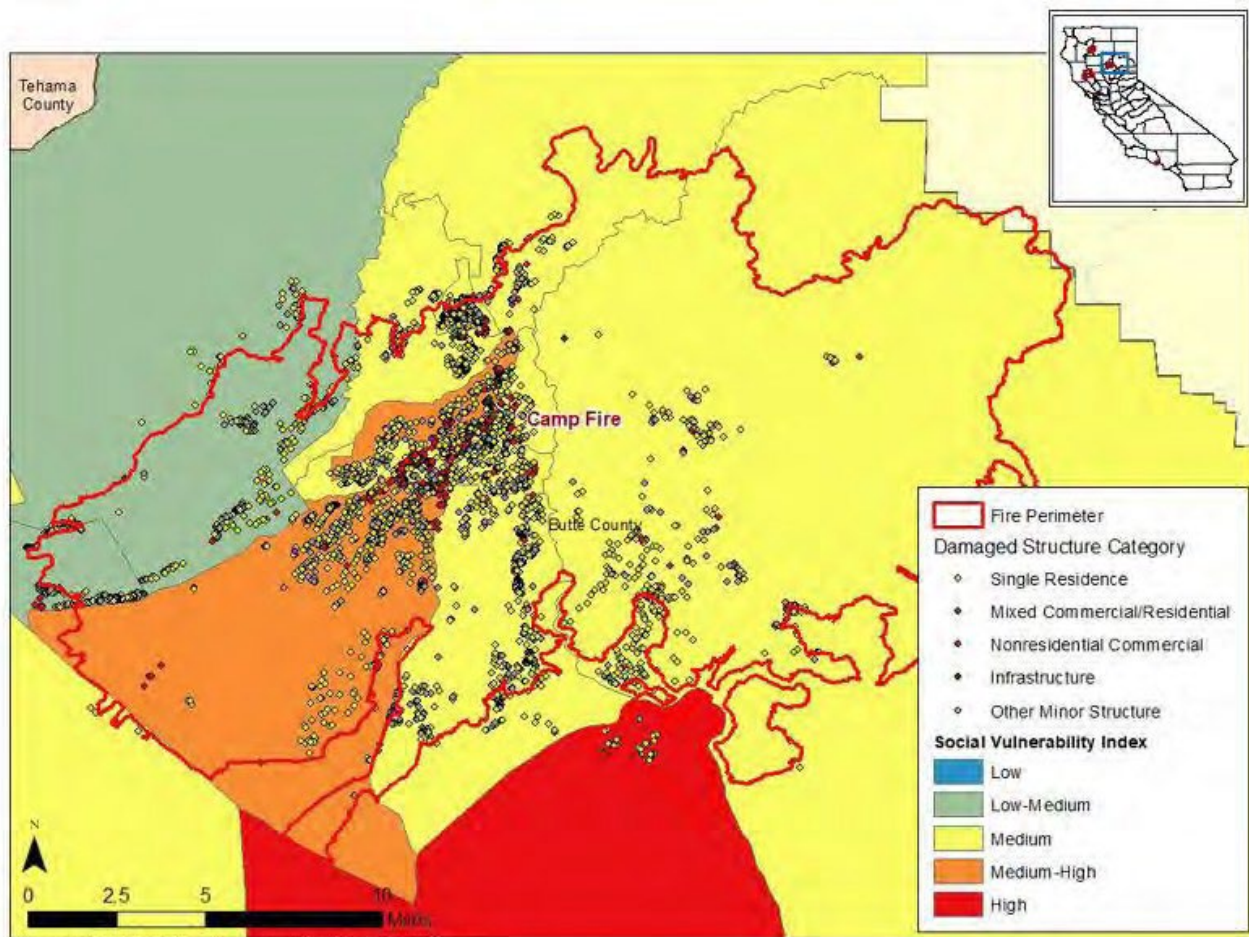
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structures which had reported damage based on the CAL FIRE data. Due to the destructiveness of the fires, 94 percent of all damaged structures were destroyed in the 2018 wildfires, and therefore most of the structures represented in these maps are considered destroyed. MID counties are shown with bright SVI rankings, while the SVI rankings for those areas outside the MID are shown in more muted versions of the same five colors corresponding to the overall SVI ranking.

As can be observed in the maps below (s 52, 53, 54, 55), and consistent with the SVI scores at the county level, the Mendocino Complex (including the Ranch Fire and River Fire), which burned primarily in Lake County, has more damage in areas with generally higher SVI values. The Camp Fire and River Fire were the only two fires to damage structures in census tracts with a “High” SVI ranking (greater than 75 percent). Paradise, burnt by the Camp Fire and clearly visible on the map in the area of high structure damage concentration, is a mix of “Medium” and “Medium-High” rankings, (rankings from 25-74.9 percent). The Carr Fire, which burnt primarily in Shasta County, burned almost exclusively in “Medium” SVI areas (25-49.9 percent). The Woolsey Fire, which burnt in Los Angeles and Ventura Counties, was primarily in “Low-Medium” and “Medium” SVI areas (1-24.9 percent ranking).⁷²



⁷² SVI values include values for areas that do not have a population, assigned the “Low” social vulnerability title.

FIGURE 50: SOCIAL VULNERABILITY OF CARR FIRE DAMAGED AREAS

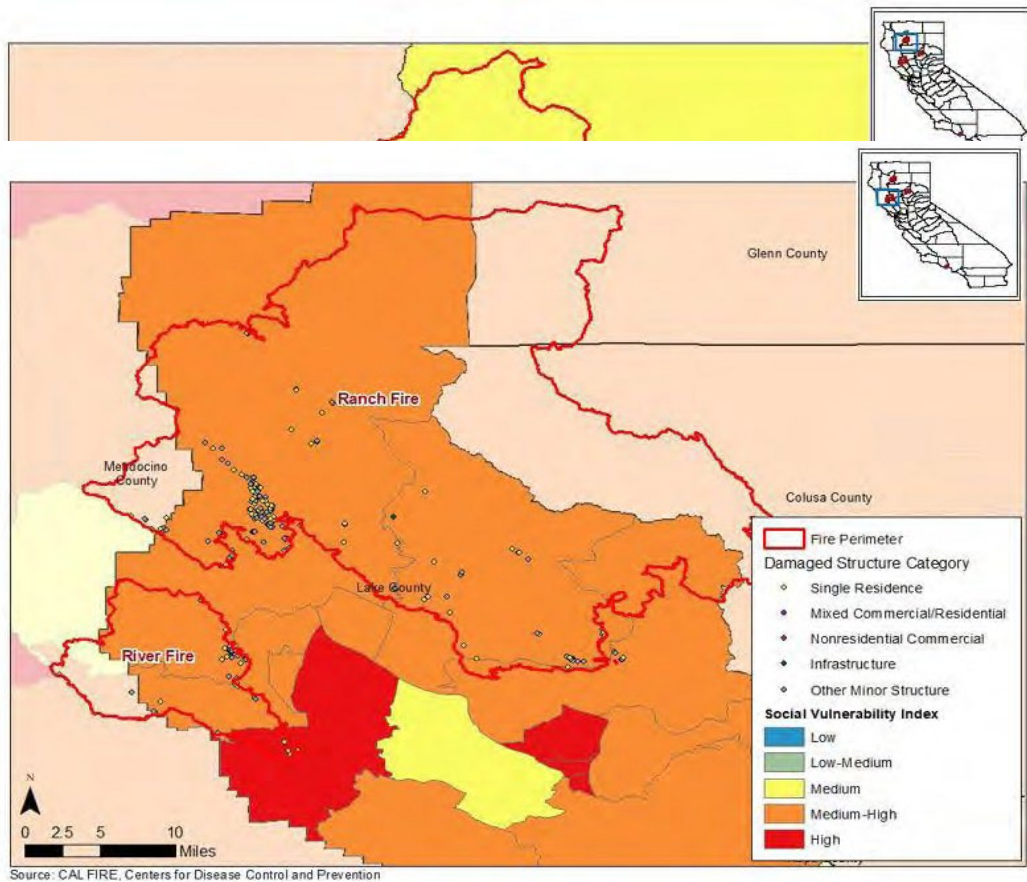
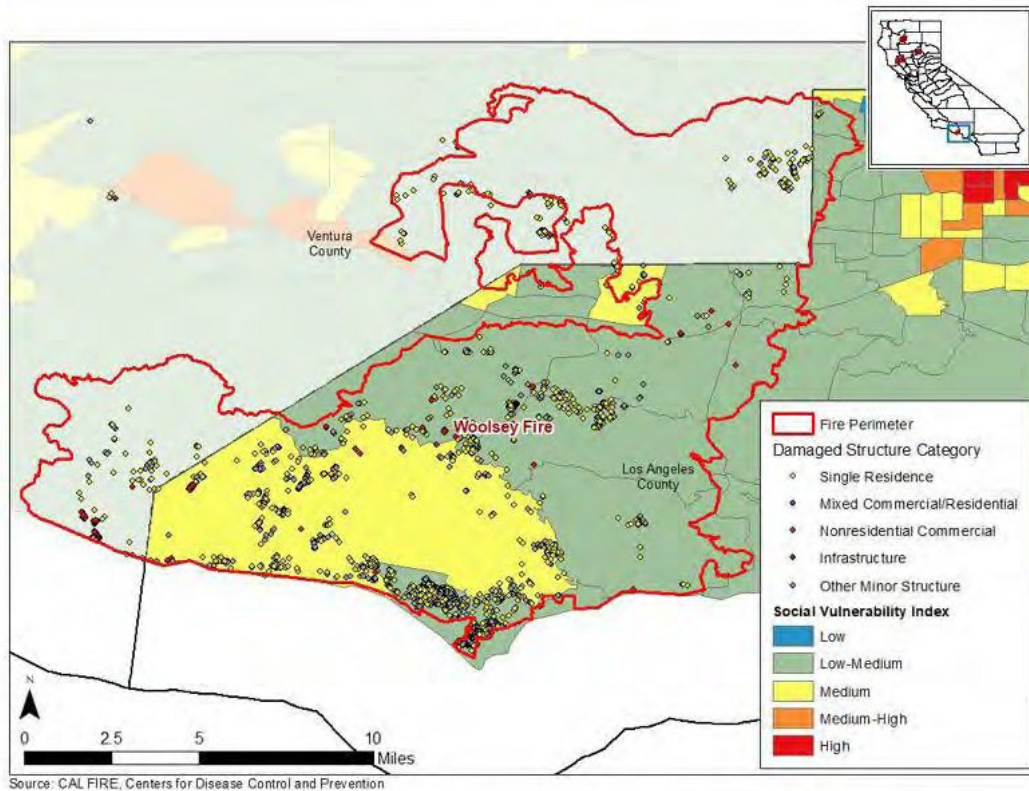


FIGURE 49: SOCIAL VULNERABILITY OF MENDOCINO COMPLEX FIRE DAMAGED AREAS

FIGURE 51: SOCIAL VULNERABILITY OF MENDOCINO COMPLEX FIRE DAMAGED AREAS



The map above shows a correlation between federal and state protected classes and social vulnerability, including a lack of access to affordable housing, but perhaps an inverse relationship with fire burn scar areas. The potential impacts of HCD’s CDBG-DR programs to protected classes are far better understood at the project-level. See program design descriptions at the section of the Action Plan, below, titled, “Proposed Disaster Recovery Programs.”

5. ANALYSIS OF UNMET NEED: HOUSING

California’s 2018 federally disaster declared wildfires caused an estimated \$14.9 billion in residential losses. As a result, \$11.65 billion in funds have been committed to meet that need from private insurance claims, federal funding from FEMA IA grants and SBA home loans, and state and local grants to local housing entities. The difference, \$3.2 billion, is the unmet housing need in California as a result of the 2018 wildfires. These calculations represent disaster-related impacts based on the best available data at the time of writing the Action Plan and represents a point in time assessment. 57 below summarizes the housing unmet need, followed by a detailed discussion of the methodology.



This massive housing impact occurred at a point in time in which the State was already struggling to meet housing demand. The most impacted county from the 2018 fires was Butte County, which even prior to the Camp fire, had a housing vacancy rate between 1.5 to 2.5 percent.⁷³ The 2010 Census counted 99,404 housing units in Butte County. Based on CAL FIRE data, the Camp Fire destroyed over 15,000 residential units, accounting for over 15 percent of the housing stock.

FIGURE 52: HOUSING UNMET NEED SUMMARY

	Loss/Need (-)	Funding Awarded or Obligated (+)	Unmet Need (=)
Residential Property Loss	\$14,876,576,401		\$14,876,576,401
Public Housing Loss	\$-		\$-
FEMA Individual Assistance (IA)		\$98,316,794	\$(98,316,794)
<i>FEMA Housing Assistance (HA)</i>		\$64,381,734	\$(64,381,734)
<i>FEMA Other Needs Assistance (ONA)</i>		\$33,935,059	\$(33,935,059)
FEMA Rental Assistance		\$23,382,303	\$(23,382,303)
SBA Loans: Residential		\$132,915,500	\$(132,915,500)
CalHome		\$57,008,200	\$(57,008,200)
Community Housing Improvement Program (CHIP) Grant for Paradise Community Village		\$580,000	\$(580,000)
Private Insurance Payments		\$11,338,993,359	\$11,338,993,359
Total Housing	\$14,876,576,401	\$11,651,196,156	\$3,225,380,246

A. HOUSING UNMET NEED METHODOLOGY

To determine the unmet housing need, two need categories were developed:

- Insured properties - Unmet need is the gap between total rebuild/repair amount and the insured amount minus FEMA IA and SBA assistance
- Unmet Need = Rebuild/Repair Amount - Insurance – Funds Awarded
- Uninsured properties - Unmet need is the total rebuild/repair amount minus FEMA IA and SBA assistance Unmet Need = Rebuild/Repair Amount – Funds Awarded

To assess the cost to rebuild/repair insured homes, HCD determined the number and extent of damaged residential properties and the per property cost to repair and replace those homes. For insured properties, the analysis determines the number of insured properties destroyed

⁷³ "Butte County lacks housing capacity for those displaced by Camp Fire" *Chico Enterprise Record*, November 12, 2018, <https://www.chicoer.com/2018/11/12/butte-county-lacks-housing-capacity-for-those-displaced-by-camp-fire/>

by the fires that need to be rebuilt based on the number of insurance claims resulting in total loss from CDOI and the number of destroyed (damage greater than 50 percent) residential properties from the CAL FIRE data. The number of insured damaged properties (less than 50 percent damage) is calculated based on the difference between the total insurance claims and the number of destroyed insured properties.

To assess the number of uninsured destroyed residential properties, the number of insured total loss claims is analyzed relative to the number of destroyed residential properties in the CAL FIRE data. Based on the total number of insurance claims, the true number of damaged homes far exceeds those that appear in the CAL FIRE dataset (as well as the FEMA IA and SBA datasets). Assuming that the portion of insured to uninsured is the same for damaged and destroyed homes, a multiplier is calculated based on the number of destroyed structures in the CAL FIRE dataset and total loss claims in the insurance data. The multiplier is applied to the number of insurance claims for partial loss. This results in an estimate of the total number of uninsured homes that need to be repaired or replaced. The estimated number of residential properties that need to be repaired and replaced are provided in 60.

The total cost to repair and replace the damaged and destroyed residential properties is determined by multiplying the number of each by the respective cost estimate for residential structures construction in each county. The cost estimation to rebuild is comprised of the following components:

- Soft costs include architectural and engineering fees, utilities, permits and fees, normalized based on the average median square feet per residence. The cost is estimated based on percentages of the site work and building cost based on an architectural analysis from the 2017 fire recovery. Costs include 8 percent for design, permits, and architecture and engineering fees, 2 percent for utility connections, and 4 percent for building permits and fees.⁷⁴
- Site work includes foundation, debris and septic repair costs, normalized based on the average median square feet per residence. The cost estimate is based on debris remove costs from the Department of Insurance and from an architectural analysis from the 2017 fire recovery.^{75, 76}
- Building costs are the estimated cost for vertical construction (exclusive of Soft Costs and Site Work) per square foot. For each county, the building costs are based on construction estimation research from multiple sources to estimate and validate costs by county and zip

⁷⁴ “Rebuilding a Wine Country home after fire may cost way more than insurance provides, architects say,” *North Bay Business Journal*, October 20, 2017, <https://www.northbaybusinessjournal.com/industrynews/7543341-181/sonoma-insurance-rebuilding-construction-costs>

⁷⁵ Ibid; “November 2018 Wildfires Consolidated Debris Removal Program Insurance Fact Sheet” California Department of Insurance, January 1, 2019.

⁷⁶ Site work is estimated at \$75,000 for Shasta, Lake, Los Angeles and Ventura Counties and at \$90,000 in Butte County in recognition of the severity of the fire damage and resulting increased costs related to reading a site for vertical construction.



code in impacted areas.^{77, 78}

- Average square feet per residential property is estimated based on Zillow data on the median sale price divided by the median price per square foot in the impacted areas

The cost to rebuild is determined based on the sum of the soft costs, site work, and local building cost per square foot multiplied the average square feet for each of the impacted areas.

The cost to repair is estimated at 25 percent of the cost to rebuild. The estimated repair/replace cost per residential property by county is detailed in 58. These costs account for the application of local codes and standards, including use of ignition-resistant home construction codes. According to a research report released by Headwaters Economics, the cost for new construction of building ignition-resistant homes is, “is not substantively different than the cost of typical construction,” though the costs of retrofits can be substantial.⁷⁹

FIGURE 53: RESIDENTIAL REBUILD/REPLACE PER PROPERTY COST

	Shasta County	Lake County	Butte County	Los Angeles County	Ventura County
Soft Cost (A/E, Utilities, Permits/Fees)	\$14.65	\$16.87	\$15.88	\$15.56	\$22.37
Site Work (Debris, Foundation, Septic Repair)	\$43.94	\$50.61	\$57.18	\$25.93	\$37.28
Building Cost Per Square Foot	\$130.58	\$140.00	\$153.25	\$163.51	\$178.85
Total Cost Per Square Foot	\$189.16	\$207.48	\$226.31	\$205.00	\$238.49
Square Feet	1,707	1,482	1,574	2,892	2,012
Rebuild Cost per Property	\$322,900.06	\$307,4800.00	\$356,215.50	\$592,870.92	\$479,846.20
Repair Cost per Property	\$307,480.00	\$76,870.00	\$89,053.88	\$479,846.20	\$119,961.55

Source: CDOI, San Francisco Chronicle, North Bay Business Journal, Headwaters Economics, ProMatcher, SBA

The per residential property costs were then validated based on repair and reconstruction

⁷⁷ Ibid; “Rebuilding from Camp Fire to take years because of labor shortage, insurance costs” *San Francisco Chronicle*, December 9, 2018; “Home Construction Costs and Price – ProMatcher Cost Report” ProMatcher.com, accessed 3/20/2020, <https://home-builders.promatcher.com/cost/>.

⁷⁸ Costs are reflective of the available cost data and does not include a cost escalation factor for increased construction costs past the point in time at which the cost estimates were developed.

⁷⁹ “Building a Wildfire-Resistant Home: Codes and Costs” *Headwaters Economics*, November 2018, <https://headwaterseconomics.org/wp-content/uploads/building-costs-codes-report.pdf>

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costs calculated using SBA home loan data. Based on an analysis of major and moderate damage, the repair and replacement cost methodology are well validated. Using a major damage threshold of \$100,000 for Shasta, Lake, and Butte Counties and \$200,000 for Los Angeles and Ventura counties based on the large number of significantly more expensive homes in the Los Angeles area compared to the Northern California counties results in per residential property estimates shown in the figure below.

FIGURE 54: SBA COST VIOLATION

	Major	Moderate
Lake County	\$298,452.08	\$66,949.75
Shasta County	\$454,361.02	\$68,394.42
Butte County	\$356,549.18	\$65,899.53
Los Angeles County	\$505,811.58	\$70,013.63
Ventura County	\$566,915.00	\$69,946.12

Source: SBA

The residential need is determined by multiplying the per property cost to rebuild by the total number of rebuild properties and the per property cost to repair by the total number of repair properties. These two numbers are then added together to determine the total rebuild/replace cost. Based on information from the California Department of Insurance, policies are structured to include approximately 30 percent of total policy value for contents. To be conservative, the total rebuild/repair cost is multiplied by 25 percent to determine the loss due to furniture and fixture contents. The total repair/replace cost plus contents loss costs results in the total residential loss calculation and is shown in the figure below.

FIGURE 55: RESIDENTIAL REBUILD/REPAIR NEED

	Shasta County	Lake County	Butte County	Los Angeles County	Ventura County
Rebuild Cost per Property	\$322,900.06	\$307,480.00	\$356,215.50	\$592,870.92	\$479,846.20
Repair Cost per Property	\$307,480.00	\$76,870.00	\$89,053.88	\$479,846.20	\$119,961.55
# Rebuild Properties	1,272	206	17,400	1,125	227
# Repair Properties	6,527	3,415	15,296	10,900	5,718
Total Rebuild Estimate	\$410,728,876	\$63,340,880	\$6,198,149,700	666,979,785	108,925,087
Total Repair Estimate	\$526,906,914	\$262,520,969	\$1,362,199,064	\$1,615,573,257	\$685,936,588

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Furniture/ Fixtures Contents	\$234,408,948	\$81,465,462	\$1,890,087,191	\$570,638,261	\$198,715,419
Grand Total	\$1,172,044,738	\$407,327,311	\$9,450,435,955	\$2,853,191,303	\$993,577,095

All Counties, Total Rebuild Estimate: \$7,448,124,329

All Counties, Total Repair Estimate: \$4,453,136,792

All Counties, Furniture/Fixtures Contents: \$2,975,315,280

All Counties, Grand Total: \$14,876,576,401

Source: CDOI, CAL FIRE, San Francisco Chronicle, North Bay Business Journal, ProMatcher, Headwaters Economics, SBA

The funding awarded amount is determined by using CDOI, FEMA IA and SBA data, in addition to information gathered on additional grants provided by local and state entities, as shown in 61. Total private insurance proceeds are based on the CDOI residential personal property loss for the impacted counties from the “Insured Losses from the 2018 California Wildfires” report released April 30, 2019. The FEMA IA funds are based on FEMA data for DR 4382 and 4407 as of March 4, 2020 including total Housing Assistance, Other Needs Assistance and Rental Assistance granted.

The SBA Home loan funds are based on SBA Disaster Loan Assistance data as of March 9, 2020 for DR 4382 and DR 4407. The residential funding is based on total SBA funds distributed for home loans. In addition, the funding calculation accounts for grants from multiple sources including HCD’s disaster assistance CalHome loans provided to local agencies to support low-income owner-occupied housing rehabilitation and reconstruction, and multiple community foundation and non-profit grants to the private non-profit Community Housing Improvement Program (CHIP) for the rebuild of the 36-unit Paradise Community Village project, which targets populations at 30-60 percent AMI.⁸⁰

FIGURE 56: FUNDING SOURCES

County	FEMA IA (HA)	FEMA IA (ONA)	FEMA IA (Rental)	SBA (Home)	Private Insurance	Sub Total
Shasta	\$4,484,236	\$1,754,895	\$757,632	\$9,735,600	\$850,497,135	\$867,229,498
Lake	\$1,1420,360	\$450,098	\$185,204	\$1,474,900	\$45,011,003	\$48,541,565
Butte	\$53,870,920	\$30,296,435	\$19,596,290	\$108,417,600	\$7,439,591,231	\$7,651,772,476
Los Angeles	\$4,036,083	\$1,362,526	\$2,573,921	\$9,342,300	\$2,659,114,911	\$2,676,429,741
Ventura	\$570,136	\$71,105	\$269,256	\$3,945,100	\$344,779,079	\$349,634,676
Total	\$64,381,734	\$33,935,059	\$23,382,303	\$132,915,500	\$11,338,993,359	\$11,593,607,956

Additional Funds

CalHome: \$57,008,200

Foundation/Non-Profit:

\$580,000

⁸⁰ “Chip Moves Forward with Rebuilding Affordable Housing,” *Action News Now*, October 4, 2019, <https://www.actionnewsnow.com/content/news/CHIP-moves-forward-with-rebuilding-affordable-housing-562224761.html>



Total: \$11,651,196,156

Source: FEMA, SBA, CDOI, HCD

As noted above, the cost to retrofit residential properties can be substantial. Retrofits, however, reduce the risk of wildfire damaging or destroying structures, which has a positive impact on reducing housing losses. In addition, it improves community resilience by reducing the secondary impacts of residential damage including property and business tax losses, mental health impacts, and public infrastructure damage.⁸¹

HCD calculated the need to retrofit homes that survived the fire to mitigate against future residential property loss. This need is calculated based on an analysis of homes likely to require roof retrofits (including roofing, vents, gutters, soffits and facia s) and likely to require siding retrofits (to address exterior wall materials) and multiplied by estimated retrofit costs.

The calculation is based on an analysis of CAL FIRE impacted structures data to determine the proportion of structures that had WUI elements, which was extrapolated across all households in disaster impacted census tracts, less destroyed properties.

This analysis found that there is a \$2.3 billion retrofit need in the fire impacted areas, including a \$2 billion need for exterior wall retrofits and over \$350 million in need for roof retrofits. This mitigation retrofit calculation represents a real need to improve the resilience of these fire impacted communities, but because the need is not directly attributable to disaster damage, it was not included in the Unmet Need total.

B. PUBLIC HOUSING

While no public housing units were damaged by these wildfires, some of the housing authority-owned properties and clients were affected. A list of the Public Housing Authorities is shown in 60: Public Housing Authorities in DR-4382 Area

FIGURE 57: PUBLIC HOUSING AUTHORITIES

DR-4382	Public Housing Authority
Lake County	Lake County Department of Social Services, Area Agency on Aging
Shasta County	Shasta County Housing Authority
	Redding Housing Authority

Public Housing Authorities in DR-4407 Area

DR-4407	Public Housing Authority
Butte County	Housing Authority of the County of Butte
Los Angeles County	Housing Authority of the County of Los Angeles
Ventura	Housing Authority of City of San Buenaventura
	Housing Authority of City of Santa Paula

The Housing Authority of the County of Butte (HACB) has 345 units in Chico, Oroville, Gridley, &

⁸¹ "Building a Wildfire-Resistant Home: Codes and Costs" Headwaters Economics, November 2018, <https://headwaterseconomics.org/wp-content/uploads/building-costs-codes-report.pdf>

Biggs, but reported no damaged units and no impact to residents or property. However, in its Section 8 Housing Choice Voucher Program 318 participant households were displaced by the disaster and tragically there were three fatalities. HACB also saw twelve workforce housing units that it owns, Kathy Court Apartments in Paradise, destroyed. These were tax-exempt public bond financed units (10 percent @ 50 percent AMI, 10 percent @ 80 percent AMI, and 80 percent market). Due to the destruction, all twelve households were displaced.

HACB also reports that five employees of a total of 36, were compelled to leave the Authority because of loss of personal homes in the disaster. This event caused a "daisy-chain" of personnel changes that has resulted in over half of the Authority's staff in new positions. Authority administration has been deeply affected by ensuing recruitment, training, and team-building work that is needed to restore the authority's strength and functionality. They also reported that the Section 8 HCV program has teetered at the edge of functionality with the loss of housing opportunity in the jurisdiction as a Section 8 Voucher is far less useable now, compared to pre-disaster, as area rents have appreciated significantly, and voucher holders must compete with thousands of disaster-displaced households in a merciless game of musical chairs caused by the destruction of 15 percent of the County's total housing stock. The disaster also created a significant increase to the numbers of inquiries and applicants seeking assistance and guidance, requiring corresponding administrative response.⁸²

C.FEMA INDIVIDUAL ASSISTANCE (IA)

As of March 4, 2020, FEMA had received 31,338 total applications for FEMA Individual Assistance (FEMA IA) for DR-4382 and DR-4407. FEMA received 18,326 applications (58.5 percent) from owner-occupied households, 12,780 applications (40.8 percent) from renter-occupied households, and 232 (0.7 percent) uncategorized households. Of all the applications, only 10,475 applicants (33.4 percent) had a FEMA Verified Loss (FVL) amount greater than \$0. Of those with FVL greater than \$0, 64 percent (6,751 applicants) were renters and 36 percent (3,722 applicants) were owners. FVL value is intended to be determined by an inspector. As mentioned previously, in disasters, FEMA denies assistance to any applicant (renter or homeowner) who indicates they have insurance. A denial letter is sent, and in small print, it says the denial can be appealed within 60-days. However, it is highly unlikely, that private insurance claims and settlements are fully adjudicated within 60-days of a disaster.

In the Camp Fire, IA data shows that nearly 8,000 applicants stated they had insurance and thus show \$0 Housing Assistance FVL on the FEMA IA reports, which is both inaccurate and misleading given the age of housing stock in the area and the cost to rebuild at newer code levels.

The Stafford Act limits FEMA home repair assistance to expenses necessary to make a home safe, sanitary, and secure, not necessarily to return it to its pre-disaster condition. In addition, the total FEMA assistance available under the Individuals and Households Program (IHP) (a component of FEMA IA) is capped. For disasters declared on or after Oct. 1, 2018 that cap was

⁸² All HACB data and commentary from Edward S. Mayer, Executive Director, Housing Authority of the County of Butte, emailed 3/6/20.



\$34,900 and for those prior to that date in 2018 it was \$34,000.^{83, 84}

FIGURE 58: PUBLIC HOUSING AUTHORITIES

	# Applicants
Total Applications	31,338
FVL over \$0	10,474
Unmet Needs over \$0	8,754
Average FVL	\$38,027

Source: FEMA, March 2020

D.SBA DISASTER HOME LOANS

The Small Business Administration (SBA) provides low-interest loans for homes and businesses in declared disaster areas to applicants with good credit history and a documented ability to repay the loan. These loans typically have to be repaid, but there are some instances in which they may be forgiven, effectively making them like a grant. The SBA provides disaster home loans to qualifying renters and homeowners for assistance to repair or replace disaster- damaged real estate and personal property. The SBA also offers Economic Injury Disaster Loans (EIDL) to help qualifying small businesses meet working capital needs caused by a natural disaster, which is discussed in the section on Economic Revitalization Need.

The SBA received greater than three times more applications in 2018 wildfires in California than they did resulting from the 2017 wildfires. The SBA received 12,760 applications for disaster home loans from residents in Butte, Lake, Shasta, Los Angeles, and Ventura counties as of March 9, 2020. Of those, over 10,000 were from Butte County, accounting for nearly 80 percent of all applications. Los Angeles County had 10 percent of the applications, Shasta County had 8 percent, Ventura County had 2 percent and Lake County had 1 percent of all applications. When looking at only those applications that had verified loss, the numbers decrease 64 percent to 8,112 applicants with verified loss. Overall, the distribution between counties of applications and applications with verified loss remain nearly unchanged, with only a single percentage point moving from Butte County to Los Angeles County.

Of the 10,088 disaster home loans applied for in Butte County, 40 percent were approved, 44 percent were declined, and 16 percent were withdrawn. In Los Angeles County, 39 percent of applications were approved, 42 percent declined, and 19 percent withdrawn. In Shasta County, 41 percent were approved, 39 percent declined, and 20 percent withdrawn. In Ventura County, 49 percent were approved, 36 percent were declined, and 14 percent were withdrawn. And in Lake County, 22 percent were approved, 61 percent were declined, and 17 percent withdrawn. SBA loans are commonly denied for reasons including lack of repayment ability, lack of credit, and ineligible properties (such as second homes).

SBA accounts for the full cost to repair a home whereas FEMA IA evaluates the cost to make

⁸³ "Notice of Maximum Amount of Assistance Under the Individuals and Households Program," 83 FR 53281, October 22, 2018.

⁸⁴ "Notice of Maximum Amount of Assistance Under the Individuals and Households Program," 82 FR 47568, October 12, 2017.



a home habitable. As a result, the SBA’s costs are generally more than the FEMA estimates. HCD considers both real estate repair and real estate reconstruction as part of the verified real estate losses.

The following provides an analysis of the average verified loss and reconstruction and repair averages by county. Averages were determined for homes which sustained major damage and those which sustained moderate damage. Since the SBA data has significantly fewer verified loss properties compared to the number of destroyed properties inspected and tracked in the CAL FIRE data, the average loss and costs for repair/replacement are provided as the totals underrepresent the loss and cost to repair and replace residences.

FIGURE 59: SBA HOME LOAN VERIFIED LOSS AND REPAIR/RECONSTRUCTION COST

	Major		Moderate	
	Verified Loss	Repair/Recon	Verified Loss	Repair/Recon
Lake	\$298,452.08	\$183,362.58	\$66,949.75	\$21,355.25
Shasta	\$454,361.02	\$324,051.40	\$68,394.42	\$25,784.08
Butte	\$356,549.18	\$242,114.34	\$65,899.53	\$8,501.99
Los Angeles	\$505,811.58	\$354,818.36	\$70,013.63	\$35,911.87
Ventura	\$566,915.00	\$441,623.52	\$69,946.12	\$27,326.84

Source: SBA

E. CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE) DAMAGE ASSESSMENT DATA

The most complete single dataset which tracked damage to buildings and structures is the CAL FIRE dataset. This rich data source provides critical information including structure type, location, and extent of damage for all structures. The data is based on on-the-ground parcel surveys conducted by inspectors after the fires. As a result, the data does not rely on the collecting applications and information directly from property owners or occupants, as is the case with FEMA IA and SBA data.

A total of 27,850 inspections were conducted in the areas impacted by the Camp Fire, Carr Fire, Mendocino Complex, and Woolsey Fire. Of those, 23,783 structures were determined to have some level of damage. Of the damaged structures, 22,346 (94 percent) were determined to be destroyed (>50 percent damaged). 65 shows the number of structures damaged by county and extent of damage.

Across the fires, 94 percent of structures that sustained some level of damage were destroyed (damaged greater than 50 percent). Of those destroyed structures, Butte County sustained the greatest losses, accounting for 84 percent (18,804 of 22,335) of the destroyed structures.

FIGURE 60: LEVEL OF STRUCTURE DAMAGE

Level of Damage	Butte County	Lake County	Shasta County	s Angeles County	Ventura County	Total

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Destroyed >50%	18,804	270	1,614	1,462	185	22,335
Damaged <50%	754	37	279	250	116	1,436
Total	19,558	307	1,893	1,712	301	23,771
% Destroyed	96%	88%	85%	85%	61%	94%

Source: CAL FIRE

Of the 23,771 structures damaged by the 2018 fires, 73 percent (17,400 structures) were residential. Butte County suffered the greatest damage to residential structures, with 14,486 residential structures destroyed. Much of this loss was in the Town of Paradise, which tragically lost the vast majority of its housing for the 26,800 people who lived in the town prior to the fire. Residential damages in Butte County accounts for 83 percent of residential structure damage from the 2018 Federally declared wildfires.

FIGURE 61: RESIDENTIAL/NON-RESIDENTIAL STRUCTURE DAMAGE

Damaged Structures	Butte County	Lake County	Shasta County	Los Angeles County	Ventura County	Total
Residential Structures	14,486	162	1,274	1,255	223	17,400
Non-Residential Structures	5,072	145	619	457	78	6,371
Total	19,558	307	1,893	1,712	301	23,771
Residential % of Country's Total	74.1%	52.8%	67.3%	73.3%	74.1%	73.2%
County's Share of All Residential Damage	83%	1%	7%	7%	1%	100%

Source: CAL FIRE

Ventura, Butte, and Los Angeles Counties all had 70 -75 percent of their structural damage to residential structures while for Shasta County the share was 67 percent and for Lake County it was 53 percent, as can be seen in 66.

When assessing the distribution of residential damage, rather than looking at structures, the analysis focused on the estimated number of units since that is more representative of the number of people and households impacted. Across the disasters, 70 percent of the units that were destroyed were single-family homes, which is also true of the percent of destroyed units. Thirty percent of the units were a combination of multi-family units or mobile home units. In Lake County, 45 percent of the damaged residential units were mobile homes, whereas in Butte County they accounted for a quarter of the residential units. 67 shows the number and percent of all damaged units by county and 68 shows the number of destroyed units for each county.

FIGURE 62: RESIDENTIAL UNITS DAMAGED (1-100% DAMAGE)

Damaged Structures	Butte County	Lake County	Shasta County	Los Angeles County	Ventura County	Total

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Department of Housing and Community Development



Single-family Homes	10,324	91	1,055	1,105	208	12,783
Multi-family Units	1,077	0	20	2	18	1,117
Mobile Home Units	3,862	73	193	175	8	4,311
Total	15,263	164	1,268	1,282	234	18,211
Single-family	68%	55%	83%	86%	89%	70%
Multi-family	7%	0%	2%	0%	8%	6%
Mobile Homes	25%	45%	15%	14%	3%	24%

Source: CAL FIRE

FIGURE 63: RESIDENTIAL UNITS DESTROYED (>50% DAMAGE)

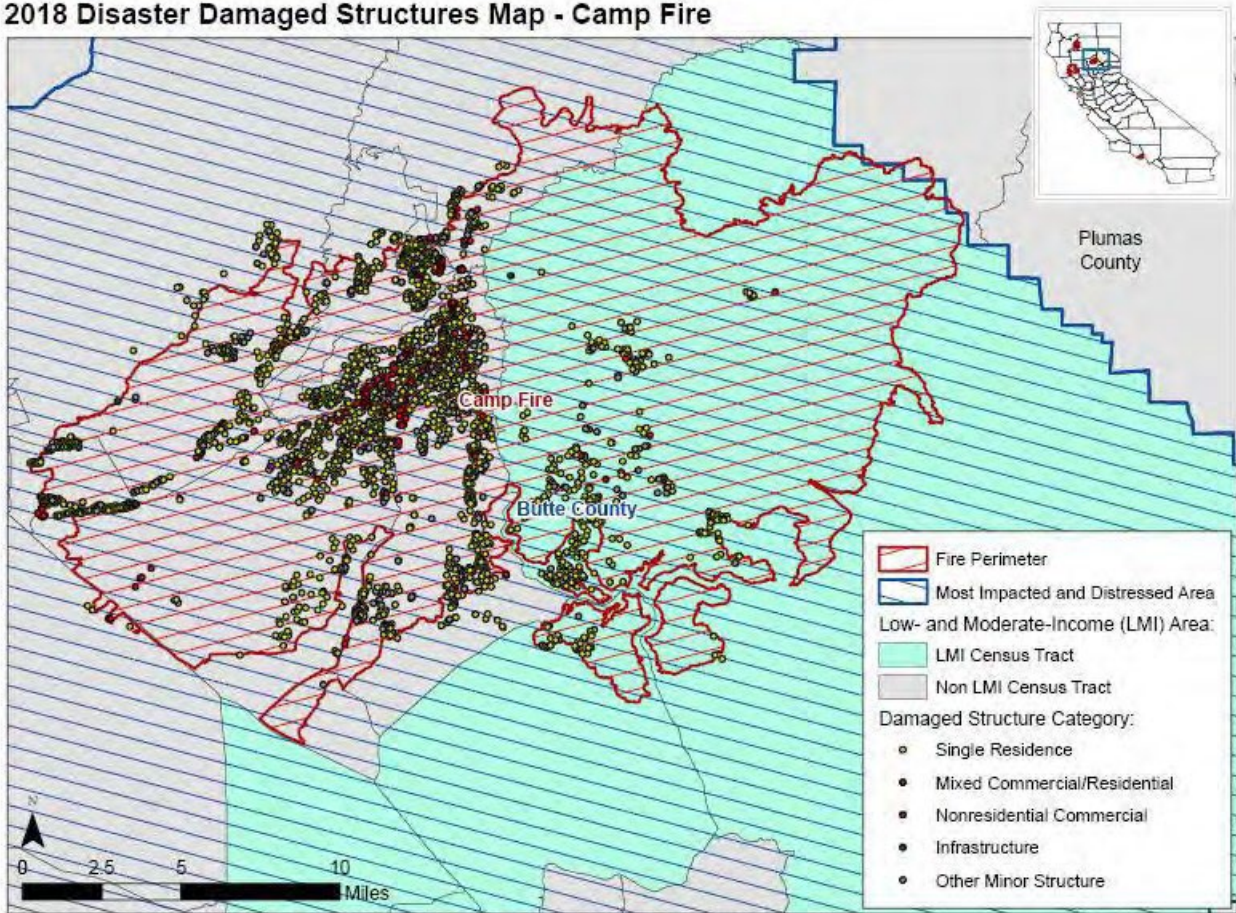
Damaged Structures	Butte County	Lake County	Shasta County	Los Angeles County	Ventura County	Total
Single-family Homes	9,879	81	889	923	116	11,888
Multi-family Units	955	0	12	0	2	969
Mobile Home Units	3,818	71	179	167	6	4,241
Total	14,652	152	1,080	1,090	124	17,098
Single-family	67%	53%	82%	85%	94%	70%
Multi-family	7%	0%	1%	0%	2%	6%
Mobile Homes	26%	47%	17%	15%	5%	25%

Source: CAL FIRE

One of the datapoints in the CAL FIRE database is location, which allows the data to be mapped using Geographic Information Systems (GIS). This allows damaged structure information to be overlaid with Low- and Moderate-Income (LMI) data. The maps below for each fire show the fire perimeter, the type of structure that was damaged and its location, the MID area, and census tracts which have LMI populations at or above 51 percent. It is important to remember that LMI individuals live throughout both LMI and non-LMI census tracts, so while a LMI person may reside outside of an LMI census tract, assistance to the individual may still be counted toward HUD's requirement to principally benefit LMI persons.

FIGURE 64: CAMP FIRE STRUCTURE DAMAGE

2018 Disaster Damaged Structures Map - Camp Fire



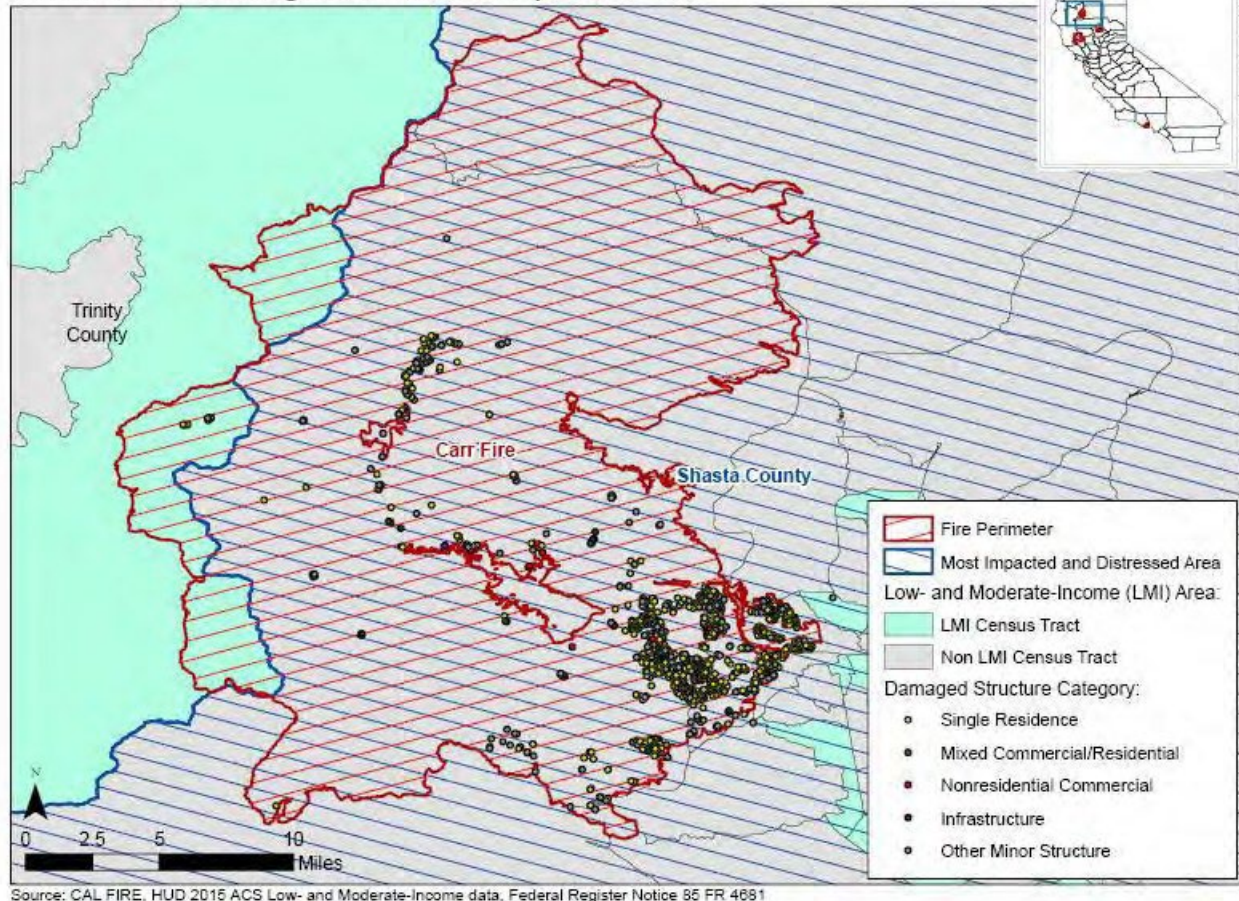
Source: CAL FIRE, HUD 2015 ACS Low- and Moderate-Income data, Federal Register Notice 85 FR 4881

While at the census tract level, the majority of the structure damage caused by the Camp fire falls outside the LMI census tracts, there are many LMI individuals who live in Paradise and the fire impacted areas. When a more granular analysis is done using data at the smaller block group level, it is clear that many of the structures damaged in Paradise are in predominantly LMI block groups. The total LMI population in census tracts burned by the Camp Fire is estimated at 24,740.⁸⁵ This represents 40 percent of the total population in that same fire burned area. Of the estimated 69,790 LMI individuals living in areas burned by the 2018 wildfires, 24,740 live in Butte County, representing 35 percent of all LMI individuals in the burn areas.

⁸⁵ Based on HUD's LMI calculation using 2011-2015 ACS data.

FIGURE 65: CARR FIRE STRUCTURE DAMAGE

2018 Disaster Damaged Structures Map - Carr Fire



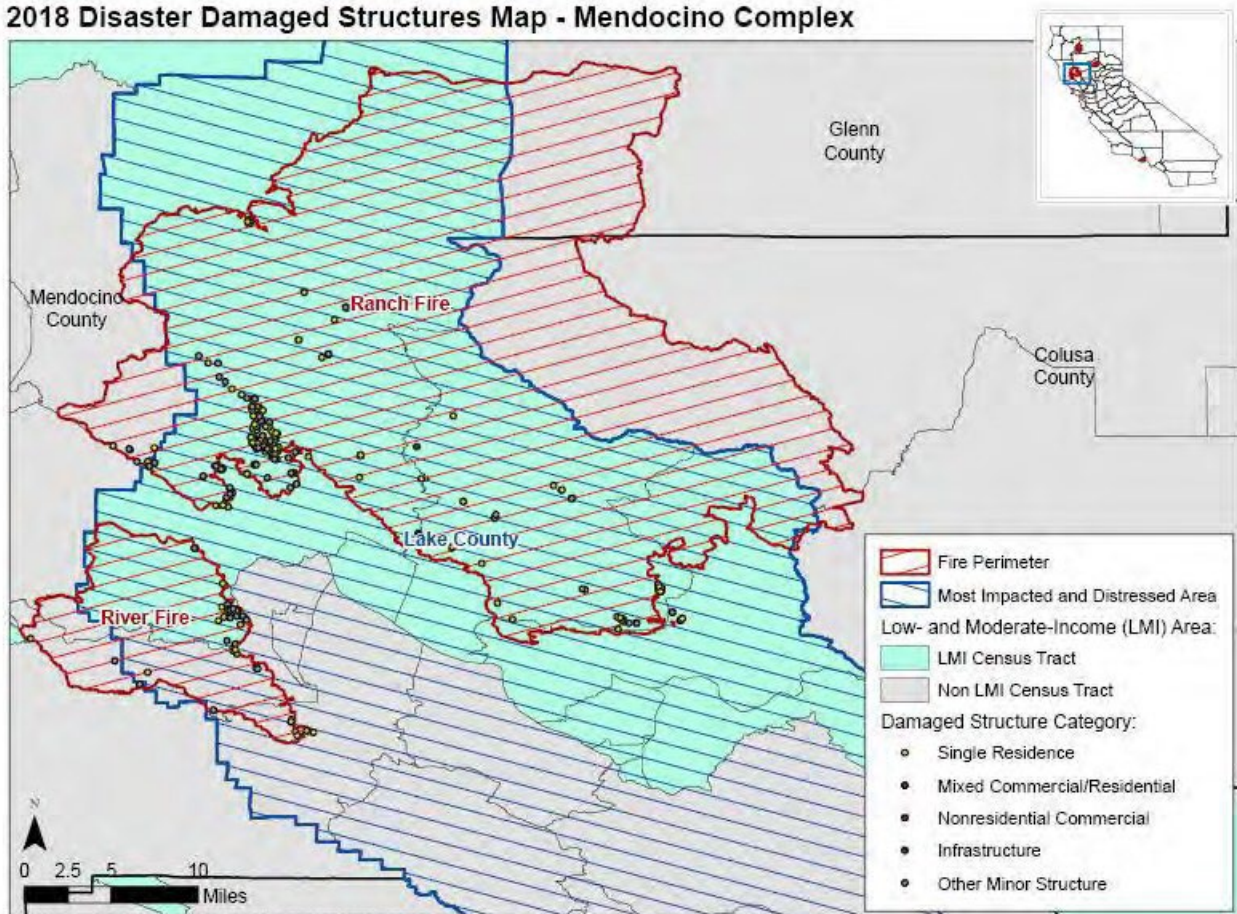
As can be seen in the map above, the majority of the structure damage caused by the Carr fire occurred outside the LMI census tracts. There however are many individuals in the fire burned areas that are LMI. The total LMI population in census tracts burned by the Carr Fire is estimated at 12,160.⁸⁶ This represents 39 percent of the total population in that area.

Of the estimated 69,790 LMI individuals living in areas burned by the 2018 wildfires, 12,160 live in Shasta County, representing 17 percent of all LMI individuals in the burn areas.

⁸⁶ Based on HUD's LMI calculation using 2011-2015 ACS data

FIGURE 66: MENDOCINO COMPLEX STRUCTURE DAMAGE

2018 Disaster Damaged Structures Map - Mendocino Complex



Source: CAL FIRE, HUD 2015 ACS Low- and Moderate-Income data, Federal Register Notice 85 FR 4881

As can be seen in the map of the Woolsey Fire, almost no structure damage occurred within LMI census tracts. The total LMI population in census tracts burned by the Woolsey Fire is estimated at 22,075 in Los Angeles County.⁸⁷ This represents 28 percent of the total population in that area. In Ventura County, the estimated LMI population in the Woolsey Fire burned areas is 15,135, which is 21 percent of the total population in that area.

Despite the lack of damage in predominantly LMI census tracts, of the estimated 69,790 LMI individuals living in areas burned by the 2018 wildfires, the 22,075 individuals living in Los Angeles County represents 32 percent of all LMI individuals in the burn areas. When the 15,135 Ventura County LMI individuals are included, the 37,210 LMI people make up 44 percent of the expanded 84,925 person LMI population in fire burned areas in the five counties.

F. HOMEOWNER INSURANCE

According to April 2019 California Department of Insurance data, Residential Personal Property

⁸⁷ Based on HUD's LMI calculation using 2011-2015 ACS data.

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direct incurred losses were \$11.4 billion.⁸⁸ The bulk of these losses were in Butte County (\$7.4 billion, accounting for 65 percent of total loss) and Los Angeles County (\$2.7 billion, accounting for 23 percent of total loss). For all four fires, almost 43,000 claims were submitted for residential property. Almost fourteen thousand claims of residential property claims resulted in total loss, accounting for 33 percent of all claims. When compared to the total number of destroyed homes identified in the CAL FIRE data by on-the-ground inspectors, it is clear that there were a significant number of uninsured homes destroyed in the 2018 fires. The Unmet needs Assessment methodology accounts for both the insured and uninsured homes.

California Department of Insurance - Insured Losses from the 2018 California Wildfires Residential Personal Property

FIGURE 67: RESIDENTIAL INSURED PROPERTIES

Date	Fire Name	County	Total # of Claims	# of Claims Resulting in Total Loss	Direct Incurred Loss	Losses (%/ Total)
July 2018 Wildfires		Subtotal	8,888	1,015	\$910,201,852	
	Carr Fire	Shasta	5,798	920	\$850,497,135	7.5%
		Trinity	151	5	\$666,638	0.0%
		Other	696	13	\$3,865,926	0.0%
	Mendocino Complex Fire	Colusa	6	2	\$104,227	0.0%
		Lake	1,557	62	\$45,011,003	0.4%
		Mendocino	27	6	\$2,388,282	0.0%
Other		720	7	\$7,668,639	0.1%	
November 2018 Wildfires		Subtotal	33,992	12,962	\$10,500,979,373	
	Camp Fire	Butte	18,533	11,646	\$7,439,591,231	65.2%
		Other	566	47	\$34,791,060	0.3%
	Woolsey Fire	Los Angeles	10,024	1,125	\$2,659,114,911	23.3%
		Ventura	4,091	135	\$344,779,079	3.0%
Other		778	9	\$22,703,092	0.2%	
Grand Total			42,880	13,977	\$11,411,181,225	

Homeowners; Condominium Unit Owners; Mobile Home; Tenants/Renters; Dwelling Fire and Allied Lines; and Lender/Force-Placed and Real Estate Owned (REO)

Release Date: April 30, 2019

Source: California Department of Insurance. Note: Modified to reflect only MID Counties and added Losses (% Total) columns.

⁸⁸ This includes homeowners, condominiums, mobile homes, tenants/renters, dwelling fire and allied lines, and lender/force-placed and real-estate owned.

G. PRIVATE INSURANCE

Between 2009 and 2018 California experienced over 2,800 wildfires, which burned over 10,000 square miles (more than 6,400,000 square acres) according to CAL FIRE data. According to the State of California Department of Insurance's (DOI) report on the Availability and Affordability of Coverage for Wildfire Loss in Residential Property in the Wildland-Urban Interface (WUI) and Other High Areas of California, issued in 2018:

- Several major insurers began pulling back from writing new business, and in many cases, renewals in certain parts of the WUI
- Premiums and wildfire surcharges have increased significantly
- Most insurers do not take into consideration wildfire mitigation conducted by the homeowners or the community, either for underwriting or offering premium credits for mitigation efforts
- Third party wildfire risk models are not specifically regulated by CDI or any other entity
- There is no mechanism in place for consumers to appeal a wildfire risk model score
- CDI does not have the authority to regulate how insurers underwrite residential property insurance, and
- There is a need to create a credible database for wildfire loss experienced in the WUI for insurers to validate the rates and premiums charged for each wildfire-risk-model score, since no single insurer has sufficient loss experience in the WUI

In a press release issued August 20, 2019, DOI reported that data collected revealed there was a six percent increase in insurer-initiated homeowner policy non-renewals in CAL FIRE State Responsibility Areas from 2017 to 2018, while zip codes affected by the devastating fires from 2015 and 2017 experienced a 10 percent increase in insurer-initiated non-renewals last year. The data also revealed the availability of homeowners' insurance dropped in high-risk counties, and from 2015 to 2018, the number of new and renewed homeowners' policies fell by 8,700 in the 10 counties with the most homes in high or very high-risk areas.

California's Fair Access to Insurance Requirements (FAIR) Plan was created in 1968 following the 1960's brush fires and riots. The FAIR Plan is an insurance pool established to ensure the availability of basic property insurance to people who own insurable property in the California and who, for reasons beyond their control, have been unable to obtain insurance in the voluntary insurance market.

As a last resort for homeowners unable to find coverage in the voluntary market, new FAIR Plan policies increased, growing 177 percent in the 10 counties with the most homes in high or very high-risk areas, compared to only a 4 percent increase for the five counties with the lowest risk.

December 18, 2019, Commissioner Ricardo Lara issued a Bulletin detailing the provisions in Senate Bill 824 (Lara, Chapter 616, Statutes of 2018) Insurance Code section 675.1, subdivision (b)(1), which provides:

"An insurer shall not cancel or refuse to renew a policy of residential property insurance for a property located in any ZIP Code within or adjacent to the fire perimeter, for one year after the



declaration of a state of emergency as defined in Section 8558 of the Government Code, based solely on the fact that the insured structure is located in an area in which a wildfire has occurred. This prohibition applies to all policies of residential property insurance in effect at the time of the declared emergency.”

The Bulletin outlined ZIP codes and counties for the fires covered in Governor Newsom’s October 11, 25, or 27, 2019 Declarations of a State of Emergency (Declarations), as well as provisions that insurers (admitted and non-admitted) writing residential property insurance in California must offer to rescind any notices of cancellation or non-renewal issued since the Governor’s 2019 Declarations, and offer to reinstate or renew the policies in place at the time of Declaration, if any such notices of cancellation or nonrenewal were issued on or after the date of the Declaration, were due to wildfire risk, and the properties are located in ZIP Codes identified in the Bulletin.

The inability to obtain insurance coverage on residential properties can stall the real estate market, since lenders require evidence of insurance coverage prior to completion of the transaction and increased monthly insurance costs burden a potential homeowner’s ability to secure an adequate mortgage.

6. ANALYSIS OF UNMET NEED: INFRASTRUCTURE

Total infrastructure losses, based on the best available data, are calculated at \$5.6 billion. This need amount is anticipated to increase as infrastructure damage is fully assessed and infrastructure projects are scoped and priced, a process which often takes many years depending on the size and complexity of the infrastructure project. FEMA typically provides Public Assistance (FEMA PA) grants to public entities responsible for repairing or replacing damaged infrastructure. It is the responsibility of state and local governments to fund the non-federal cost share funds to close the funding gap for these projects. CDBG-DR funds are often used to assist with local portion of the non-federal share match when other funds are not available.

Based on this same point-in-time analysis, funding sources to meet the \$5.6 billion need totaled \$2.8 billion, primarily funded by the FEMA Public Assistance program and other FEMA programs. The FEMA PA program obligates funds to assist with emergency work, including debris removal, and permanent work. The resulting unmet need is \$2.8 billion. A summary of the Unmet Needs calculation is below in 74, followed by a detailed discussion of the infrastructure needs and funding sources, including data sources.

FIGURE 68: UNMET NEED INFRASTRUCTURE PROPERTIES

	Loss/Need (-)	Funding Awarded or Obligated (+)	Unmet Need (=)
Response: Debris Removal	\$4,083,130,524		\$4,083,130,524
Response: Fire Suppression	\$559,232,614		\$559,232,614
Infrastructure & Public Facilities Damage/Need	\$1,001,265,361		\$1,001,265,361

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Cal Fire Funds		\$440,000,000	\$(440,000,000)
FEMA Public Assistance (PA)		\$1,922,796,522	\$(1,922,796,522)
<i>FEMA PA Emergency Work</i>		\$1,694,517,544	\$(1,694,517,544)
<i>FEMA PA Permanent Work</i>		\$190,253,583	\$(190,253,583)
<i>FEMA PA Admin Costs</i>		\$38,025,394	\$(38,025,394)
FEMA HMGP		\$110,663,253	\$(110,663,253)

	Loss/Need (-)	Funding Awarded or Obligated (+)	Unmet Need (=)
FEMA Mission Assignments		\$313,720,350	\$(313,720,350)
California Legislature Backfill		\$14,600,000	\$(14,600,000)
Insurance Payments (Paradise Irrigation District)		\$3,500,000	\$(3,500,000)
Total Infrastructure	\$5,643,628,499	\$2,805,280,125	\$2,838,348,374

Butte County, in particular, has a significant FEMA PA need which will continue to grow. However, some damaged infrastructure elements have not been eligible for PA, HMGP, or other funding sources. In the Seminole Hills Mobile Home Park, devastated by the Woolsey Fire, they lost “not just homes, but the entire network of infrastructure that ran underneath them. Streets, storm drains, sewers systems, water mains, gas and electric lines — all were damaged or destroyed in the fire and its aftermath. Replacing them could take up to a year and would cost \$10 million.”⁸⁹

In discussions with residents and officials of the impacted areas, they have identified a significant impact on water and wastewater due to the disasters. Many areas in the MID run on septic tanks and wells, with minimal municipal water supplies.

A. RESPONSE: DEBRIS REMOVAL AND FIRE SUPPRESSION

Debris Removal

The debris created by the wildfires was enormous. The cost of debris removal for these four fires is estimated at over \$4 billion (see 75). This calculation is based on multiplying the number of destroyed structures from the CAL FIRE dataset by an average cost of \$182,764

⁸⁹ “Half their community burned in the Woolsey fire. Recovery is wreaking its own misery,” Los Angeles Times, November 7, 2019, <https://www.latimes.com/california/story/2019-11-07/woolsey-fire-anniversary-seminole-springs-mobile-home>



per destroyed structure.⁹⁰ The bulk of the cost is related to the Camp Fire, where 18,804 structures were destroyed. The November 2018 wildfires (Camp and Woolsey) cost approximately \$3.7 billion to clean up, which far surpasses the record cleanup expense of \$1.3 billion spent on debris removal in Northern California in 2017.⁹¹ So far, FEMA Project Worksheets (PW) for debris removal have been approved for \$301 million, a small portion of this cost.

FIGURE 69: DEBRIS REMOVAL ESTIMATE

Fire	Debris Removal (estimated)	Structures Destroyed	Acres
Camp	\$3,436,694,256	18,804	153,336
Carr	\$294,981,096	1,614	459,123
Mendocino	\$51,173,920	280	229,651
Woolsey	\$300,281,252	1,643	96,949
Total	\$4,083,130,524	22,341	939,059

Source: CAL FIRE

Fire Suppression

Fire suppression of wildfires in California is a very dangerous and costly endeavor. In the 2018 fiscal year, California had \$440 million in emergency funds allotted for wildfire suppression costs. It spent half of those funds in only 40 days.⁹² By the end of August 2018, the California Department of Forestry and Fire Protection (CAL FIRE) requested from the State of California an additional \$234 million for firefighting efforts through November, which ultimately was insufficient. In late November, CAL FIRE asked for another \$250 million in emergency funds.⁹³ In 2018-19, the period covered by these fires, California spent an estimated \$635 million on fire suppression.

Fire suppression costs for the four major fires was \$559 million dollars, according to the National Interagency Coordination Center. Some fire suppression costs on federal lands have not been recouped.^{94,95} It was reported that “the United States Forest Service is refusing to reimburse California's local fire departments for the cost of fighting fires on federal land last year...withholding \$9.3 million of the \$72 million California requested last year.”⁹⁵ Los Angeles County alone has incurred over “\$100 million in costs and damages in connection with the blaze, including fire

⁹⁰ Average debris removal cost based on the estimated 2017 debris removal cost and 2017 CAL FIRE structure damage data.

⁹¹ “California Wildfires Cleanup To Cost At Least \$3 Billion,” Capradio, December 11, 2018, <http://www.capradio.org/articles/2018/12/11/california-wildfires-cleanup-to-cost-at-least-3-billion/>

⁹² “California spends more than half of annual fire budget in 40 days,” CNBC, August 10, 2018, <https://www.cnbc.com/2018/08/10/california-spends-more-than-half-of-annual-fire-budget-in-40-days.html>

⁹³ “Wildland Development Escalates California Fire Costs,” KQED, December 18, 2018, <https://www.kqed.org/news/11713393/wildland-development-escalates-california-fire-costs>

⁹⁴ “Wildland Fire Summary and Statistics Annual Report 2018” National Interagency Coordination Center, https://www.predictiveservices.nifc.gov/intelligence/2018_statsumm/annual_report_2018.pdf

⁹⁵ “The Federal Government Won’t Pay Back California’s Firefighting Costs. What Happens When the Next Fire Hits?” *Pacific Standard*, May 22, 2019, <https://psmag.com/news/the-federal-government-wont-pay-back-californias-firefighting-costs>



suppression, emergency response, recovery efforts and loss of tax revenue." ⁹⁶

FIGURE 70: FIRE SUPPRESSION COSTS

Fire	Fire Suppression Cost
Camp	\$120,000,000
Carr	\$162,289,294
Mendocino Complex	\$220,000,000
Woolsey	\$56,943,320
Total	\$559,232,614

Source : NIFC; https://www.predictiveservices.nifc.gov/intelligence/2018_statsumm/annual_report_2018.pdf

In the 40 years since fire suppression cost data was tracked, 2017-18 and 2018-19 had the largest amounts the State has spent on fire suppression costs, a total of \$1.4 billion to extinguish fires in California in two years. The costs for 2017 -18 fire suppression were approximately 90 times the cost that the State spent in 1982-83. In early 2020, California Governor Gavin Newsome asked the State for \$2 billion to hire 677 new CAL FIRE positions over the next five years, augmenting 4,800 current permanent firefighters. His proposal also includes “\$90 million for new technology and a forecast center to better predict, track, and battle blaze, as well as, the continuation of a \$200-million annual investment approved by lawmakers to reduce the kinds of vegetation that fuel wildfires, and more than \$100 million to fund the Legislature’s pilot program to harden homes in fire-prone areas.”⁹⁷

Infrastructure Damage

While the bulk of damage from the fires was to housing, there was significant infrastructure damage as well. An after-action report of the Woolsey Fire reported that “[f]ire and/or wind caused early and wide-area losses of critical infrastructure, such as electric power, bridges, key roads, and cellular communication sites.” In addition, it stated that “extensive infrastructure damage, at times, affected field operations, detoured evacuations, and delayed repopulation.”⁹⁸ The report continues “several critical infrastructure sites were compromised by the fire, such as cellular voice/data affecting public notifications and emergency communications / technology (e.g., web- based maps).”⁹⁹

In Paradise, “water officials say they believe the extreme heat of the firestorm created a cocktail of gases in burning homes that got sucked into the water pipes when the system depressurized from use by residents and firefighters.”¹⁰⁰ The Paradise water contamination

⁹⁶ “LA County Sues Edison Utility to Recover over \$100 Million in Costs from Woolsey Fire,” *CNBC*, April 25, 2019. [HTTPS://WWW.CNBC.COM/2019/04/26/LA-COUNTY-SUES-EDISON-UTILITY-TO-RECOVER-COSTS-FROM-WOOLSEY-FIRE.HTML](https://www.cnbc.com/2019/04/26/LA-COUNTY-SUES-EDISON-UTILITY-TO-RECOVER-COSTS-FROM-WOOLSEY-FIRE.HTML)

⁹⁷ Gov. Newsom to propose more spending on wildfire efforts in new California budget,” *Los Angeles Times*, January 9, 2020, <https://www.latimes.com/california/story/2020-01-09/gavin-newsom-proposes-more-spending-on-california-wildfire-efforts>

⁹⁸ “County of Los Angeles: After Action Review of the Woolsey Fire Incident,” Citygate Associates, LLC, <https://lacounty.gov/wp-content/uploads/Citygate-After-Action-Review-of-the-Woolsey-Fire-Incident-11-17-19.pdf>

⁹⁹ Ibid.

¹⁰⁰ “Rare toxic cocktail from Camp Fire is poisoning Paradise water. It could cost \$300 million to fix.” *The Sacramento Bee*, April 18, 2019. <https://www.sacbee.com/news/local/environment/article228969259.html>

will cost approximately \$75.3 million to fix. While FEMA PA funds (which would require a local match) are being sought, a gap in funding to appropriately address this critical issue is anticipated.

"It's definitely a public health and safety issue," said Paradise Irrigation District Manager Kevin Phillips. "When a system depressurizes, it creates a vacuum that sucks in contaminants. What's happened is that portions of our distribution system are contaminated in the infrastructure. That infrastructure is then actually contaminating clean drinking water," via PVC main lines and connection lines to individual properties."¹⁰¹

B. FEMA PUBLIC ASSISTANCE (PA)

FEMA has allocated PA funds for both DR-4382 and DR-4407. For the MID counties, \$1,922,796,522 in PA funds have been approved as of February 25, 2020. Of that total, \$1,694,517,544 are for emergency work under Category A (debris removal) and Category B (emergency protective measures), which require 10 percent local cost-share funding. Of the FEMA PA funds, \$190,253,583, about 10 percent, are for permanent work under Categories C-G, which require a 25 percent local cost share.¹⁰² The remaining \$38,025,394 in PA grant funds are for Category Z work, which also requires a 25 percent local cost share requirement.

Due to the size and complexity of infrastructure permanent work and the FEMA PA funding obligation process, the funding amounts obligated by FEMA PA are anticipated to increase as projects scopes are defined and budgets developed. The FEMA PA funding amounts will be updated in subsequent Action Plan amendments to capture the best available data available at that time.

C. FEMA HAZARD MITIGATION GRANT PROGRAM

The purpose of FEMA's Hazard Mitigation Grant Program (HMGP) is to help communities implement hazard mitigation measures following a Presidential Major Disaster Declaration in the areas of the state requested by the Governor. Mitigation measures are any sustainable action taken to reduce or eliminate long-term risk to people and property from future disasters. Based on FEMA data from February 11, 2020, FEMA approved \$147,551,004 in HMGP projects for DR 4382 and DR 4407. These funds require a local match of 25 percent, which equates to \$36,887,751 in need not funded by FEMA.

D. LOCAL MATCH COST SHARE

Below is a summary of federal disaster recovery projects with local match cost share requirements, which the State and local governments must meet as partners in the recovery. CDBG-DR funds may be used as to provide this local match; this local share need is summarized in 77.

¹⁰¹ "After Devastating Fire, Town of Paradise Faces \$300-Million Water Problem," KCBS Radio, April 19, 2019. <https://kCBSradio.radio.com/blogs/jeffrey-schaub/camp-fire-contaminates-paradise-water-system>

¹⁰² Category C is for roads and bridges, Category D is for water control facilities, Category E is for buildings and equipment, Category F is for utilities, and Category G is for parks, recreational facilities, and other facilities.



FIGURE 71: FEDERAL DISASTER PROJECTS REQUIRING NON-FEDERAL COST SHARE

	Disaster 4382	Disaster 4407	Total
FEMA PA Cat A-B	\$343,434,828	\$1,714,836,517	\$2,058,271,345
Federal Share (90%)	\$309,091,345	\$1,543,352,865	\$1,852,444,210
Local Share (10%)	\$34,343,483	\$171,483,652	\$205,827,134
FEMA PA Cat C-G	\$16,782,347.66	\$236,560,676	\$253,343,024
Federal Share (75%)	\$12,586,761	\$177,420,507	\$190,007,268
Local Share (25%)	\$4,195,587	\$59,140,169	\$63,335,756
FEMA PA Cat Z	\$6,713,501	\$31,371,501	\$38,085,002
Federal Share (75%)	\$5,035,126	\$23,528,626	\$28,563,752
Local Share (25%)	\$1,678,375	\$7,842,875	\$9,521,251
FEMA HMGP	\$29,447,636	\$118,103,368	\$147,551,004
Federal Share (75-90%)	\$22,085,727	\$88,577,526	\$110,663,253
Local Share (10-25%)	\$7,361,909	\$29,525,842	\$36,887,751
FEMA Mission Assignments	\$658,000	\$402,032,350	\$402,690,350
Federal Share (75-90%)	\$658,000	\$313,062,350	\$313,720,350
Local Share (10-25%)	\$0	\$88,970,000	\$88,970,000
Total FEMA Project Costs	\$397,036,313	\$2,502,904,412	\$2,899,940,725
Total Federal Share	\$349,456,959	\$2,145,941,874	\$2,495,398,833
Total Local Share	\$47,579,354	\$356,962,538	\$404,541,892

Source: FEMA PA summary reports, 2/25/20; HMGP Status Report 2/11/20; FEMA Mission Assignment Data, accessed 2/18/20

7. ANALYSIS OF UNMET NEED: ECONOMIC REVITALIZATION

Economic Revitalization needs resulting from California’s 2018 wildfires total nearly \$2.5 billion. Over half of that need is due to commercial property loss (over \$1.5 billion). This loss also accounts for business interruptions, government revenue loss, and agricultural and tourism losses. Funding sources total close to \$1.3 billion to address this need. The majority (\$1.2 billion) of those funds are from insurance claims for commercial properties. This leaves nearly \$1.2 billion in unmet economic revitalization need. 78 below provides a summary of the economic revitalization needs, funding, and unmet needs, followed by a discussion of the analysis and data sources.

FIGURE 72: FEDERAL DISASTER PROJECTS REQUIRING NON-FEDERAL COST SHARE

	Loss/Need (-)	Funding Awarded or Obligated (+)	Unmet Need (=)
Commercial Property Loss	\$1,566,536,326		\$1,566,536,326
Business Interruptions	\$600,000,000		\$600,000,000
Government Revenue Loss	\$192,800,000		\$192,800,000
Agricultura Loss	\$77,489,208		\$77,489,208



Tourism Loss	\$15,000,000		\$15,000,000
SBA Loans:			
Business/Economic Injury Disaster Loans (EIDL)		\$61,755,900	\$(61,755,900)
U.S. Department of Commerce: workforce training and emergency management grant		\$7,400,000	\$(7,400,000)
California Employment Development Department: grant for Butte County		\$999,500	\$(999,500)
U.S. EDA Disaster Relief		\$200,000	\$(200,000)
Disaster Unemployment Assistance (DUA)		\$2,077,255	\$(2,077,255)
Private Insurance Payments		\$1,210,414,962	\$(1,210,414,962)
Total Economic Revitalization	\$2,451,825,534	\$1,282,847,617	\$1,168,977,918

A. ECONOMIC REVITALIZATION NEED

Commercial property losses due to the California wildfires are estimated at \$1.57 billion and account for the single largest economic revitalization loss. According to CDOI, as of April 30, 2019, there were almost 3,200 claims and \$1.36 billion in direct incurred loss. The total local property loss is based on an analysis of the CDOI commercial property insurance claims and the CAL FIRE commercial structure damage data. To determine total commercial property loss, the calculation must account for both insured and uninsured commercial property. To do this, a multiplier is established based on the number of total loss claims and the number of destroyed commercial properties in the CAL FIRE database. As a result, a conservative estimate of 15 percent uninsured is used to estimate the total number of damaged commercial properties. The average claim value is then determined for each impacted county based on the CDOI data and the average claim amount is multiplied by the total number of insured claims plus 15 percent to account for uninsured properties, as shown in 79. The resulting total estimated commercial property loss is \$1.57 billion.

FIGURE 73: COMMERCIAL PROPERTY LOSS

Total # of Insurance Claims	Uninsured Property Estimate	Average Claim Value	Estimated Commercial Property Loss
3,195	479	\$426,355.40	\$1,566,536,326

Source: California Department of Insurance

Business Interruptions, Tourism, and Agricultural Losses

In the wake of the Woolsey Fire, the Economic Development Collaborative (EDC) “identified



that more than \$600 million in payrolls were lost or at-risk, looking, on average, at a span of ten days of business interruption in the communities of Agoura, Calabasas, Malibu, Oak Park, Thousand Oaks, West Hills and Westlake Village. Some of these communities, of course, had a shorter-term impact; by contrast, some parts of Malibu are still not back up and running.”¹⁰³

Tourism loss is estimated at \$15 million as a result of the disasters. “On the tourism front, a recent study found that 11% of would-be travelers to California said the fires have prompted them to cancel their trips, costing the industry as much as \$20 million last month, said Caroline Beteta, head of Visit California, the nonprofit marketing agency for the state.”¹⁰⁴

Three of the four MID counties experienced a loss in agricultural production between 2017-2018 (see 80; data was not available for Los Angeles County). While this loss may not all be attributable to the wildfires (which occurred July-November 2018), it is important to know that these counties were already seeing a downturn in agriculture in 2018. With 939,059 acres being damaged from the four major fires, agricultural production has no doubt been impacted by the disasters.

Agricultural Loss: Estimated gross value of agricultural production, 2017 -2018

FIGURE 74. AGRICULTURAL LOSS: 2017-18

	Butte	Lake	Los Angeles	Shasta	Total
2017	\$696,563,214	\$120,753,532	N/A	\$84,738,000	\$902,054,746
2018	\$631,798,727	\$111,364,811	N/A	\$81,402,000	\$824,565,538
Loss	\$(64,764,487)	\$(9,388,721)	N/A	\$(3,336,000)	\$(77,489,208)
	-9%	-8%		-4%	-9%

Source: CDFA County Reports, accessed 2/23/20:
<http://www.cdfa.ca.gov/exec/county/CountyCropReports.html>

Government Revenue Loss

Butte County, where the majority of the structure damage for all 2018 Federally declared disasters took place (including residential and commercial buildings), reported a shortfall of \$4.3 million of discretionary revenue as a result of the Camp Fire.¹⁰⁵ Because the other 4 counties did not sustain a similar percentage of damage to the overall property base, this impact statistic was not captured in the other areas.

B. FUNDING SOURCES FOR ECONOMIC REVITALIZATION

The funding awarded amount in the unmet needs analysis for economic revitalization is based on data from CDOI, SBA, and other government agencies that provide disaster relief assistance. Private insurance payments are based on the total of insured loss for the disaster declared counties. The SBA loan assistance is based on the total loans disbursed by SBA for DR-4382 and DR-4407 for Business Physical Disaster Loans and Economic Injury

¹⁰³ Economic Development Collaborative’s SBDC Disaster Response and Recovery Report 1.24.19.

¹⁰⁴ <https://www.latimes.com/local/lanow/la-me-wildfire-costs-california-20180824-story.html>

¹⁰⁶ “Paradise hospital workers get last paychecks after Camp Fire wiped out over 1,200 jobs.” The Sacramento Bee, February 15, 2020, <https://www.sacbee.com/news/california/fires/article226335560.html>

State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



Disaster Loans (EIDL) to the impacted counties. Additional funding sources including the U.S. Department of Commerce, the California Employment Development Department (EDD), U.S. EDA, and Disaster Unemployment Assistance (DUA) are included.

The largest funding source for economic revitalization is from private insurance payments. The calculation of insurance funds is based on the insurance claim values for the disaster declared counties resulting from the 2018 fires, based on the data from CDOI in 81.

California Department of Insurance - Insured Losses from the 2018 California Wildfires Commercial Property

FIGURE 75: INSURED LOSSES – COMMERCIAL PROPERTY

Date	Fire Name	County	Total # of Claims	# of Claims Resulting in Total Loss	Direct Incurred Loss	Losses (%/ Total)
July 2018 Wildfires	Subtotal		488	11	\$45,070,545	
	Carr Fire	Shasta	232	8	\$23,045,598	1.7%
		Trinity	3	-	\$108,283	0.0%
		Other	33	1	\$3,865,085	0.3%
	Mendocino Complex Fire	Colusa	2	-	\$493,679	0.0%
		Lake	160	-	\$9,551,643	0.7%
		Mendocino	18	2	\$2,735,036	0.2%
		Other	40	-	\$5,271,222	0.4%
November 2018 Wildfires	Subtotal		2,707	487	\$1,317,134,956	
	Camp Fire	Butte	1,322	401	\$903,772,159	66.3%
		Other	108	2	\$110,425,705	8.1%
	Woolsey Fire	Los Angeles	913	68	\$236,192,833	17.3%
		Ventura	290	13	\$37,852,729	2.8%

Date	Fire Name	County	Total # of Claims	# of Claims Resulting in Total Loss	Direct Incurred Loss	Losses (%/ Total)
		Other	74	3	\$28,891,530	2.1%
Grand Total			3,195	498	\$1,362,205,501	

Commercial Residential: Apartment and Condominium Buildings; Condominium Association; and Homeowners Association.

Commercial Non-Residential: Commercial Multi-Peril; Fire and Allied Lines; and All other Commercial Property policies not specified above.

Release Date: April 30, 2019

Source: California Department of Insurance. Note: Modified to reflect only MID Counties and added Losses (% Total) columns.



The Small Business Administration (SBA) offers Business Physical Disaster Loans and Economic Injury Disaster Loans (EIDL) to help qualifying small businesses meet working capital needs caused by a natural disaster and repair or replace disaster damaged property owned by the business including real estate, inventories, supplies, machinery, and equipment. The loans may be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. These loans are not limited to businesses, they may also be used by private, non-profit organizations such as charities, churches, and private universities. The loans are limited to the verified uninsured disaster loss amount and capped at \$2 million.

Total verified loss for SBA business/EIDL applicants was \$807.6 million. Of the total verified loss, the most significant components include 71 percent of loss due to real estate reconstruction, 3 percent to real estate repairs, 8 percent to inventory, equipment, and machinery loss, and 10 percent to debris removal, landscaping, and other land improvements. The SBA approved over \$69.5 million in business loans as of March 9, 2020, covering 8.6 percent of the total verified loss.

There were 2,282 applications for Business/EIDL loans in Butte, Shasta, Lake, Los Angeles and Ventura counties. Of the applications in those five counties, 70 percent had verified loss in Butte, Lake, Shasta, Los Angeles, and Ventura counties as of March 9, 2020. Of these, 72 percent were in Butte County, 17 percent in Los Angeles County, 6 percent in Shasta County, 3 percent in Ventura County, and 1 percent in Lake County. In Butte County, 31 percent of applications were approved, 25 percent were declined, and 44 percent were withdrawn. For Los Angeles County, 31 percent were approved, 37 percent declined, and 32 percent withdrawn. In Shasta County, 39 percent were approved, 39 percent declined, and 22 percent withdrawn. In Ventura County 55 percent were approved, 21 percent declined, and 24 percent withdrawn. For Lake County, 15 percent were approved, 70 percent were declined, and 15 percent withdrawn. Common reasons for business loans to be declined by SBA include the same criteria as conventional lenders: poor credit, concerns over the debt-to-equity ratio, insufficient collateral, concerns over the business' ability to earn money and repay the loan due to the industry or business track record.

The table below shows the average verified loss and average reconstruction and repair amount by county for business EIDLs. Averages were determined for commercial property that sustained major damage and those that sustained moderate damage.

FIGURE 76: SBA BUSINESS LOAN VERIFIED LOSS AND REPAIR/RECONSTRUCTION COST

	Major		Moderate	
	Verified Loss	Repair/Recon	Verified Loss	Repair/Recon
Lake	\$298,452.08	\$40,625.50	\$74,040.00	\$27,502.50
Shasta	\$454,361.02	\$254,058.50	\$62,332.20	\$22,416.40
Butte	\$469,317.46	\$360,077.93	\$70,526.64	\$17,167.88
Los Angeles	\$598,450.16	\$423,801.76	\$71,277.91	\$30,525.64
Ventura	\$1,827,136.60	\$1,642,037.20	\$76,788.20	\$33,698.40

Source: SBA

C.EMPLOYMENT AND BUSINESS ESTABLISHMENTS



Despite the active fire seasons in both 2017 and 2018, and the significant economic impact associated with those back-to-back record-breaking seasons, California’s overall unemployment rate continues to trend downward. This trend is generally mirrored in the DR-4382 and DR-4407 disaster-impacted counties from, where unemployment rates either remain steady or experience a slight decrease between 2018 and 2019.

FIGURE 77: EMPLOYMENT RATES IN DISASTER-IMPACTED COUNTIES

COUNTY	2018 Annual Average Employment and Unemployment Rate by County		2019 Annual Average Employment and Unemployment Rate by County	
	EMPLOYMENT	UNEMPLOYMENT RATE	EMPLOYMENT	UNEMPLOYMENT RATE
California	18,582,800	4.2%	18,690,900	4.0%
Butte	97,600	4.9%	98,000	4.9%
Lake	27,590	5.2%	27,940	5.0%
Los Angeles	4,896,500	4.7%	4,899,900	4.4%
Shasta	70,500	4.9%	70,400	4.7%
Ventura	409,700	3.8%	408,700	3.6%

Source: California Employment Development Department

The number of business establishments also increased between 2018 and 2019. Figure 84 shows this increase in each of the disaster-impacted counties.

FIGURE 78: NUMBER OF BUSINESS ESTABLISHMENTS BY COUNTY

County	2018 Q1	2019 Q1	% Change
Butte County	8,495	8,542	+0.6%
Lake County	3,141	3,212	+2.3%
Los Angeles County	479,784	491,991	+2.5%
Shasta County	6,958	7,108	+2.2%
Ventura County	26,886	27,355	+1.7%

Source: California Employment Development Department

While California’s economy remains healthy overall, the impact of the fires on individual workers can be devastating. Many establishments were forced to close indefinitely due to the fires, such as the Feather River Hospital in Paradise, CA, which once employed 1,200 people.¹⁰⁶ Additionally, many workers in the impacted communities will relocate, both voluntarily or involuntarily, due to the loss of their homes or employers. The Chico Builders Association in Butte County reported that about 10 percent of their workforce lost their homes during the Camp Fire.¹⁰⁷

And though the number of business establishments in the impacted counties did increase

¹⁰⁶ “Paradise hospital workers get last paychecks after Camp Fire wiped out over 1,200 jobs.” The Sacramento Bee, February 15, 2020, <https://www.sacbee.com/news/california/fires/article226335560.html>

¹⁰⁷ “Economic Damage From California Fires Spreads Further Than Blazes.” Wall Street Journal, December 11, 2018, <https://www.wsj.com/articles/economic-damage-from-california-fires-spreads-further-than-blazes-1154452420>



between 2018 and 2019, businesses were not spared from the impacts of the wildfires. The California Department of Insurance estimates that the Mendocino Complex and Carr fires damaged or destroyed 329 businesses. The Camp Fire burned about 530 commercial structures. The full impact of the 2018 wildfires on business owners and workers has likely not all come to light yet, but economic losses caused by the documented damage and displacement will continue to reverberate through the state.

D.DISASTER UNEMPLOYMENT ASSISTANCE

Disaster Unemployment Assistance is one key indicator of employment impacts after a disaster. The following provides an analysis of disaster unemployment data for the impacted counties. The Disaster Unemployment Assistance program (DUA), administered by the California Employment Development Department (EDD) on behalf of FEMA, provides temporary unemployment benefits to jobless workers and self-employed people whose jobs or work hour losses are a direct result of the wildfires.

In California, the process for filing DUA claims is the same as for regular claims. When applications are received, EDD first reviews the application to determine if the individuals qualify for regular state unemployment insurance. If individuals qualify for regular state benefits, they move on through that process. If individuals do not qualify for regular unemployment insurance or disability insurance, then EDD will determine eligibility for disaster unemployment benefits. Therefore, DUA claims are a subset of all applicants and do not account for the full scope of individuals who filed for unemployment assistance due to the disasters.

As of December 31, 2019, 1,086 DUA claims were filed in the five disaster-impacted counties. Of those claims, a total of 616 people had been approved and received at least one payment, totaling approximately \$2.1 million. Butte County filed over 75 percent of the total DUA claims and received 80 percent of the total authorized DUA funds. The following provides a breakdown of unemployment claims by county.

FIGURE 79: DISASTER UNEMPLOYMENT ASSISTANCE FOR STATE FISCAL YEAR 2018-2019

County	Regular UI Claim Applications ¹	DUA Claims Filed	DUA Claimants Certified at Least Once	DUA Claimants Certified at Least Once & Received at Least 1 Payment	Total DUA Benefits Authorized ²
Butte	3,949	823	538	479	\$1,653,161.50
Lake	541	21	11	9	\$24,472.00
Shasta	294	48	19	16	\$51,258.00
Ventura & Los Angeles	878	194	122	112	\$348,363.00
Total	5,662	1,086	690	616	\$2,077,254.50

Source: California Employment Development Department, December 2019

¹Regular UI Claim Applications represent applications filed by individuals who self-identified as having their work or

self-

employment disrupted by the disaster.

²Total Benefits Authorized are only associated to the DUA Claims Filed

8. ANALYSIS OF UNMET NEED: PUBLIC SERVICES

In meetings HCD conducted with the MID counties in late February and early March 2020, the lack of public services capacity was a recurring theme.¹⁰⁸ The impacted counties stated there was an increase in the amount of services required after the disaster and a lack of staff available to meet the needs, particularly in the areas of disaster case management, housing inspections, permitting, and town planning. They stated a lack of capacity in each of these areas, resulting not only from an increase in overall demand, also from an increase in time and effort necessary for each of these services. It is largely fire survivors, not developers, who are navigating the system to rebuild and its many requirements, and frequently need additional time and attention in order to get into full compliance with inspection, permitting, and planning requirements.

Disaster Case Management

While disaster case management is currently available in three of the four MID counties, there is concern about the need for additional case management services once FEMA and other contracts expire. The State was told what a significant effort it is to get people's homes and lives back together and that both the counties and the cities desperately need help building capacity. Here is a summary of disaster case management in the four MIDs:

- Butte County has eight disaster case management providers. Currently there are 21 full-time and 12 part-time Disaster Case Managers (DCMs) providing services to survivors for a trained total of 33 DCMs in the community. Currently there are 876 open Disaster Case Management cases. In January 2020, 165 Disaster Case management cases were closed (resolved with meeting a recovery plan or Emergency Financial Assistance). Services to survivors have included assistance
- with housing, financial assistance, relocation services, immediate needs, emotional support, resource and referral, employment assistance, and outreach to most vulnerable. Since the FEMA funding began, 740 survivors have received direct DCM services. However, the case management providers have shared concern that many families that need case management have not been able to access services.¹⁰⁹
- Lake County has no disaster case management providers.¹¹⁰
- Los Angeles County has five disaster case management providers. LA Region Community Recovery Organization (LARCRO) reported that as of March 5, 2020, there are 223 open cases, 157 closed cases, and 67 on the watch list, for a total of 447 reporting households.¹¹¹

¹⁰⁸ Meetings with Butte County 2/27/20; Shasta County 2/27/20; Lake County 2/28/20; and Los Angeles County 3/2/20.

¹⁰⁹ Meeting with Butte County officials and community groups in Oroville, California, on February 27, 2020

¹¹⁰ Meeting with Lake County officials and community groups in Lakeport, California, on February 28, 2020.

¹¹¹ Call with L.A. Region Community Recovery Organization on March 5, 2020.

- Shasta County has one disaster case management provider, North Valley Catholic

Social Services (NVCSS). They have served approximately 190 families through February 2020 and hope to reach 250 families by August 2020, which is the end of their contract. It is unclear what will happen after that date with disaster case management. NVCSS reported that of the approximately 1,100 homes that burned, 80 percent were uninsured, under-insured, or grossly under-insured. They believe the majority of clients to be low-income.¹¹²

IV. GENERAL REQUIREMENTS

A. REHABILITATION/RECONSTRUCTION OF PUBLIC HOUSING, AFFORDABLE HOUSING AND OTHER FORMS OF ASSISTED HOUSING

For the purposes of assessing impacts to housing, including public housing, affordable housing, shelters and other forms of assisted housing, HCD consulted with local governments in the following areas:

- Butte County (MID)
- Lake County (MID)
- Los Angeles County (MID)
- Shasta County (MID)
- Ventura County

Public Housing Needs

To assess the unmet recovery needs for public housing units, HCD requested data from related to Public Housing Authorities from each of the disaster impacted areas, including damages to public housing units (if any) and the resources needed to repair the units. As reflected in the needs assessment, there were no reported damages to public housing units; therefore, there are no identified public housing unmet needs.

Sources of Funding for Affordable Housing Unmet Needs

HCD will use a variety of resources, both CDBG-DR and state-funded, to address the rehabilitation, reconstruction, replacement, and potential new construction of rental housing that is affordable to low- or moderate-income households. HCD has allocated \$250,687,114 in CDBG-DR funding to address the unmet rental housing needs by providing funding for multifamily developments and small rental in the impacted areas. Affordability periods for these housing developments are outlined in Section D below. Small rental properties (1-7 units) were identified by local stakeholders as a priority to meet housing needs in the impacted areas. However, this funding will not meet full need for affordable housing identified in this Action Plan. To meet the identified unmet needs, HCD will leverage its portfolio of programs targeted at creating

¹¹² Meeting with Shasta County officials and community groups in Redding, California, on February 27, 2020.



affordable housing as additional sources of funding to address disaster impacts. A full list of the leveraged programs is outlined in Part 5 of this section.

Affordable Rental Housing Needs

As reflected in the needs assessment, Butte County reported impacts to its Housing Choice Voucher Program. The Housing Authority of the County of Butte (HACB) reported that 318 participant households were displaced by DR-4407 and tragically three lives were lost. HACB also saw twelve workforce housing units destroyed; all twelve households were displaced. Combined with the extremely low pre-disaster vacancy rates, Housing Choice Voucher holders are faced with steep decreases in the number of available units.

Demand for rental housing far exceeded availability in MID areas after the fires, as displaced residents looked for new accommodations. Prior to the Camp Fire, only one in four Housing Voucher holders in Butte County had been able to secure a lease, after the fire this rate dropped to one in ten.¹¹³ Redding, in Shasta County, experienced vacancy rates of below five percent post-fire; the Carr Fire tightened an already stretched market in the city, and the Camp Fire further exacerbated the issue as some residents from neighboring Butte County were forced to the Redding area in search of housing

While HCD has not allocated funds to directly address impacts to the private market units occupied by the Housing Choice Voucher holders, HCD has identified \$250,687,114 for affordable rental housing to create rental units, including the creation of units that will be available to Housing Choice Voucher holders and other individuals who receive housing subsidies. This allocation will not be enough to solve the need of affordable housing in MID areas but will assist those displaced by the disasters to return home, help stabilize the rental markets, and provide an opportunity for communities to address the issue as developments are planned.

Affordable Rent, Tenant Income Limits, and Minimum Affordability Period

Multifamily developments funded under this CDBG-DR grant will adhere to standard requirements set by HCD to ensure compliance with CDBG-DR requirements and the specific requirements set by the governing federal income limits. All multifamily program requirements will be outlined in detail in the program manual and application guidelines for subgrantees. At a minimum, the following thresholds must be adhered to in all programs:

- **Affordable Rent:** HCD will determine affordable rents in multifamily projects by calculating the Fair Market Rents (FMR) along with the maximum of 30 percent of an LMI household's income.
 - **Fair Market Rents:** FMRs are the standard across federally-supported housing programs, including the Housing Choice Voucher program. FMR is also used to determine initial renewal rents for some expiring project-based Section 8 contracts, initial rents for housing assistance payment (HAP) contracts in the Moderate Rehabilitation Single Room Occupancy program (Mod Rehab) and rent ceilings for rental units in both the HOME

¹¹³ Section 8 voucher holders can't find housing post-Camp Fire. <https://www.chicoer.com/2019/08/02/section-8-voucher-holders-cant-find-housing-post-camp-fire/>

Investment Partnerships Program (HOME) and the Emergency Solution Grants (ESG) program. This standard is also used for the calculation of maximum award amounts for CoC recipients and the maximum amount of rent a recipient may pay for property leased with CoC funds, and calculation of flat rents in Public Housing units.

- **Percentage of LMI household income:** Affordability is also determined by rates not exceeding 30 percent of a household's income. Per HUD definitions, housing costs are a cost burden when greater than 30 percent of a household's income.
- **Percentage of LMI units in development:** HCD will determine the percent of units in any approved multifamily development that will be leased to tenants with an income of up to 80 percent of the area median income (AMI) based on regulatory and program requirements. HCD will prioritize units aimed at 50% or below AMI.
- **Affordability Period:** Multifamily developments must meet the following affordability requirement:
 - A minimum affordability period of 15 years for the rehabilitation or reconstruction of multifamily rental projects with eight or more units
 - A minimum affordability period of 20 years for the new construction of multifamily rental units with five or more units.
 - If a rental project that requires rehabilitation or reconstruction is subject to existing affordability requirements associated with other funding sources, HCD will allow that the 15-year affordability period required by the CDBG-DR funding may run concurrently (or overlap) with the affordability requirements associated with such other funding

While HCD does not anticipate funding single family new construction, should single-family units be constructed under this grant, they will also be subject to a minimum affordability period of five years. If units are rentals, the above income and FMR terms will apply. However, the affordability period does not apply to rehabilitation or reconstruction of owner-occupied single-family housing.

Fair Housing

The State did extensive analysis of the protected classes impacted by the 2018 disasters. The results and effects of that analysis are shown throughout the State's Action Plan. The Needs Assessment and SoVi sections of the Action Plan looked at factors in each of the disaster declared counties for impacts to protected classes. Additionally, HCD updated the Analysis of Impediments to Fair Housing in 2019, analyzing impacts to protected classes across California. The State identified that Lake County has the highest SoVi index. This was due mostly to a significant disabled population of over 20%. A proportionately larger population of residents with disabilities also stood out in other jurisdictions impacted in the 2018 disasters, and as a result the State worked to address this in several ways.

The State's Owner-Occupied housing program will prioritize disabled applicants or those with functional needs. The program will also consider exceptions for demonstratable hardships,

which includes disability and other factors historically larger in vulnerable populations. The program will offer language assistance with case management and will utilize Affirmative Marketing plans which targets LEP and accessibility needs of potential applicants. The State's MultiFamily program lists special needs and disabilities as priorities for funding. Also, the MultiFamily program will rank Extremely Low Income and Permanent Supportive Housing Units as extra scoring criteria for affordable housing developments. Housing production that serves protected classes has historically benefitted more through promotion of these types of units. All these programmatic efforts are designed to improve access and recovery for members of impacted protected classes across the 2018 disaster area.

HCD will follow policies and procedures for compliance with Affirmatively Furthering Fair Housing (AFFH) requirements during the planning and implementation of all the activities listed in this Action Plan.¹¹⁴ Such policies and procedures involve a review that includes an assessment of the demographics of the proposed housing project area, socioeconomic characteristics, environmental hazards or concerns, and other factors material to the AFFH determination.

Programs are required to comply with all relevant fair housing laws, including the federal Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act. These laws prohibit discrimination in housing and federally assisted programs on the bases of race, color, national origin, religion, sex, disability and familial status. The federal obligation to affirmatively further fair housing stems from the Fair Housing Act. State fair housing laws, including the California Fair Employment and Housing Act, are also required for Fair Housing compliance. HCD is committed to supporting anti-discrimination practices.

Multifamily program applications should demonstrate that the proposed projects are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard related impacts, HCD will review local project selection processes and outputs for any individual project and/or trends., once a critical mass of projects are selected. Through this review, the Department may identify potential unanticipated and deleterious impacts on protected classes in the distribution of program benefits and, should they occur, burdens, i.e., unmitigable environmental impacts. Moreover, HCD will provide direct technical assistance to program subrecipients to ensure that all analyses required of potential project impacts are completed, satisfactorily, including, but not limited to, Section 3 and NEPA environmental justice analyses.

Demonstrable Hardship

HUD requires HCD to define "demonstrable hardship" and any related exceptions to program policies for applicants who demonstrate undue hardship. A demonstrable hardship is defined as a substantial change in a household's situation that prohibits or severely affects their ability to provide and maintain a minimal standard of living or basic necessities, such as food, housing, clothing and transportation, causing economic distress well beyond mere inconvenience. A demonstrable hardship must occur after the fires and must be documented with objective evidence.

¹¹⁴ Ibid 5, pg. 9 <http://www.climateassessment.ca.gov/state/docs/20180827-StatewideSummary.pdf>. Cal-Adapt, www.cal-adapt.org. Accessed December 2018.

See HCD's guidance on AFFH, available online, here: <https://www.hcd.ca.gov/community-development/affh/index.shtml> (last visited, August 30, 2021).

The demonstrable hardship must be of a severe, involuntary and unexpected nature, and not generally for the same reasons shared with other households affected by the disaster. Examples of a demonstrable hardship may include job loss, failure of a business, divorce, severe medical illness, injury, death of a family member or spouse, unexpected and extraordinary medical bills, disability, substantial income reduction, unusual and excessive amount of debt due to a natural disaster, etc. However, there is no one event that automatically defines a demonstrable hardship. HCD will consider each applicant's overall situation if a demonstrable hardship is claimed and documentation can be provided showing the cause and any other factors relevant to the issue of demonstrable hardship.

Not Suitable for Rehabilitation

HCD defines a structure as not suitable for rehabilitation in two scenarios:

- The cost for rehabilitation is over 50 percent of the pre-disaster fair market value of the home.
- The cost for rehabilitation exceeds the cost to reconstruct the home.

HOUSING FOR VULNERABLE POPULATIONS

Emergency Shelters

Information on damages to emergency shelters and transitional housing was requested as part of the data request HCD sent to each jurisdiction in the disaster impacted areas. There were no reports of damages to shelters or transitional housing; therefore, HCD has not allocated funding to address the rehabilitation, reconstruction, or replacement of emergency shelters and transitional housing.

Permanent Supportive Housing

HCD has allocated nearly \$250,687,114 for the development of affordable housing. Through requirements outlined in the program guidelines and coordination with subgrantees in project development and implementation, units addressing the special needs of persons who are not homeless but require supportive housing (e.g., elderly, persons with disabilities, persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, and public housing residents) will be included in CDBG -DR funded multifamily housing developments.

Specific locations and quantities of permanent supportive housing (PSH) units, along with services provided to individuals and families occupying PSH units, will determine through an assessment of local needs completed in the project planning phase. Furthermore, the inclusion of PSH units in multifamily projects will be considered in the evaluation of project proposals. See Section IV for additional details on the multifamily program.

In addition, HCD has a suite of programs targeted at providing supportive housing to vulnerable populations. The programs include:

- Housing for a Healthy California (HHC): The HHC program creates supportive housing for individuals who are recipients of or eligible for health care provided through the California Department of Health Care Services, Medi-Cal program.
- No Place Like Home (NPLH): funds to acquire, design, construct, rehabilitate, or preserve permanent supportive housing for persons who are experiencing homelessness, chronic



homelessness or who are at risk of chronic homelessness, and who are in need of mental health services.

- Supportive Housing Multifamily Housing Program: provides low-interest loans to developers of permanent affordable rental housing that contain supportive housing units.

Additional details on these programs can be found under Leveraging Funds in Part 5 below.

Housing for Homeless and Persons At-Risk of Homelessness

As part of the needs assessment, HCD coordinated with disaster impacted counties to gather information on the impacts to pre-disaster homeless persons and populations that, but for temporary disaster assistance, are at-risk of homelessness. HCD is committed to addressing the needs of homeless persons and persons at risk of homelessness and will continue to coordinate with local jurisdictions and organizations providing disaster case management services over the course of the program design process to ensure that the needs of these populations are addressed as directly as possible.

Additionally, HCD recognizes the critical importance of providing housing opportunities for individuals and families that are homeless or at risk of homelessness and helps to address this through current HCD programming. In addition to the NPLH program noted above, HCD's Veterans Housing and Homelessness Prevention Program (VHHP) funds the construction of multifamily housing with 50 percent of the funds reserved for extremely low-income veterans. HCD also administers the State's Emergency Solutions Grant (ESG), the HUD-funded entitlement grant to support individuals and families experiencing homelessness. Additional details on these programs can be found in Part 5, Leveraging Funds.

Promote Housing for Vulnerable Populations

In August 2018, the State of California published its Fourth Climate Change Assessment that provides information about climate impacts including the ongoing threat of wildfire to the State of California. The document outlines the ongoing threat of climate change for vulnerable populations throughout the state, noting that "climate change will make forests more susceptible to extreme wildfires. By 2100, if greenhouse gas emissions continue to rise, one study found that the frequency of extreme wildfires burning over approximately 25,000 acres would increase by nearly 50 percent, and that average area burned statewide would increase by 77 percent by the end of the century."¹¹⁶ With the smoke from fires and other High Heat Events (HHE) the health risks increase to vulnerable populations. As California is already experiencing these effects, the state will use a host of tools developed for climate change when they evaluate proposals for multifamily housing.

The Integrated Climate Adaptation and Resiliency Program (ICARP) Technical Advisory Council produced a vision statement including the following principle: "Prioritize actions that promote equity, foster community resilience, and protect the most vulnerable. Explicitly include communities that are disproportionately vulnerable to climate impacts." The ICARP defines vulnerable communities as those that experience heightened risk and increased sensitivity to climate change and have less capacity and fewer resources to cope with, adapt to, or recover from climate impacts. Factors noted to be exacerbated by climate impact include, but are not limited to, race, class, sexual orientation and identification, national origin, and income inequality

The ICARP provides a suite of climate vulnerability assessment tools to help identify vulnerable communities on a state, local and regional level by 1) analyzing climate risk, and 2) analyzing adaptive capacity. For example, the California Healthy Places Index (HPI) is an interactive online data and GIS mapping tool that allows users to easily visualize the social and economic conditions that shape health in each neighborhood in California. HPI is validated with life expectancy and provides census tract rankings across the state. As of 2017, the HPI platform also includes climate change indicators. This tool provides graphic overlays of climate risks, vulnerabilities and indicators of adaptive capacity, along with the healthy places index score, and other key decision support layers. HPI moves data into action by providing policy briefs outlining best practices to address risks associated with climate indicators. HCD may also use the Equity Checklist, intended to assist agencies to ensure that plans and investments identify and protect the state's most vulnerable populations. This checklist can be used alongside any decision-making process to improve equitable outcomes.

In addition to the HPI, tools include:

Cal-Adapt¹¹⁵

Cal-Adapt is the state's portal for the climate data and science produced for the Fourth Climate Change Assessment (released in August 2018), which includes new projections of climate scenarios at the neighborhood level and wildfire projections for the entire state. Viewers for key climate variables and many data sets are available to the public. The platform also includes a web Application Programming Interface (API) to allow users to build their own applications. Accessible data includes annual averages, extreme heat, sea level rise, snowpack, wildfire, cooling degree days and heating degree days, downscaled climate projections, and more.

Urban Heat Island Index for California

The Urban Heat Island Index, developed by the California Environmental Protection Agency, quantifies the extent and severity of urban heat islands for individual cities, including urban heat island interactive maps that show the urban heat island effect for each census tract in and around most urban areas throughout the state. This can also help identify and prioritize areas across the state for adaptation efforts such as urban greening and cool roofs and pavements.

CalEnviroScreen

CalEnviroScreen 3.0 is a screening tool that identifies communities most affected by and vulnerable to the effects of many sources of pollution and population-based disparities. It aggregates state-wide environmental, health, and socioeconomic information to produce scores for every census tract in the state. A census tract with a high score is considered more disadvantaged than a community with a low score as a result of pollution burden and population characteristics. When overlaid with climate impact and exposure data, CalEnviroScreen can provide insight into built and environmental exposure factors that contribute to vulnerability.

California Building Resilience Against Climate Effects

¹¹⁵ Cal-Adapt, www.cal-adapt.org. Accessed December 2018.



The California Building Resilience Against Climate Effects (CalBRACE) Project developed climate change and health indicator narratives and data to provide local health departments and partners with tools to better understand the people and places in their jurisdictions that are more susceptible to adverse health impacts associated with climate change, specifically extreme heat, wildfire, sea level rise, drought, and poor air quality. The assessment data, known as Climate Change & Health Vulnerability Indicators for California (CCHVI), can be used to screen and prioritize where to focus deeper analysis and plan for public health actions to increase resilience.

Government Alliance on Race Racial Equity Toolkit

The Government Alliance on Race and Equity (GARE) is a national network of government working to achieve racial equity and advance opportunities for all. The Racial Equity Toolkit is designed to integrate explicit consideration of racial equity in decisions, including policies, practices, programs, and budgets. Use of a racial equity tool can help to develop strategies and actions that reduce racial inequities and improve success for all groups.¹¹⁶

HCD will utilize these tools throughout the lifecycle of its CDBG-DR funded projects and programs. Most critically, the tools will be employed during the project planning stage as a means of evaluating the impacts of planning decisions and how they may affect racial, ethnic, and low-income concentrations. Furthermore, the tools will be used to assess specific project details, including location, design, and construction materials, among others to ensure affordable housing is made available where it is most needed and constructed in a manner resilient to natural hazards.

General Plans

All city and county governments in California are required to produce and periodically update general plans - documents that act as long-term blueprints for each community's vision of future growth (see Section III, I. Planning). Each general plan is required to include a chapter on the "housing element," the guidelines of which are designed and updated by the Office of Planning and Research to achieve the state housing goal of prioritizing "attainment of decent housing and a suitable living environment for all Californians." The housing element guidelines require communities to "identify disadvantaged areas within the area covered by the general plan" and "identify objectives and policies to promote safe and sanitary homes in disadvantaged communities."¹¹⁷

HCD reviews housing elements to determine if they are adequate. Housing law was strengthened to give HCD various incentives and powers to ensure that enough affordable housing sites are identified and other requirements.

Displacement of Persons and/or Entities

HCD develops all programs with the intent to minimize displacement of persons or entities, following its Residential Anti-displacement and Relocation Assistance Plan (RARAP) in accordance with 24 CFR part 42.325. All program guidelines, applications, and technical

¹¹⁶ ICARP, *Defining Vulnerable Communities in the Context of Climate Adaptation*. Accessed December 2018.

¹¹⁷ Office of Planning and Research, Required Elements: Designing Healthy, Equitable, Resilient, and Economically Vibrant Places http://www.opr.ca.gov/docs/OPR_C4_final.pdf.



assistance provided will include policies around displacement. HCD will minimize displacement of persons or entities as a result of the implementation of CDBG- DR projects by ensuring that all programs are administered in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970, as amended (49 CFR Part 24) and §104(d) of the Housing and Community Development Act of 1974 and the implementing regulations at 24 CFR Part 570.496(a). All recovery programs outlined in this Action Plan will be implemented with the goal of minimizing displacement of families from their home, whether rental or owned, and/or their neighborhoods.

HCD understands the individualized nature of disaster recovery, and the complexities of the recovery process, as well as the necessity to join in that process to provide support and guidance through that process. As such, HCD offers a housing counseling program for disaster impacted individuals to include up to two optional counseling opportunities and one required counseling opportunity to support their housing recovery process. HCD's Housing Counseling Program provides eligible residents guidance and counseling for their housing needs related to impacts from both the 2017 and 2018 natural disasters.

Current homeowners entering into the ReCoverCA housing programs receive counseling services on property maintenance, financial management, disaster recovery funding resources, financial and credit literacy, and other areas as needed and appropriate to assist in helping ReCoverCA program participants determine their housing recovery plan, improve their housing conditions, and meet their financial goals.

Traditionally underserved populations, state and federally protected classes, including racial and ethnic minorities, the elderly, veterans, persons with disabilities, persons with limited English proficiency and residents of rural areas, face unique disaster recovery housing, and economic challenges.¹¹⁸ HCD's ReCoverCA Housing Counseling Program provides expert, unbiased guidance, and information to help families and individuals, particularly the most vulnerable, meet their housing needs through an informed decision-making process.

Rehabilitation or reconstruction projects occasionally require persons to be temporarily displaced from their residential dwelling. Although temporarily displaced persons do not receive the same relocation assistance and payments as persons permanently displaced under the URA, they are entitled to certain rights and protections.

When necessary and appropriate, residential tenants who will not be required to move permanently may be required to relocate temporarily for the project. Temporary relocation should not extend beyond one year before the displaced person return to their previous unit or location. While not expected, if temporarily relocated residential tenants are displaced for more than one year, tenants are entitled to permanent relocation assistance, which is not inclusive of any temporary relocation assistance previously provided. All conditions of temporary relocation must be reasonable. At a minimum, HCD will provide the following:

HCD will retain a qualified URA Vendor ("Vendor") to provide all services necessary to prepare required relocation plans and implement relocation advisory services for the OOR Program as

¹¹⁸ For more information on federal and state protected classes, see HCD's 2020 Analysis of Impediments to Fair Housing, <https://www.hcd.ca.gov/policy-research/plans-reports/docs/final2020ai.pdf>. Accessed July 2021.

requested by HCD.

The relocation assistance requirements at § 104(d)(2)(A) of the Housing and Community Development Act and 24 CFR 42.350 are waived to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR part 24, as modified by the Notice, for activities related to disaster recovery. Without this waiver, disparities exist in relocation assistance associated with activities typically funded by HUD and FEMA (e.g., buyouts and relocation).

The impacts of the disasters are vast and, in many cases, have destroyed homes. In the instance that homes may be rehabilitated, HCD will opt for rehabilitation to minimize the displacement of the homeowner. Additionally, the required affordability periods of at least 15 and 20 years for multifamily rental units will also assist with prevention of displacement.

Protection of People and Property

The State of California has a long history of promoting building design and zoning to protect people and property from harm due to natural disaster. Since the mid -1980s the state has promoted “defensible space” for homeowners living in fire prone areas. In 1993 the nonprofit California Fire Safe Council was established to promote fire safety and to support local community fire safe councils. In 2005 a comprehensive set of state legislation passed to require homeowners to maintain defensible space and established local Fire Safe Councils. At the same time the California Wildland Urban Interface (WUI) codes were adopted requiring local jurisdictions’ zoning comply with the state’s standards.

Wildland-Urban Interface (WUI) Requirements

The WUI is the area where structures meet or intermingle with undeveloped wildland vegetation. These structures are vulnerable to fire damage, as they are close to fire hazards. In 2003, The California State Fire Marshal, in consultation with the Director of Forestry and Fire Protection and HCD, was tasked with developing statewide fire protection requirements for roofs, exterior walls, structure projections, and structure openings of buildings located in WUI Fire Areas. These requirements became fully effective in 2007, and all new homes built in the WUI Fire Areas must meet these building requirements.

Through a collaborative effort of the California Department of Forestry and Fire Protection (CAL FIRE), Office of the State Fire Marshal, local fire districts, building associations and other public safety organizations, the WUI codes have been developed to encourage ignition resistant construction in California’s fire prone areas. The codes include specific material, design and construction standards to maximize ignition resistance.

The WUI codes are a requirement for new buildings in Fire Hazard Severity Zones in State Responsibility Areas (where the state is primarily responsible for the prevention and suppression of forest fires), and otherwise adopted at the discretion of local districts responsible for their own fire protection. A majority of impacted areas are located in State Responsibility Areas. Building standards include specific regulation of materials and design for roofing, attic ventilation, exterior walls, decking and underfloor.¹¹⁹ WUI regulations also

¹¹⁹ California Department of Forestry and Fire Protection & Office of the State Fire Marshal, “Wildland-Urban Interface Building Codes Fact Sheet,” http://www.fire.ca.gov/fire_prevention/downloads/BSR_fact_sheet.pdf, May 2007

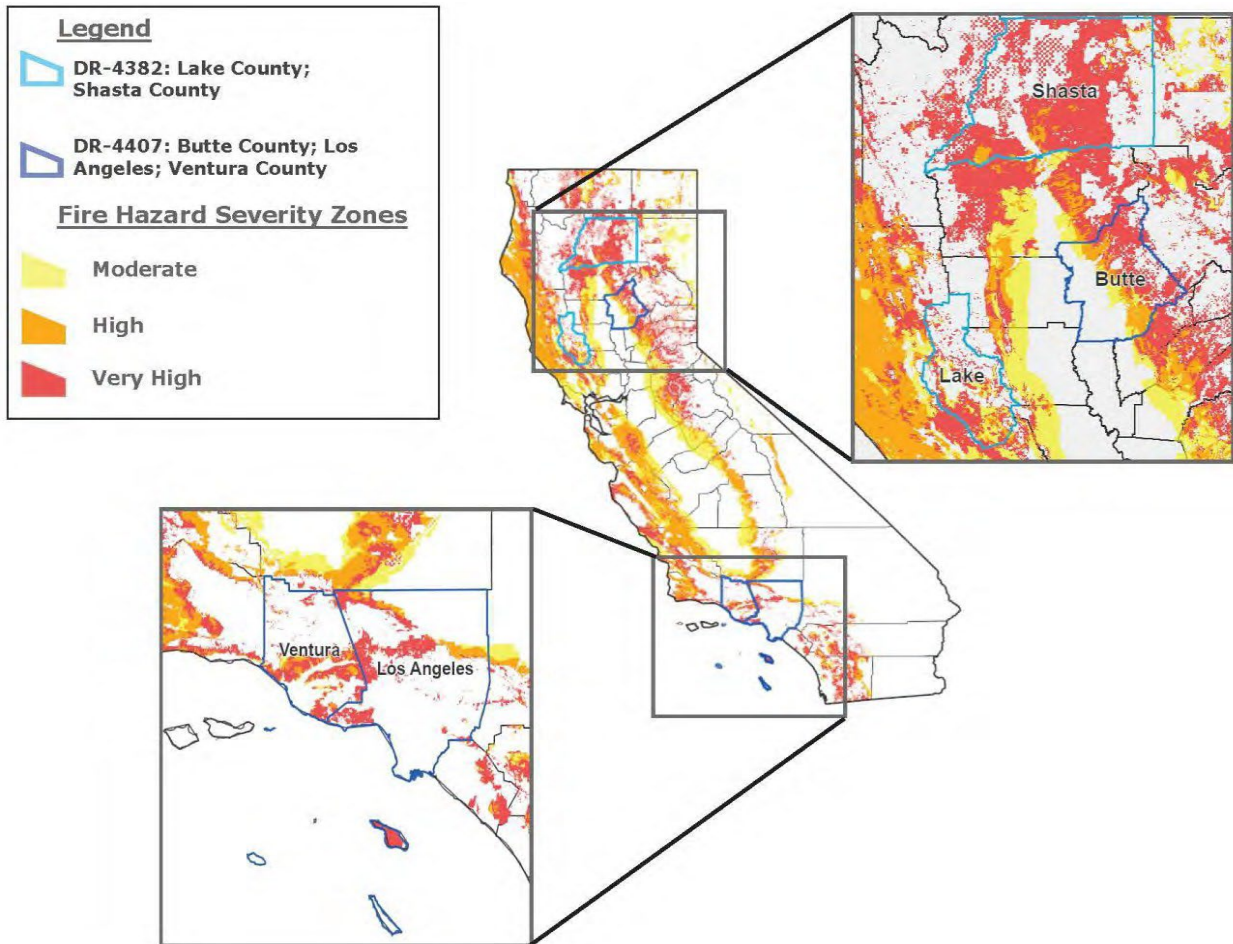
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require that homeowner’s clear flammable vegetation within 30 feet of buildings and modify vegetation within 100 feet around buildings to create a defensible space for firefighters to safely protect vulnerable property and to reduce fuels by which fire may continue to grow or spread.

In accordance with the Federal Register Notice requirement to support the adoption and
FIGURE 80: FIRE HAZARD SEVERITY ZONES



enforcement of modern and/or resilient building codes and mitigation of hazard risk, structures located in any Fire Hazard Severity Zone within State Responsibility Areas, any Local Agency Very-High Fire Hazard Severity Zone, or any Wildland Urban Interface Fire Area designated by the enforcing agency. The following maps show the fire hazard areas for the counties impacted by the DR-4382 and DR-4407 disasters

Source: CAL FIRE

Construction Standards

The State Housing Law Program under HCD continuously refines the building standards to ensure they comply with new or changing laws and regulations and develops statewide building standards for new construction of all building types and accessories. The State Housing Law Program also develops the building standards necessary to provide accessibility in the design and construction of all housing other than publicly funded housing. The building

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standards are published as the California Building Standards Code under the California Code of Regulations, Title 24, and construction standards in the Standard Agreement must meet or exceed all applicable requirements for housing or building construction.

All new construction is required to pass quality inspections and code enforcement inspections over the development of the project, in addition to meeting accessibility requirements of the federal Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, Title VI of the Civil Rights Act of 1964, and the Americans with Disabilities Act. HCD will require a post construction warranty period of one-year for all work performed, including any work completed by subcontractors.

Federal Green Building Standards

HUD requires all rehabilitation, reconstruction, and new construction to be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters. Wherever feasible, the State of California follows best practices, such as those provided by the U.S. Department of Energy, Home Energy Professionals: Professional Certifications and Standard work specifications. For CDBG-DR funded projects, HUD requires green building standards for replacement and new construction of residential housing.

State Green Building Standards

All new construction of residential buildings or reconstruction of substantially damaged buildings must incorporate the state's green building standards. California Green Buildings Standards Code (CALGreen) is California's green building code, enacted as mandatory in 2011, and adopted to address five divisions of building construction and improve public health, safety and general welfare. The divisions addressed are as follows: planning and design, energy efficiency, water efficiency and conservation, material conservation and resource efficiency, and environmental quality. CALGreen applies to the planning, design, operation, construction, use, and occupancy of nearly every newly constructed building or structure in the state, as well as additions and alterations to existing buildings that increase the building's conditional area, interior volume, or size.¹²⁰

2019 Building Energy Efficiency Standards

The State of California intends to promote high quality, durable and energy efficient construction methods in areas impacted by the 2018 fires. All newly constructed buildings must meet locally adopted building codes, standards and ordinances. The California Energy Commission adopted new building standards, effective January 1, 2020, that require all newly constructed homes to include solar photovoltaic systems. Homes built with the 2019 standards will use approximately 53 percent less energy than those built under current 2016 standards. The California Energy Commission estimates a cost of \$9,500 per home for initial solar installation.¹²¹ However, AB 179, exempts disaster repair projects from these requirements, but the State will work towards implementing some of the measures when financially feasible. The state will advise applicants of other state resources available through utility providers or the Public Utilities Commission that provide direct assistance to homeowners to address

¹²⁰ California Department of Housing and Community Development, "Building Standards: CALGreen Compliance" <http://www.hcd.ca.gov/building-standards/calgreen/index.shtml>.

¹²¹ California Energy Commission, May 9, 2018 News Release & 2019 Building Energy Efficiency Standards, Frequently Asked Questions, https://www.energy.ca.gov/title24/2019standards/documents/2018_Title_24_2019_Building_Standards_FAQ.pdf.

energy efficiency or self-generation incentive programs.

Residential Construction Standards

All residential construction projects will comply with the housing construction codes of the State of California, including all units developed under the Owner-Occupied Housing Recovery Program or the Multifamily Housing Recovery Program. Housing construction codes for building in California follow federal and state laws, regulations, and adaptations for construction of single family and multifamily units.

Elevation Standards

HCD will require its subgrantees and contractors to comply with the national floodplain elevation standards for new construction, repair of substantially damaged structures, or substantial improvements to residential structures in flood hazard areas. All structures designed for residential use within a 100-year (or one percent annual chance) floodplain will be elevated with the lowest floor at least two feet above the base flood elevation level and comply with the requirements of 83 FR 5850 and 83 FR 5861. Property owners receiving assistance through the Owner-Occupied Housing Recovery Program will be required to acquire and maintain flood insurance if their properties are located in a FEMA designated special flood hazard area.

Costs of elevation will be included as part of the overall cost of rehabilitation of a property. Many homes in the impacted areas with substantial damage need updates to meet current federal, state and local code requirements when repaired. If a home is within a 100-year floodplain, a cost estimate will be completed and compared with local and national averages comparable to the home's size, number of feet required for elevation and the geography of the location. Any building that has a total cost of repairs greater than 50 percent of the pre-disaster value of the property is considered substantially damaged and will require the entire home to be brought into code compliance.

Where a neighborhood or large tract of houses have substantial damage and also require elevation, the overall impact of elevation on the long-term affordability and maintenance of the housing stock for that area will be considered in determining the best and most reasonable way-forward to provide repairs.

Appeals Process

HCD will provide a mechanism for homeowners, businesses, cities, counties and other entities to receive timely responses to complaints and appeals in order to maintain quality operations. See Section V Part 3, Citizen Participation Plan, Citizen Complaints for information on how to file a written complaint to HCD.

Homeowners may appeal the quality of the rehabilitation work and file complaints. HCD will utilize a program implementation contractor to implement the owner-occupied housing program. HCD, along with the program implementation contractor, will develop a robust appeals process that will be outlined in the program manual.

The appeals process will include at a minimum a two-level process which includes a program appeals process and state level appeals process. Prior to an appeals process, program staff will work with homeowners and contractors to resolve issues and ensure the work completed meets code requirements and program standards. Contractors will be required to provide a

one-year warranty period on work performed and will be required to address the homeowner's concerns about the quality and timeliness of the work. The program will develop detailed procedures around process for homeowners the quality of rehabilitation work completed on their home if it does not meet program standards. The program staff will be required to review and manage the appeals process. In the event that an appeal is not resolved in the program appeals process, the state appeals process will be activated. Further details on the appeals processes will be outlined in the program guidelines. In the event that an economic revitalization program that funds business repair work is implemented, the program will have a similar appeals process. Information about the appeals process and filing a complaint will be provided to homeowners with program materials and guidelines. The process and expectations will also be explained to contractors and included within the construction contracts.

Planning and Coordination

California is a vast state with varied environment, terrains, and unfortunately, natural disaster risks. The State has long experienced the hazards of earthquakes, flooding, wildfires and droughts. While it continuously works to mitigate the effects of these events in its planning, zoning, building standards and infrastructure investments, it also seeks ways to understand the long-term implications of climate change and the increase in natural hazards on the state.

The state must work across agencies and jurisdictions to identify and help manage the needs of expanding or changing communities and the impacts of climate change on infrastructure, services, and housing. Planning efforts at the state and local levels that increase collaboration between agencies, and the public and private sectors help communities address the needs caused by growth, as well as provide opportunities to increase resilience against climate change and natural hazards.

The ultimate goal of the State's planning efforts is to promote sound and sustainable long-term recovery plans that are informed by an evaluation of the state's hazard risk and incorporate responsible land-use determinations, such as fire hazard area management. Outlined below are the State of California's long-term recovery planning activities, resources, and guidelines:

Long-term Recovery Planning

HCD is participating in a long-term planning process called the California Disaster Recovery Framework (CDRF), similar to the FEMA National Disaster Recovery Framework, along with other state agencies involved in recovery efforts and federal partners. A long-term recovery plan is in development through the CDRF and will be adopted once completed.

HCD has also evaluated its internal capacity for long-term planning and administration of CDBG-DR to determine where capacity might be strained and additional resources would be needed to manage grant funds effectively and compliantly. Currently, HCD manages a large portfolio of CDBG projects (including 2017 allocations for CDBG -DR and CDBG-MIT) as well as a \$70 million CDBG National Disaster Resilience (NDR) grant. Furthermore, in November 2018 the citizens of California passed a \$4 billion bond measure for affordable housing



programs, infill infrastructure projects, and a veterans' homeownership program.¹²²

These programs, along with the allocation of over \$1 billion in CDBG-DR funding for the 2018 wildfires, has led to a large-scale plan for HCD to increase capacity in the coming months and years (and coordinate efforts across the department).

A Disaster Recovery Section within HCD has been established to solely manage the CDBG-DR funds. The section will be expanded to encompass up to 50 positions created by HCD to administer this additional \$1.02 billion in CDBG-DR grant funding. In addition, HCD plans to procure contractors to provide technical assistance and manage applicant-based programs run by HCD. HCD has developed milestones in its implementation plan that describe when and how it will address the capacity gaps identified and when it will bring key staff on board.

Statewide Planning Efforts

Integrated Climate Adaptation and Resiliency Program

The Integrated Climate Adaptation and Resiliency Program (ICARP) was established by Senate Bill (SB) 246 to develop a cohesive and coordinated response to the impacts of climate change across the state. Through its activities, ICARP develops strategies to coordinate climate activities at state, regional and local levels, while advancing social equity.

ICARP has two components: the State Adaptation Clearinghouse and the Technical Advisory Council (TAC). The State Adaptation Clearinghouse is a centralized source of information and resources to assist decision makers at the state, regional, and local levels when planning for and implementing climate adaptation projects to promote resilience across California.

The TAC brings together local government, practitioners, scientists, and community leaders to help coordinate activities that better prepare California for the impacts of a changing climate. (TAC members bring expertise in the intersection of climate change and the sector-based areas outlined in SB 246 PRC 71358(b).) The TAC supports the Governor's Office of Planning and Research (OPR) in its goal to facilitate coordination among state, regional, and local adaptation and resilience efforts, with a focus on opportunities to support local implementation actions that improve the quality of life for present and future generations.

California General Plan Guidelines

The OPR is statutorily required by Government Code § 65040.2 to adopt and periodically revise the State General Plan Guidelines (GPG) for the preparation and content of general plans for all cities and counties in California. A general plan is the local government's long-term blueprint for the community's vision of future growth. The GPG serves as the "how to" resource for drafting a general plan. The 2017 version includes legislative changes, new guidance, policy recommendations, external links to resource documents, and additional resources.

Safeguarding Climate Action Team

The Safeguarding California Climate Action Team (SafeCAT) was established to provide a venue for cross-sector collaboration and information sharing on development of the Safeguarding California plan, Executive Order B-30-15 TAG guidance implementation, and

¹²² California Secretary of State, <https://vote.sos.ca.gov/returns/ballot-measures>, Accessed December 2018



engagement with local and regional agencies. Co-led by the Office of Planning and Research and California Natural Resources Agency, the SafeCAT meets quarterly to provide updates on adaptation-related guidance documents, report updates, programs, etc., and provides a venue to discuss other collaborative efforts involving all agency members. The SafeCAT, together with the ICARP and its associated TAC, provide a suite of agency bodies and resources to foster information sharing and engagement with local and regional governments working to address the impacts of climate change. CalOES participates in the SafeCAT meetings as well and sits on the aforementioned TAC for the ICARP.

California Adaptation Planning Guide¹²³

The California Adaptation Planning Guide (APG) serves as a foundational resource for climate adaptation planning in California. This document presents the basis for climate change adaptation planning in California and introduces a step by step process for local and regional climate vulnerability assessment and adaptation strategy development. The document is intended as a starting point for all communities seeking climate adaptation planning guidance.

Safeguarding California Plan¹²⁴

The Safeguarding California Plan: 2018 Update is the state’s roadmap for everything state agencies are doing and will do to protect communities, infrastructure, services, and the natural environment from climate change impacts. This holistic strategy primarily covers state agencies’ programmatic and policy responses across different policy areas, but it also discusses the ongoing related work to with coordinated local and regional adaptation action and developments in climate impact science.

Executive Order B-30-15

Executive Order B-30-15 directed state agencies to integrate climate change into all planning and investment, including accounting for current and future climate conditions in infrastructure investment. OPR was directed to convene a Technical Advisory Group (TAG) to develop guidance to support implementation of the Executive Order. The TAG included members from nearly every state agency, local and regional governments, non- governmental and community-based organizations, and the private sector. The TAG met from April 2016 through January 2017 and produced a guidance document called “Planning and Investing for a Resilient California: A Guidebook for State Agencies.” This document provides high level guidance on what future conditions to plan for and how state agencies should approach planning differently in light of a changing climate.

Assembly Bill (AB) 2800

Bill AB 2800 states that “state agencies shall take into account the current and future impacts of climate change when planning, designing, building, operating, maintaining and investing in state infrastructure.” The “Climate-Safe Infrastructure Working Group” convened by the California Secretary for Natural Resources per AB 2800 released recommendations on infrastructure design and planning on September 5, 2018.

¹²³ <https://www.caloes.ca.gov/cal-oes-divisions/hazard-mitigation/hazard-mitigation-planning/california-climate-adaptation>

¹²⁴ <https://www.slc.ca.gov/sea-level-rise/safeguarding-california-plan-2018-update/>



Cal-Heat¹²⁵

Cal-Heat is a new tool funded by the Fourth Climate Assessment to inform local public health officials’ initiatives to save lives during climate exacerbated extreme heat events.

Coastal Storm Modeling System

The Coastal Storm Modeling System (CoSMoS) model, partly funded by the Fourth Climate Assessment, provides information about the complex interplay of coastal dynamics and climate change for California’s coast.

Adaptation Capability Advancement Toolkit

The Adaptation Capability Advancement Toolkit, termed Adapt-CA, was created to help local governments overcome common organizational barriers and advance their capability to implement climate change adaptation measures. The Toolkit can help local governments assess their existing capabilities for climate adaptation and identify concrete actions to advance their capabilities for more effective planning and implementation of climate change adaptation activities. California Emergency Response Infrastructure Climate Vulnerability Tool (CERI-Climate).

California owns or operates over 600 facilities that are critical to the state's ability to respond to disasters. CERI-Climate is a decision-support tool that helps evaluate the risk to these facilities from flood and wildfire and how climate change may affect these risks.

Coordination with Local and Regional Planning Efforts

Safety Elements

The Safety Element is a state mandated element of a County’s General Plan intended to address protection of the community from natural hazards. The plan must include a safety element for protection from risks of various geologic hazards, flooding, and wildland and urban fires. HCD’s approval is required before a local government can adopt its housing element as part of its overall General Plan, thus, HCD partners with local governments as they develop, amend, and adopt their General Plans. The following table summarizes Safety Elements by County including the year the County last updated its Safety Element.

FIGURE 81: SAFETY ELEMENTS BY IMPACTED COUNTY

County	Safety Element Impact
Butte 2019 ¹²⁶	Policies to protect the community through the year 2030 Covers noise, floods, seismic and geologic hazards, fires, hazardous materials, disaster preparedness, and community health Butte County Local Hazard Mitigation Plan adopted and made part of the Health and Safety Element of the General Plan November 5, 2019

¹²⁵ Cal-Heat, www.cal-heat.org.

¹²⁶ Butte County General Plan, Ch.11, Health and Safety Element.
https://www.buttecounty.net/Portals/10/Planning/General%20Plan/11_Health_Safety.pdf?ver=2019-12-18-140759-530



Lake 2008 ¹²⁷	Provides goals, policies, and implementation measures designed to protect public health, safety, and welfare of the community from unreasonable risks, while minimizing damage to structures, property, and infrastructure resulting from natural and man-made hazards 2014 Addendum includes updates to the Safety Element regarding hazards and hazardous materials
Los Angeles 2015 ¹²⁸	Identifies environmental hazards including seismic activity, geotechnical hazards, floods, and fires Outlines regulations in place to mitigate risks and identifies agencies that provide oversight.
Shasta 2018 ¹²⁹	Encompasses General Plan elements concerned with aspects of Shasta County’s natural and man-made environment which pose potential threats to human life or property, including: seismic and geologic hazards, flood protection, dam inundation, fire safety and sheriff protection, noise, and hazardous materials Public Safety Group updated December 2018
Ventura 2019	Designed to inventory and monitor natural and man-made resources with discretionary development as it pertains to environmental concerns. Specific hazard mitigation goals aim to minimize the risks which may result from disasters by identifying programs for investigation and alleviation of risks, providing guidance for discretionary development, and outlining specific policies for risk reduction.

Regional Housing Need Allocation

Regional Housing Need Allocation (RHNA) is the state-mandated process to identify the total number of housing units (by affordability level) that each jurisdiction must accommodate in its General Plan Housing Element. As part of this process, HCD identifies the total housing need for each county. Counties must then develop a methodology to distribute this need in a manner that is consistent with the development pattern as dictated by the Safety Element. Once a local government has received its final RHNA, it must revise its Housing Element to show how it plans to accommodate its portion of the region's housing need. HCD is the state agency responsible for oversight of the RHNA process and will ensure coordination with the CDBG-DR funds.

Local and Regional Recovery Plans

In the development of the unmet needs analysis and program design for this Action Plan, HCD

¹²⁷ Lake County General Plan, Chapter 7 Health and Safety, <http://www.lakecountyca.gov/Assets/Departments/CDD/2008+General+Plan+Final+Version/2008+General+Plan+Docs/Chapter+7+-+Health+and+Safety.pdf>.

¹²⁸ Los Angeles General Plan, Ch 12, Safety Element, http://planning.lacounty.gov/assets/upl/project/gp_final-general-plan-ch12.pdf

¹²⁹ Shasta County General Plan, Ch. 5, Safety Element. https://www.co.shasta.ca.us/docs/libraries/resource-management-docs/general-plan/safety-element-amendment-no-underline.pdf?sfvrsn=b657fa89_2

coordinated and consulted with local community recovery plans in order to ensure consistency and efficiencies across programming. For example, the Town of Paradise Long-Term Community Recovery Plan, published in June 2019, has been a valuable resource in determining how to best address the recovery needs of some of the hardest hit areas from the Camp Fire.

RESILIENCE TO NATURAL HAZARDS

Together with HUD, HCD has created a set of guidelines for long-term recovery, which includes strategies to ensure that all selected activities promote long-term resilience. The “2017 California Wildfires Long Term Housing Recovery Toolbox”¹³⁰ provides for HCD to offer resilience technical assistance to impacted communities in the rebuilding process, including workshops on resilient construction materials, and develop and disseminate information on the mitigation effects of universal resilient design in rebuilding and rehabilitation process, and is directly applicable and will continue to be used for the 2018 wildfires.

HCD will also support local governments in updating their Hazard Mitigation Plans and assist other state agencies in developing strategies to leverage multiple federal funding sources, including Mitigation, to aid in resilient recovery.

CalOES and FEMA developed the “California Wildfires, Floods, & Mudflows: Incident Strategic Plan” (“The Plan”), which summarizes phases of disaster response, including long-term recovery as the final phase. The Plan notes that the Housing Task Force, established by the state and FEMA and inclusive of both short- and long-term committees, will support local jurisdictions in implementation of sustainable and resilient permanent housing solutions that are in line with mitigation priorities. The Plan also discusses the activities of the Joint Hazard Mitigation Branch (HM) that was established in November 2017 to implement long-term mitigation solutions throughout the State’s disaster recovery. HM, in collaboration with FEMA PA, will ensure that selected infrastructure projects include Hazard Mitigation measures wherever possible.

In implementation of mitigation measures, the state will work with existing local recovery plans’ identified mitigation priorities as much as possible. Butte County, for example, has adopted an updated Local Hazard Mitigation Plan as of November 2019 that includes an updated hazard mitigation planning process and identifies relevant hazards, vulnerabilities, and strategies the County will use to increase resilience and sustainability. HCD will work with local plans to implement most effective and locally vital resilience measures.

INFRASTRUCTURE ACTIVITIES

HCD will encourage subrecipients to integrate mitigation measures into all rebuilding activities funded through the programs outlined in this Action Plan. Additionally, any infrastructure activity proposed in this plan will be designed to achieve objectives outlined in regionally or locally established plans and will include policies that are designed to reduce future risk to the jurisdiction. These will be informed by the aforementioned planning activities in order to ensure a holistic approach by subrecipients and localities in their infrastructure and mitigation

¹³⁰ [2017 California Wildfires Long Term Housing Recovery Toolbox](#)

efforts.

HCD will encourage subrecipients and those entities carrying out infrastructure activities (including housing-related infrastructure) to consider the costs and benefits of a project when selecting CDBG-DR eligible projects. This may include the analysis of Benefit Cost Analyses performed for FEMA Hazard Mitigation Grants Program projects for projects where CDBG-DR is intended to be used as local match. Every infrastructure activity must demonstrate that it will contribute to the long-term resilience and recovery of impacted areas.

As with all of HCD's CDBG-DR programs, infrastructure activities will follow policies and procedures for compliance with AFFH during the planning and implementation of all infrastructure activities. HCD will coordinate with federal, state, local, private, and nonprofit sources to assist subrecipients to align investments with other planned state or local capital improvements and infrastructure development efforts. Additionally, HCD will work with subrecipients to foster the potential for additional infrastructure funding from other sources.

HCD will rely on experts and professional engineers to employ adaptable and reliable technologies to guard against premature obsolescence of infrastructure.

LEVERAGING FUNDS

Over the last three decades, HCD has provided more than \$3 billion in funding for the development of affordable housing and associated infrastructure. As an agency, HCD manages non-entitlement programs, providing leadership and policies to preserve and expand safe and affordable housing opportunities and promote strong communities for all Californians. By administering programs that provide grants and loans from both state and federal housing programs, HCD has the opportunity to leverage existing programs, increasing the impact of CDBG-DR funding.

To maximize the impact of the CDBG-DR funding provided to the state, there will be an ongoing commitment to identify and leverage other federal and non-federal funding sources. Further, HCD will utilize existing relationships and strive to create new partnerships with other federal and state agencies, corporations, foundations, nonprofits, and other stakeholders as a means of leveraging all viable sources of funding. For its infrastructure needs, the state will prioritize leverage funding that provides infrastructure improvements directly benefiting housing recovery needs.

CDBG-DR funds will be used to address critical unmet needs that remain following the infusion of funding from other federal sources, including FEMA and the SBA. Existing state resources and other funds from the disaster appropriation will also be examined in an effort to ensure that all available funding is used where it is most needed.

Furthermore, the state has designed all housing programs in this Action Plan to cover the gap in funding remaining after insurance, private funds, and other assistance has been applied to each project. Understanding the limited funding for recovery, the state will encourage all program applicants to seek out other funding sources to meet their full recovery needs.

The state has authorized many housing programs that may complement the recovery effort. These programs are either competitive or issued based on a formula allocation; no loans or

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grants are made directly to individual households. Cities, counties, qualified CHDOs, affordable housing corporations, and other qualified applicants may apply to build more affordable housing in their community to speed recovery. The programs detailed in the tables below are currently managed by HCD.

FIGURE 82: STATE HOUSING RELATED PROGRAMS COMPLEMENTARY TO CDBG-DR

FUNDING SOURCE	PAST AWARDS	FUTURE FUNDING	PURPOSE/ POPULATION SERVED
Affordable Housing and Sustainable Communities (AHSC)	NOFA 2017 \$255 million; applications due January 2018; awards June 2018 NOFA November 2019 \$550 million; applications due February 2020; awards June 2020	Annual competitive cycle; amount available varies; award max \$20 million NOFA expected October 2020 \$400 million	Two types of project areas: Transit Oriented Development and Integrated Connectivity with emphasis on disadvantaged communities; Rural Innovation Project Area Type
American Recovery and Reinvestment Act - Homeless Prevention and Rapid Re-Housing Program (ARRA - HPRRP)	\$42.7 million		Homeless Prevention Activities for homeless persons and persons at risk of homelessness
No Place Like Home (NPLH)	NOFA October 2019 \$622 million; applications due January 2020; awards June 2020	\$1.8 billion for multiple funding rounds	Supportive housing for persons experiencing homelessness and who are in need of mental health services; housing must have low

FUNDING SOURCE	PAST AWARDS	FUTURE FUNDING	PURPOSE/ POPULATION SERVED
			barrier to entry

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No Place Like Home (Non-competitive)	NOFA Summer 2018; Rolling applications for counties through 2021	\$190 million	Distributed by formula allocation to each county based on their 2017 homeless Point-In-Time Count with a minimum allocation per county of \$500,000.
CalHome	NOFA November 2019 \$57 million		Grants to local public agencies and nonprofit developers to assist individual home rehabilitation, including manufactured homes not on permanent foundations
CalHome disaster special purpose	State funds distributed to counties impacted by DR-4344 (2017), DR-4353 (2017), DR-4382 (2018), and DR-4407 (2018) Approx. \$100 million in Round 2 funding - NOFA September 2019		Grants to local public agencies and nonprofit developers to assist individual home rehabilitation, including manufactured homes not on permanent foundations
Housing for a Healthy California Program (HHC)	NOFA February 2020 \$33 million; applications due June 2020; awards October 2020		The HHC program creates supportive housing for individuals who are recipients of or eligible for health care provided through the California Department of Health Care Services, Medi-Cal program.

FUNDING SOURCE	PAST AWARDS	FUTURE FUNDING	PURPOSE/ POPULATION SERVED
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Permanent Local Housing Allocation (PLHA)	Formula: NOFA February 2020 \$195 million; Apps due July 2020	Competitive: NOFA August 2020 \$13 million	May be used for low-income affordable homes; supportive housing and homeless programs
Supportive Housing Multifamily Housing Program (SHMHP)	NOFA November 2018, amended January 2019, \$155 million		To provide low-interest loans to developers of permanent affordable rental housing that contain supportive housing units. Eligible costs include facilities for child-care, after-school care, and social service facilities integrally linked to the restricted housing units.
Veterans Housing and Homelessness Prevention Program (VHHP)	NOFA November 2019 \$75 million; applications due January 2020; awards May 2020	HCD anticipates awarding approximately \$300 million in subsequent years funding rounds Next NOFA expected November 2020 \$75 million	Veteran multifamily housing construction; 50 percent reserved for extremely low income (ELI) veterans and families
Multifamily Housing Program (MHP)	NOFA January 2020 \$175 million; applications due March 2020; awards June 2020 NOFA July 2020 \$175 million; applications due September 2020; awards December 2020	\$1.5 billion available in multiple rounds of competitive grants	Assist the new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households
Serna Farmworker Housing Grant	NOFA December 2019 \$70 million;	HCD anticipates awarding a total of	Finance the new construction,



FUNDING SOURCE	PAST AWARDS	FUTURE FUNDING	PURPOSE/ POPULATION SERVED
Program (FWHG)	applications over-the-counter February-April 2020 NOFA expected June 2020 \$70 million; applications over-the-counter August-October 2020	\$300 million	rehabilitation, and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower income households
Regional Early Action Planning (REAP)	NOFA February 2020 \$125 million; over-the-counter applications accepted through January 2021		Grant funding is intended to help regional entities and governments facilitate local housing production that will assist local governments in meeting their Regional Housing Need Allocation (RHNA).
Local Early Action Planning (LEAP) Grants	NOFA February 2020 \$125 million; over-the-counter applications due July 2020; awards ongoing		LEAP provides one-time grant funding to cities and counties to update their planning documents and implement process improvements that will facilitate the acceleration of housing production and help local governments prepare for their 6th cycle Regional Housing Needs Assessment

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Mobile Home Park Rehabilitation and Resident Ownership Program (MPRRP)	NOFA expected June 2020 \$46 million	NOFA expected November 2020 \$46 million	Mobile home park resident organizations, nonprofit entities, and local public agencies. Low-income residents of
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FUNDING SOURCE	PAST AWARDS	FUTURE FUNDING	PURPOSE/ POPULATION SERVED
			converted parks apply for individual loans to the entity that has purchased the park.
Transit Oriented Development Housing Program (TOD)	NOFA expected April 2020 (approximately \$75 million)	NOFA expected April 2021 (approximately \$75 million)	To increase public transit ridership by funding higher density affordable housing developments within one-quarter mile of transit stations and infrastructure improvements necessary for the development of specified housing developments

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Infill Infrastructure Grant (IIG)	Competitive/Large Jurisdictions - NOFA October 2019 \$194 million; applications due March 2020; awards April 2020 Over-the-Counter/Small Jurisdictions - NOFA October 2019 \$85 million; applications first-come, first-served beginning March 2020; awards beginning March 2020	NOFA August 2020 \$194 million due October 2020	Grant assistance, available as gap funding to infrastructure improvements required for specific residential or mixed-use infill development
Local Housing Trust Fund Matching Grants (LHTF)	Last awarded 2014	NOFA expected Spring 2020 \$56.7 million	Providing matching funds to local and regional housing trust funds dedicated to the creation, rehabilitation, or preservation of

FUNDING SOURCE	PAST AWARDS	FUTURE FUNDING	PURPOSE/ POPULATION SERVED
			affordable housing, transitional housing and emergency shelters
California Tax Credit Allocation Committee	NOFA expected July 2020	\$1 billion in tax credits will be made available in multiple rounds	Providing federal tax credits for development of affordable multi-family developments in 13 counties impacted by 2017 and 2018 wildfires

FIGURE 83: FEDERALLY FUNDED PROGRAMS ADMINISTERED BY HCD

FUNDING SOURCE	FUNDING AVAILABLE	FUTURE FUNDING	POPULATION SERVED	DISTRIBUTION METHOD
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Community Development Block Grant- Disaster Recovery (CDBG-DR)	\$1.18 billion allocated for the recovery from 2017 and 2018 disasters (DR-4344, DR-4353, DR-4382, and DR-4407)	One-time allocations by HUD tied to specific disasters	80 percent of funds to Most Impacted and Distressed; 70 percent to low-income households	HUD approves HCD's Action Plan
Community Development Block Grant – MIT (CDBG-MIT)	\$88 million allocated for mitigation activities associated with 2017 disasters (DR-4344, DR-4353)	One-time allocations by HUD tied to specific disasters	80 percent of funds to Most Impacted and Distressed; 50 percent to low-income	HUD approves HCD's Action Plan
Community Development Block Grant (CDBG)	HUD funds for non-entitlement cities and counties NOFA January 2020 \$60 million	Annually	Low- and moderate-income residents through the creation and expansion of community and economic	Competitive

FUNDING SOURCE	FUNDING AVAILABLE	FUTURE FUNDING	POPULATION SERVED	DISTRIBUTION METHOD
			development opportunities in support of livable communities	
HOME Investment Partnerships Program (HOME)	HUD funds for non-entitlement cities, counties and Community Housing Development Organizations (CHDOs)	Annually	Low-income homeowners and renters; loans for homeowners to rehabilitate housing or rental assistance to	Competitive; 50 percent rural requirement; 15 percent CHDO requirement

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	NOFA October 2019 \$42 million; applications due January 2020; awards May 2020		renters	
National Housing Trust Fund Program (NHTF)	\$30 million awarded in February 2019	Approx. \$10 million annually announced via HCD NOFA	Extremely Low-Income (ELI) 30 percent of median income or less	Competitive Application through MHP Program
Emergency Solution Grants (ESG)	NOFA February 2020 \$11 million; applications due April 2020; awards June 2020	Annually	Individuals and Families Experiencing Homelessness	Competitive
California Emergency Solutions and Housing (CESH)	\$53 million awarded in August 2018 and March 2019		Activities to assist persons experiencing or at risk of Homelessness	Formula method to COC Administrators

V. PROPOSED DISASTER RECOVERY PROGRAMS

A. CONNECTION TO UNMET NEEDS

As discussed in Section II – Needs Assessment, there are remaining needs across all eligible activities. The needs assessment influenced the development and prioritization of recovery activities outlined in the Action Plan. In addition, HCD consulted with affected citizens, stakeholders, local governments, and public housing authorities to assess needs. The State heard from all locations the need for housing, infrastructure and economic revitalization in order to achieve a holistic recovery. The State also heard the need for planning activities to mitigate further impacts as a result of lessons learned from the wildfires, and to increase capacity at the local level. Following the guidance in the federal register notice, along with California's existing affordable housing crisis, the State will allocate over half of their funding to housing programs. The infrastructure program will address a portion of the almost three billion dollars identified in unmet need. The State will offer an economic recovery program to assist with identified needs for businesses and skilled laborers.

Programs are developed to address the most severe unmet needs and in full compliance with the Federal Register Notices. Therefore, addressing the unmet housing and infrastructure recovery needs are the primary focus of the Action Plan. In addition to the unmet need, CDBG-DR funded programs must also consider eligible CDBG activities, must be responsive to CDBG national objectives, must comply with all regulatory guidance issued to HCD, and must consider best practices established through similar recovery initiatives. As part of the consideration of unmet needs, is a focus on the needs of protected classes and vulnerable populations. Those were taken into consideration when designing program priorities.

Allocation of Funds

As required by the Federal Register, Vol. 83, No. 28, Friday, February 9, 2018, and Vol. 85, No. 17, Monday January 27, 2020, this Action Plan must describe the method of distribution of funds and the descriptions of specific programs or activities HCD will carry out directly.

This Action Plan outlines the following: the eligible affected areas and subrecipients; criteria for eligibility; the methodology used to distribute funds to those subrecipients; activities for which funding may be used; and program requirements, including non - duplication of benefits. The Action Plan will also define how the uses of this allocation address necessary expenses related to disaster relief, long-term recovery and restoration of infrastructure, and housing and economic revitalization.

Grants under the Appropriations Act are only available for activities authorized under Title I of the Housing and Community Development Act of 1974 related to disaster relief, long term recovery, restoration of infrastructure and housing, and economic revitalization. Further, CDBG-DR funds can only serve to provide local match or unmet funding needs not already available

through other federal funding sources.

The allocations for each recovery program are based on the unmet needs analysis, which identified housing and infrastructure as a crucial unmet recovery need. HCD opens the Action

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Plan, and the associated program funding allocations, for public comment in July 2020. Input received from the public comment period will be used to adjust the program allocations, if needed, to be responsive to the needs of impacted residents of the state.

The primary recovery needs include owner occupied housing rehabilitation and reconstruction, rental housing, infrastructure repair, and economic revitalization. In accordance with the Federal Register Notice directive to first address the unmet housing recovery need, this Action Plan prioritizes the housing need, while also addressing the critical infrastructure need to ensure a holistic recovery is possible.

These programs are funded proportionate to the anticipated need and after accounting for necessary administrative costs, indirect costs, and planning costs.

The total CDBG-DR allocation set forth in PL 115-24 and 116-20 is \$1,017,399,000. HCD plans to allocate 87 percent of the allocation (\$880,312,050.00) to program funds that address the identified unmet recovery needs. HCD will offer programs that address housing, infrastructure, and economic revitalization needs. HUD sets forth a five (5) percent cap on administrative funding and fifteen (15) percent cap on planning funds. HCD will set aside five percent of the allocation (\$50,869,950) for administrative costs associated with disaster recovery at both the state and local level. The remaining \$86,217,000 will be allocated to planning activities. 91 below is a breakdown of funding, and we will further describe sub-programs between housing, infrastructure and economic revitalization needs in later sections.

FIGURE 90: CDBG-DR PROGRAM BUDGET (APA 4)

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%

FIGURE 90: CDBG-DR PROGRAM BUDGET (APA 2)

PROGRAM	PROGRAM ALLOCATION	Percentage of Total
Total CDBG-DR Funds	\$1,017,399,000	
Housing Programs	\$480,794,752	47.3%

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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

Figure 90: CDBG-DR PROGRAM BUDGET (APA 1)

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%

FIGURE 90, 89: CDBG-DR PROGRAM BUDGET FROM ORIGINAL ACTION PLAN

PROGRAM	PROGRAM ALLOCATION	PERCENTAGE OF TOTAL
Total CDBG-DR Funds	\$1,017,399	
Housing Programs	\$455,794,752	45%
Infrastructure	\$317,428,488	31%
Economic Revitalization	\$40,695,960	4%
Program Delivery	66,392,850	6.5%
Planning	\$86,217,00	8.5%
Administration	\$50,869,950	5.0%
Total CDBG-DR Funds	\$1,017,399	100.0%

At this time HCD commits to directing 70 percent of allocated CDBG-DR funds to low

and moderate income (LMI) individuals or areas in accordance with Section 103 of the Housing and Community Development Act of 1974. Funded activities that do not predominantly benefit LMI persons will address a different national objective and be related to the unmet recovery need. Additionally, HCD commits to directing 80 percent of all CDBG-DR funding to the Most Impacted and Distressed areas as identified by HUD in 85 FR 4681.

These Most Impacted and Distressed areas include Butte, Shasta, Lake and Los Angeles counties. A map of the Most Impacted and Distressed areas is shown as 6: Most Impacted and Distressed Counties in Section II, part 2 of this plan.

Where possible, proposed activities must consider projects or programs that forward hazard mitigation to reduce future losses. Specific code compliance to achieve hazard mitigation, such as WUI codes, will be implemented where applicable according to local code and the unique needs of impacted communities.

Program Allocations

HCD will distribute grant funds to beneficiaries using one of two methods:

1. HCD administered programs

Homebuyer Assistance

The State of California Department of Housing and Community Development (HCD) is seeking to create a comprehensive suite of programs that respond to the needs of both disaster-impacted communities and the individuals that reside within them. Additionally, given the significant cost to rebuild in high fire hazard zones, the time elapsed from the disaster, exacerbating impacts of the pandemic, and disaster impacts that may have required homeowners and renters to temporarily relocate to other areas of the state for work or other needs, solutions based on equity that provide choices and resources for impacted households to recover are even more critical. Furthermore, many households may not be able to afford long term homeownership in their current location due to high costs associated with rebuilding, maintenance, and insurance.

HCD will add a Homebuyer Assistance Program (HBA) as an additional programmatic option to its recovery portfolio to meet the needs of those impacted by the 2018 disasters. The HBA will provide down payment and other housing assistance to low- to moderate-income disaster impacted survivors, enabling them to relocate outside of high-risk areas or the disaster declared areas.

HBA will be a standalone program run by HCD with the assistance of a nonprofit organization under a direct subrecipient agreement between HCD and the nonprofit organization.

~~HBA will be a standalone program run by HCD with the assistance of either a state agency partner or a procured contractor.~~

2. Subrecipient administered programs



Allocations for the recovery programs are based on needs as identified through an analysis of several sources of data available to the State. As shown in Section II – Needs Assessment, the total unmet recovery needs surpass the CDBG-DR funds allocated to the state by HUD. HCD based programming decisions on best available data from multiple sources, including FEMA, SBA, private insurance, state agencies, and local governments, broad engagement with the public and stakeholders, and exhaustive conversations about program typologies and design options to maximize the benefits of the available funding.

1. HCD Administered

Owner- Occupied

Housing Rehabilitation and Reconstruction Program: Based on the unmet recovery needs, HCD will allocate \$205,107,638 to build on their 2017 disaster recovery program, and directly operate an Owner-Occupied Housing Rehabilitation and Reconstruction Program. HCD CDBG-DR Program Implementation staff will oversee an outreach and application intake process, environmental review and construction management program for homeowners whose homes were damaged or destroyed. The state will prioritize homeowners based on tiers which are outlined in 95: Owner occupied Housing Recovery Applicant Prioritization. HCD has procured a qualified vendor to perform full scale program management duties to augment HCD capacity and ensure high quality customer service delivery. Program staff will work with the vendor to maintain program timeliness, provide oversight, and ensure all levels of the program are compliant. This represents 20 percent of the program funds towards owner-occupied reconstruction.

2. Subrecipient Administered

Subrecipients will engage with HCD to ensure that local infrastructure, economic development, planning and housing recovery needs are addressed.. The method by which HCD developed a formula approach to allocate funds across the eligible geographies for each local program is dependent on the type of program and existing conditions at the time that each program is launched. Some program funding may be allocated based on a formula while others may be based on a discreet scoring matrix during the application phase. Other allocation methodologies will be considered as appropriate, but all allocation methods will be published on HCDs website and clearly outlined for transparency. HCD will establish programs through which subrecipients will submit project proposals for funding. HCD will vet projects for CDBG-DR compliance and eligibility, ensuring that proposed projects adhere to federal requirements and the requirements set forth in the Action Plan. The implementation and management of individual projects will be

the responsibility of participating subrecipients, while HCD will provide monitoring and broad oversight of subrecipient administered funds.

Method of Distribution within Programs

Within each Program, funds are distributed using an objective methodology targeted towards the Most Impacted and Distressed areas. Distribution methods are sensitive to the needs of the affected population as well as the capacity of the units of local government that will engage in the recovery process. Proper distribution ensures that CDBG-DR funds will be used to maximum benefit to address unmet housing recovery,

infrastructure repair and economic revitalization needs.

HCD assessed its internal capacity during the capacity assessment required by the Federal Register Notice. The capacity assessment concluded that, with organizational and staffing adjustments at HCD, a large statewide program could be successfully operated and administered directly by HCD.

HCD also assessed the capacity of local governments to administer CDBG-DR funded programs during recovery planning and coordination discussions. Topics covered included knowledge of and experience with key grant administration requirements, managing programs similar to what HCD was considering for inclusion in the Action Plan, and ability to add capacity and subject matter expertise through hiring or procurement.

Through the conversations and working sessions, HCD gained a clear understanding of local strengths and how best to leverage the capacity and expertise at the local level. These assessments concluded that local governments are best positioned to operate and manage project specific funding related to infrastructure repair, economic revitalization, small rental and multifamily housing. Additionally, planning funds will be used to provide local capacity and TA to assist with administration of the funding within the eligible jurisdictions.

1. Multifamily/Small Rental housing program allocation

Allocations are based on the FEMA IA applicant data of rental households in counties, entitlement and non-entitlement areas in relation to the total. In Butte County, the State also factored in the impact of displacement of LMI applicants. HCD is aware of the disparate impact that may occur in LMI households when trying to recover, and tried to address this through the allocation model. For applicants whose damaged rental properties were in Butte County, the totals were adjusted where LMI applicants listed addresses in new jurisdictions. Where Butte County LMI applicants subsequently listed new addresses outside the County, the State has set-aside a Phase II allocation available to all jurisdictions. This is intended to promote affordable housing development where there remains demonstrated needs within the Program Overview goes over these allocations.

2. Economic Revitalization/Workforce Development

The program allocation to economic revitalization is based on the unmet needs analysis. However, the allocation is less than the identified need. This is a result of prioritizing funding in housing activities, as required by HUD. Funding to eligible jurisdictions – and other applicant types as appropriate – will be determined through an application process. By focusing on workforce development, the State is supporting a long-term investment in the resilience of businesses and people.

PROGRAM OVERVIEWS

A. Housing Recovery Programs

HCD is implementing a suite of housing recovery programs to address the unmet recovery needs: an Owner-Occupied Housing Rehabilitation and Reconstruction Program, Multifamily Housing



Program and adding a Homebuyer Assistance Program.

Together, the housing programs will receive \$528,529,351.43 of the total CDBG-DR allocation. This represents approximately 52.1 percent of the CDBG-DR program funds allocated to the State of California. While the allocation falls short of the more than \$3 billion in unmet needs identified in owner and rental-occupied housing needs, it will assist thousands of households in recovery. At the outset of each program launch, an interest survey will be conducted to identify demand for the program being launched and inform the need for additional programming considerations. The survey will assist in ascertaining the specific recovery needs of impacted property owners as well as identify demographic information to assist in targeting recovery funds to vulnerable populations. Additionally, HCD has consulted with housing counseling agencies in the development of this Action Plan and will continue to work with these agencies as the housing recovery programs are implemented. HCD will follow policies and procedures for compliance with Affirmatively Furthering Fair Housing (AFFH) requirements during the planning and implementation of each housing activity to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing across the disaster-affected areas. Programs will also be developed with the intent to minimize displacement of persons or entities following 24 CFR part 42.325, 49 CFR part 24 of the URA, 104(d) of the HCDA, and regulations under 24 CFR part 570.496(a).

All projects under the housing programs will follow HCD’s affirmative marketing procedures for outreach to protected class groups least likely to apply. Additionally, materials will be provided in other languages, such as Spanish, to accommodate LEP persons. Language access services for persons who are LEP and the availability of accessible features and reasonable accommodations for persons with disabilities will be provided through case management.

FIGURE 84: TOTAL UNMET HOUSING RECOVERY NEED

CATEGORY	TOTAL IMPACT	RESOURCES AVAILABLE	UNMET NEED (TOTAL IMPACT LESS APPLIED RESOURCES)
Housing	\$14,876,576,401	\$11,651,196,156	\$3,225,380,246

B. Homebuyer Assistance Program (APA 2)

HCD will add a Homebuyer Assistance Program (HBA) as an additional programmatic option to its recovery portfolio to meet the needs of those impacted by the 2018 disasters. HBA will be a standalone program to provide down payment and other housing assistance to low- to moderate-income disaster impacted homeowners and renters in the most impacted and distressed (MID) areas, enabling them to relocate outside of high-risk areas.

1. Unmet Needs: As the State of California continues to recover from the devastating fires in 2018, the state is expanding housing programs to meet the needs of impacted homeowners and renters. The HBA program extends the portfolio to include an option for homeowners or renters who are looking to relocate outside of the fire impacted area. Providing a program such as HBA

provides an alternative option to meet the housing recovery needs of impacted households.

2. Allocation Amount: \$42,676,925.93 ~~-\$25,000,000~~

3. Maximum Assistance: Applicants are eligible to receive up to \$350,000.

4. Eligible Activity: HCD Act 105(a)(24) Homeownership Assistance.

5. National Objective: Low to Moderate Income Housing

6. Eligible applicants: LMI households whose primary residence (owner or renter) was in a presidentially declared disaster area and was impacted by the 2018 disasters.

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.

8. Ineligible Program Costs:

- Moving expenses including storage expenses
- Temporary relocation housing
- Costs associated with the sale of the disaster impacted property

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

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.

C. Owner Occupied Housing Rehabilitation and Reconstruction Program

The primary objective of the Owner-Occupied Housing Rehabilitation and Reconstruction Program is the provision of decent, safe, and sanitary housing in the areas impacted by the August and November 2018 disasters. Additionally, the program is designed to ensure that the housing needs of very-low, low-, and moderate-income households and vulnerable populations, including individuals that were made homeless as a result of the disaster, are addressed to the greatest extent feasible. Furthermore, the program aims to not only address disaster-related damages but also to mitigate potential future damage.

The program will provide rehabilitation or reconstruction assistance to eligible applicants based on the extent of damage to their primary residences.

1. Allocation Amount: \$222,383,622.19

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

2. Maximum Assistance: \$500,000

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.

Hardships: 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.

In situations where the applicant has a demonstrable hardship, the specific conditions will be evaluated to determine how best to proceed. A demonstrable hardship is a substantial or unexpected change in the applicant’s situation, after the disaster, that prohibits or severely affects their ability to provide a minimal standard of living or the basic necessities of life, including, food, housing, clothing, and transportation. Such instances typically include job loss, business failure, divorce, severe medical illness, and disability. Program staff will evaluate instances of demonstrable hardship on a case-by-case basis after review of the circumstances. The criteria for documenting such hardship will be included in the program guidelines. Applicants with an approved demonstrable hardship may have the award cap increased up to the amount required to complete the repair or reconstruction of their property.

3. Eligible Activities

Housing activities allowed under CDBG-DR; HCDA Section 105(a)(1), 105(a)(3-4), 105(a)(8) 105(a)(11), 105(a)(18), and 105(a)(25), include but are not limited to:

- › Single family owner-occupied rehabilitation, reconstruction, and/or new construction;
- › Repair and replacement of manufactured housing units;
- › Hazard mitigation;
- › Elevation;
- › Relocation Assistance;

- › Demolition only;
- › Public service within the 15 percent cap (e.g., housing counseling, legal counseling, job training, mental health, and general health services); and
- › Other administrative activities associated with the recovery of single-family housing stock impacted.

4. Deed Restrictions and Restrictive Covenants

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. For the length of the deed restriction or restrictive covenant, the property must remain as the primary residence of the owner-occupants to whom the rehabilitation/reconstruction grant was made. This means the property cannot be sold, cannot be used as a second home, cannot be converted into rental property, and otherwise cannot have its use changed by the property owner of record at the time of the disaster. Compliance with the deed restriction or restrictive covenant will be monitored annually by HCD, and failure to comply with the deed restriction or restrictive covenant will result in grant fund recovery.

The deed restriction or restrictive covenant may be relieved on a case-by-case basis by HCD in certain circumstances. The specific language and requirements in the deed restriction or restrictive covenant will be set forth in the program manual and will be available to applicants participating in the program.

5. 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 Owner-Occupied Housing Rehabilitation and Reconstruction activities will meet either the urgent need or LMI housing national objective criteria related to disaster recovery. As stated in the Needs Assessment, the location of the disasters presents unique challenges for addressing housing impacts. The disasters impacted households of all incomes and landscapes, including suburban neighborhoods and rural communities. While there are regional differences in the housing markets, all the impacted areas struggle to provide an adequate supply of affordable homes to area residents. The dollar amounts reflected in the budgetary split between the Owner-Occupied Housing Rehabilitation and Reconstruction program, which will serve homeowners, and the Multifamily Housing Program, which will serve renters, take displacement of LMI would-be applicants into account and the Multifamily Housing Program budget is based on FEMA IA data. Thus, the prioritization criteria for participation in the Owner-Occupied Housing Rehabilitation and Reconstruction program will ensure that housing recovery programming will be directed toward LMI beneficiaries.

6. Delivery

The Owner-Occupied Housing Rehabilitation and Reconstruction Program is delivered at the state level under the guidance of HCD's housing subject matter experts and contract managers. The state procured a qualified vendor 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.

7. Affirmative Marketing

The program management consultant will follow HCD's affirmative marketing procedures for outreach to protected class groups least likely to apply to the Owner-Occupied Rehabilitation and Reconstruction Program. Additionally, materials will be provided in languages other than English, such as Spanish, to accommodate LEP persons. Language access services for persons who are LEP and the availability of accessible features and reasonable accommodations for persons with disabilities will be provided to applicants through case management.

8. Applicant Eligibility

Applicants will be eligible to participate in the program if they meet the following criteria:

- › Must have owned the damaged home at the time of the qualifying disaster.
- › Must have occupied the home as their primary residence at the time of the qualifying disaster.
- › The home must have been damaged as a result of the qualifying disaster and located in an impacted county or zip code.
- › Must be current on property taxes or have an approved payment plan or tax exemption.
- › The property must have been correctly permitted and permissible for the zoning area or local development standard.
- › The property must be a single-family dwelling, such as a stick built, modular, or mobile home (i.e. not a condominium, duplex, fourplex, or another multi-owner property).

HCD will assess applicant eligibility on a case-by-case basis according to the eligibility criteria fully defined in the program manual.

9. Reimbursement Payments

The survey period will inform the possible use of owner-occupied recovery funds to pay for homeowner reimbursement payments. As noted above, distribution of the program survey will be marketed by the selected program management consultant. Distribution will also be supported through relationships with HUD approved housing counseling agencies built during the development of the Action Plan. Once the survey period has been conducted to understand the current recovery needs of potential applicants, a more in-depth program design will be conducted that will inform applicant eligibility. Appendix B includes information regarding the public and stakeholder outreach to date. If significant need for reimbursements is identified, reimbursements may be paid through the owner-occupied recovery program. If a decision is made to fund reimbursement, applicants who began work after the disaster of their own initiative would be eligible for reimbursement payments for eligible costs incurred up to a year



after the disaster. Reimbursement payments will follow the guidance issued by HUD in CPD-15-07.¹¹⁶ Full eligibility criteria will be provided in the program guidelines, should reimbursement become an eligible program.

10. Prioritization

Program applicants will be prioritized in accordance with the tiers outlined in 95: Owner occupied Housing Recovery Applicant Prioritization. In addition to the prioritization methodology, funding decisions will account for the requirement to expend 80 percent of the grant in HUD designated Most Impacted and Distressed areas as well as the requirement for 70 percent of the total CDBG-DR funding to benefit LMI populations. HCD took into consideration the SoVI analysis, which identified several of the counties with high ratings primarily for increased elderly and disabled populations. This factored into the prioritization. Applicant prioritization criteria will be assessed during the survey of potential program applicants.

FIGURE 85: OWNER OCCUPIED HOUSING RECOVERY APPLICANT PRIORITIZATION

APPLICANT PRIORITIZATION TIERS					
	GEOGRAPHY		OWNER-OCCUPANT HOUSEHOLD INCOME		PROPERTY DAMAGED BY DR-4382 OR DR-4407
	4 Most Impacted Counties Only	All Areas That Received a Federal Disaster Declaration	LMI Only	All Incomes	Major or Severe Damage
Tier 1	X		X		X
Tier 2		X	X		X
Tier 3	X		X		
Tier 4		X	X		
Tier 5	X			X	X
Tier 6		X		X	X
Tier 7	X			X	
Tier 8		X		X	

Within each tier, owner occupied households with a household member that is disabled or has access or functional needs are given priority. Major or Severe Damage is a primary consideration for funding. HCD equates Major or Severe Damage in this prioritization context

with the FEMA Substantial Damage definition of a structure that has sustained damage greater than 50 percent of its pre-disaster value. Currently, the data available do not specify amounts of damage for individual houses in MID areas. The results of the program survey should fill this gap and provide clarity on the levels of damage on homes within each tier. As results of the survey become available, HCD will develop criteria for damage assessments and prioritization for Owner Occupied recovery in the program's policies and procedures manual.

11 Eligible and Ineligible Costs

HCD commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 and those activities specified by waiver in 83 FR 40314, 84 FR 6814, 85 FR 4681. Eligible scopes of work and eligible costs include:

- › Permitting, design, and planning
- › Reasonable relocation payments directly to owners displaced as a result of program construction
 - › Replacement of fire damaged or destroyed necessary equipment, such as HVAC units or septic systems
 - › Repairs to or replacement of damaged on-site utilities such as water, sewer, electric, and gas
 - › Repairs to disaster damaged primary dwelling with standard grade materials
 - › Reconstruction of the disaster damaged primary dwelling with standard grade materials
 - › Upgrades required to meet current building code
 - › Site work to meet WUI standards for homes in high-risk areas (if applicable)
 - › Handicap accessibility features (if applicable)
 - › Lead-based paint and asbestos abatement (if applicable)

Ineligible items include:

- › Repair or replacement of auxiliary structures, such as detached garages or carports, storage units, outhouses, or sheds
- › Materials greater than standard grade unless required by the local jurisdiction or by State law, such as certain green building requirements
- › Partial or incomplete repairs or reconstructions of properties
- › Multifamily, condominiums, duplexes, triplexes, fourplexes or other rental property
- › Repair or replacement of luxury or non-critical items, such as swimming pools and security systems
- › Repair or replacement of personal property or building contents
- › New home purchase

- › New construction off-site of the damaged structure (except in the case of a mobile home unit in a mobile home park where the park is permanently closed due to the disaster).
- › Forced mortgage payoffs
- › Assistance for second homes

HCD will also ensure that construction costs are reasonable and consistent with current market costs for the area where the property will be rehabilitated or reconstructed.

12. Form of Assistance

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).

13. Uniform Relocation

Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation of eligible tenants, including the cost of moving to and from the temporarily occupied housing and an increase in monthly rent or utility costs at such housing. These costs will be reviewed for cost reasonableness and initially be paid by the Uniform Relocation vendor procured by HCD.

14. 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.

15. Timeline

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.

Multifamily Housing Program

Multifamily housing projects are funded to meet the unmet rental housing need, including the needs of individuals displaced from rental mobile homes and individuals made homeless as a result of the disaster. Multifamily projects include apartment complexes and mixed-use developments. This will also include small rental assistance open to landlords with 1-7 units. These developments are also intended to help replace the rental housing units available to Housing Choice Voucher holders that were lost. However, this program will not include the rehabilitation, reconstruction, or replacement of shelters or transitional housing since there were no reports of damages to these facilities (refer to Section III, part 2(a)). The objective of the CDBG-DR funds is to provide necessary gap financing for large scale housing

developments and small rental units.

Program guidelines will be established that outline the requirements of the program and rules for specific projects, including general eligibility, specific eligible and ineligible costs, and the criteria for evaluating project proposals. In addition, the guidelines will outline requirements relative to a minimum percentage of affordable units, the percentage of affordable versus market rate units, requirements for deep affordability, requirements for permanent supportive housing units, as well as the per unit maximum (see Prioritization section below for further details).

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 \$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.

1. Affirmative Marketing and Fair Housing

Multifamily program applications will include affirmative marketing plans according to HCD's affirmative marketing procedures and requirements for all CDBG-assisted housing with five or more units, including efforts to reach those least likely to apply and LEP persons. Applications should also demonstrate that the proposed projects will affirmatively further fair housing, and are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard related impacts.

2. Affordability Periods

Projects should also be designed with the established community in mind to lessen the displacement of families and must commit to the affordability periods of 15 and 20 years according to the project type. If other funds requiring a longer affordability period are committed to the project, the longest affordability period will prevail for the project. This also increases the resilience of the vulnerable populations impacted as a result of the fires. Local governments helping to administer multifamily housing projects may either follow the state's Residential Assistance and Relocation Assistance Plan to minimize displacement or develop its own plan with the State's and public's approval.

3. Maximum Assistance

Per unit maximum assistance will be consistent with HOME limits established by HUD for each participating jurisdiction. The methodology for the limits is found in 83 CFR 25683¹¹⁷

If HUD has issued a regional per-unit subsidy increase for the participating subrecipient, the alternative subsidy amount may be used, up to 240 percent of the HOME subsidy limit. The minimum threshold for multifamily housing project participation is a total project cost of \$250,000 per project.



FIGURE 86: PER UNIT CDBG-DR FUNDING LIMIT

BEDROOMS	HOME FUNDING LIMIT/UNIT NATIONAL BASE (JUNE 2020)*	HOME FUNDING LIMIT/UNIT CALIFORNIA (JUNE 2021)	CDBG-DR FUNDING LIMIT/UNIT
0	\$63,881	\$153,314	\$153,314
1	\$73,230	\$175,752	\$175,752
2	\$89,049	\$213,718	\$213,718
3	\$115,201	\$276,482	\$276,482
4+	\$126,454	\$303,490	\$303,490

* HUD periodically updates HOME funding limits, which HCD will typically adopt for its use of CDBG-DR funds, as they become available.

The appropriate HOME cost allocation¹³¹ will be used on a per-project basis to ensure that CDBG-DR funds are applied to a proportionate share of total development cost. Individual projects are not subject to a funding cap, but subrecipients may not request CDBG-DR funds greater than the allocations indicated in the Allocation Methodology section and 94 below. Furthermore, projects are subject to the per-unit funding limit in 93 above. If subrecipients who have executed a Master Standard Agreement (MSA) with HCD fail to meet performance milestones or other contractual requirements, HCD may cancel the MSA. HCD may include any unused funds from cancelled MSA(s) in a Notice of Funding Availability (NOFA) for developers to directly apply for project funding. To the extent feasible, the NOFA will utilize the unused funds in their original geographical area. The NOFA requirements will be set out in the Program policies and procedures." **Eligible Activity**

HCD Act 105(a)(4) authorizes the clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for reconstruction or rehabilitation, and reconstruction or rehabilitation, of privately owned properties and including the renovation of closed school buildings).

The eligibility of housing projects is further established in 83 CFR 40315, which requires grantees to address unmet housing recovery needs with CDBG-DR funds.

4. National Objective

In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a national objective. For the multifamily program, all projects will meet the low to moderate income housing national objective. While proposed projects may be mixed-income, CDBG-DR funds will only be applied to the affordable units for occupation by low- to moderate- income households.

5. Allocation Methodology

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

¹³¹

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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:

Funding is available to subrecipients based on a formula to determine a proportionate share of the total program allocation based on the impacts to that jurisdiction. HCD used a methodology to calculate the allocations based on the FEMA IA applicants. The sum of this FEMA IA funds disbursed for each subrecipient’s jurisdiction divided by the total unmet need for rental housing is the proportionate share of funding. This allocation also ensures that nearly 95 percent of multifamily housing recovery funds are spent in MID areas. It is also weighted for LMI applicants in Butte County who were displaced within and outside the County. Totals were adjusted using FEMA current addresses at the time of application to account for housing needs. For LMI applicants who registered new addresses outside the County, those funds have been turned into a Phase II oversubscription fund. Eligible jurisdictions can apply for additional funds from this source if they have additional multifamily housing needs. In 2022, several eligible jurisdictions requested additional funds from Phase II for project oversubscriptions. These jurisdictions completed the required solicitation process to identify projects. These projects were also preparing to submit applications for low-income housing tax credits within the next 9 months, wherein DR-MHP funds score as local funds and result in additional points, making the projects more competitive and more likely to receive a tax credit allocation. The State reviewed the requests through HCD’s Internal Loan Committee process and allocated Phase II funds to all four jurisdictions that reported oversubscriptions with specific projects. The Phase II allocation amounts were based on project-specific funding gaps as determined by the developer and as requested by the jurisdiction. Figure 94 shows the updated allocations.

In 2021 and 2022, several jurisdictions decided to defer or decline their allocation. Figure 94 shows the updated allocations.

Figure 94: DR-MHP Allocation in MID (APA 7)

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

FIGURE 94: MULTIFAMILY HOUSING RECOVERY BY SUBRECIPIENT ALLOCATION (APA 4)

	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

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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

FIGURE 94: MULTIFAMILY HOUSING RECOVERY BY SUBRECIPIENT ALLOCATION (APA 3)

	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

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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
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

State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



FIGURE 87: PER UNIT CDBG-DR FUNDING LIMIT

	TOTAL APPLICANTS	% OF TOTAL	MF ALLOCATION
Total	12,775		\$250,687,114.00
Butte County	8,205	64.2%	\$161,008,826
Butte County	3,127	24.5%	\$61,361,926
Chico	1,656	13.0%	\$32,496,114
Gridley	122	1.0%	\$2,394,037
Oroville	451	3.5%	\$8,850,089
Paradise	2,849	22.3%	\$55,906,660
Lake County	511	4.0%	\$10,027,485
Lake County	387	3.0%	\$7,594,201
Lakeport	124	1.0%	\$2,433,284
Los Angeles County	1,498	11.7%	\$29,395,640
Los Angeles County	138	1.1%	\$2,708,010
Agoura Hills	246	1.9%	\$4,827,321
Calabasas	166	1.3%	\$3,257,461
Malibu	948	7.4%	\$18,602,848
Shasta County	1,183	9.3%	\$23,214,314

	TOTAL APPLICANTS	% OF TOTAL	MF ALLOCATION
Shasta County	218	1.7%	\$4,277,870
Redding	849	6.6%	\$16,660,146
Anderson	38	0.3%	\$745,684
Shasta Lake	78	0.6%	\$1,530,614
Ventura County	175	1.4%	\$3,434,070
Ventura County	87	0.7%	\$1,707,223
Thousand Oaks	88	0.7%	\$1,726,847
Phase II *	1,203	9.4%	\$23,606,779



FIGURE 88: BUTTE COUNTY MF ALLOCATION: DETAILED

	Under 30% AMI	30-50% AMI	50-60% AMI	60-80% AMI	Over 80% AMI	Income Not Reported	LMI Displacement	Total	% of Total	MF Allocation
Butte County	3,135	2,014	722	988	1,822	727	-1,203	8,205	64.2%	\$161,008, 826
Butte County	978	605	174	258	467	203	442	3,127	24.5%	\$61,361,926
Chico	24	25	8	6	23	18	1,552	1,656	13.0%	\$32,496,114
Gridley	2	0	0	0	0	1	119	122	1.0%	\$2,394,037
Oroville	31	9	4	3	5	8	391	451	3.5%	\$8,850,089
Paradise	2,100	1,375	536	721	1,327	497	-3,707	2,849	22.3%	\$55,906,660

6. Delivery

The Multifamily Housing Program is administered and monitored by HCD. However, HCD enters into a subrecipient agreement with local governments to manage the CDBG-DR funds for multi-family. HCD will leverage internal resources, bring on staff to increase capacity and expertise, and procure a consultant to provide technical assistance, maintaining the responsibility of overseeing the program and compliance of individual projects. Local jurisdictions will be responsible for implementation and oversight of approved projects, with regular monitoring by the state. HCD will publish program policies and procedures that will include the process for local governments to submit project proposals. Local governments are responsible for determining how to select projects within their jurisdictions (e.g., through an RFP, NOFA, or similar solicitation process) and prioritize the use of the allocated funding (through cost estimates and analysis).

Once local governments have selected projects, they will submit proposals to HCD for review and approval. The review process will ensure compliance with the established program guidelines, regulatory requirements, and broader recovery goals. In reviewing the proposed projects submitted by local governments, newly constructed or substantially rehabilitated multifamily housing must comply with the accessibility requirements of both the federal Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. As projects are approved, HCD will enter into a Master Standard Agreement with the local government, which will define each party’s obligations, commit funding to the project, establish timelines and milestones, and reiterate relevant compliance requirements.

Subrecipients will operate the approved multifamily housing project(s) in accordance with their local requirements, the established program policies and procedures, and as set forth in a Master Standard Agreement between HCD and the subrecipient., and subsequent Notices to



Proceed. Their role will include the procurement of qualified developers and/or construction contractors, project management, environmental reviews, compliance monitoring (including Section 3 and applicable labor and wage requirements), construction management, and project closeout. Subrecipients will open solicitations to qualified developers with projects. Procurements of developers and contractors must adhere to the procurement requirements set forth in 2 CFR Part 200.218 – 200.326. Construction advertisement and procurement will include notifying minority and women-owned businesses of contracting opportunities available for federally assisted projects.

HCD will review developer experience as a part of the project review process to ensure that developers have multifamily housing development experience. Qualified developers must have completed at least three multifamily developments, at least one of which included affordable rental units. Multifamily developments funded under this CDBG-DR grant will adhere to standard requirements set by HCD to ensure compliance, as well as specific requirements set by the governing federal income limits. All requirements of the multifamily program will be outlined in detail in the policies and procedures manual and application requirements for subgrantees. HCD will provide technical assistance to ensure compliance with CDBG-DR requirements and consistency with the program guidelines. In addition, regular monitoring of the subgrantee and specific projects will be conducted to test compliance and ensure timely project completion.

7. Delivery

Eligibility of multifamily housing project proposals will be assessed by HCD. Specific eligibility criteria include:

- The proposed project must be located in a Most Impacted and Distressed area, or otherwise have been impacted by DR-4382 or DR-4407.
- The proposed project must have a minimum of eight total units for Multifamily and will be 1-7 for Small Rental.
- The proposed project must have a minimum of four affordable units or 30 percent of units must be affordable units, whichever is greater, for projects with eight or more total units. Small Rental Minimum affordable units will be established to ensure financial viability of projects and will be further defined in the program policies and procedures.
- Maximum Rents: HCD is proposing to establish program affordable rents at the annual High HOME rents for each applicable area. For those units that are for Extremely Low-Income Households, HCD is proposing to establish program affordable rents at the CTCAC rents for 30% AMI for each applicable area.
- The proposed project must meet one of the HCD project types defined in the “2019 Multifamily Housing Program Final Guidelines” Article 2, Section 7302(e)(1-5). This requirement may not be applicable to Small Rental projects, with a final determination to be made in the program policies and procedures.
- All sources of funding required to complete the project must be identified and secured or readily accessible.
- The proposed project must be cost reasonable, which is what a reasonable person would pay in the same or similar circumstances for the same or similar item or service. Cost reasonableness may be documented by comparing costs between vendors or by

comparing submitted costs to an independent cost estimate.

- The proposed project must not exceed the HOME per-unit subsidy limit. This requirement may not be applicable to Small Rental projects, with a final determination to be made in the program policies and procedures. The proposed project must meet the following affordable rent requirements and tenant income limits over the duration of the minimum affordability period. At a minimum, the following thresholds must be adhered to in all projects:
- HCD will determine the percent of units in an approved multifamily development that will be leased to tenants with an income of up to 80 percent of the area median income (AMI) based on regulatory and program requirements.
- Multifamily developments must meet the following affordability requirement: a minimum affordability period of 15 years for the rehabilitation or reconstruction of multifamily rental projects with eight or more units and a minimum affordability period of 20 years for the new construction of multifamily rental units with five or more units. Multifamily projects with funding sources that require longer affordability periods will have the longer affordability period prevail over the 15 - or 20-year requirement. This requirement may not be applicable to Small Rental projects, with a final determination to be made in the program policies and procedures.

HCD will monitor subgrantees to ensure that appropriate environmental reviews, award closings, monitoring, and closeout are conducted on a per-project basis. HCD will also monitor to ensure that the specific requirements of other funding sources committed to the project are also satisfactorily met. A monitoring plan will be established with the subgrantee upon closing of the grant award.

Details on affordable rent requirements, tenant income limits, and minimum affordability period can also be found under Section III, part 1(d).

8. Delivery

Evaluation criteria will be fully defined in the program policies and procedures; however, initial prioritization will ultimately occur at the local level through the selection of projects to propose to HCD for funding. Subgrantees may not receive CDBG-DR funds in excess of the amounts allocated to them in the Allocation Methodology outlined above and as expressed in 98. Projects proposed in MID areas will be prioritized above those that are proposed outside of MID areas by subgrantee, and non-MID allocated funds may be used in MID areas. HCD made these initial priorities based on impacts identified in the population analyses that showed a greater proportion of LMI, elderly, disabled people within the impacted areas as compared to the State averages. Subgrantees will provide their own priority ranking for HCD to review, but HCD will require that each project meet one of the follow priority criteria. Priority evaluation will be outlined in subsequent application guidance. This requirement may not be applicable to Small Rental projects, with a final determination made in the program policies and procedures.

- Projects providing housing for Extremely Low-Income (ELI) individuals or families. ELI is defined as income less than 30 percent of the area median income (AMI) or the federal poverty level, whichever is higher for the area of the proposed project. Approximately 1/3 of renter households impacted by the wildfires were at 30% AMI or below. This will be the Department's top priority.



- Projects providing permanent supportive housing (PSH) units. The HCD Supportive Housing Multifamily Housing Program (SHMHP) defines a PSH Multifamily Housing project as a project with a minimum of five supportive housing units, or a minimum of 40 percent of total units, whichever is greater, and must have associated supportive services for the intended target population living in the restricted units, pursuant to California Health and Safety Code Section 50675.14. If proposed projects have fewer than five supportive housing units or 40 percent of total units available as supportive housing, these projects will remain higher priority than a project with a comparable number of affordable rent units.
- Projects which are providing residential units for low-income Elderly Persons, accommodating “Deep Affordability”.
- Projects providing 15% of residential units for people with at least one Disability, and accommodating “Deep Affordability” with at least 3% of total units below 30% AMI.

In addition to the prioritization criteria above and the LMI requirement for CDBG-DR funded units, initial occupancy of multifamily units will aim to prioritize individuals and families that were impacted by the disasters to the greatest extent possible by utilizing affirmative marketing plans that aim to reach fire impacted residents. Examples of renters impacted by the disasters include renters that have lost rental units or have been displaced due to the impacts of DR-4382 and DR-4407.

Prior to receiving an award, HCD will conduct an underwriting analysis. A pro forma must be provided along with the project proposal. The specific requirements of the pro forma will be detailed in the funding application. A review of the pro forma and the project will be used to ensure proposed projects meet program requirements and are eligible and feasible. HCD will also assess subgrantee capacity to execute and monitor the proposed project(s) as a factor in feasibility review.

9. Eligible and Ineligible Costs

HCD commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 or those activities specified by waivers in 83 FR 5851, 83 FR 40314, and 85 FR 4681. Selected projects will be funded through completion in accordance with their financing needs. HCD, in coordination with the subgrantee, will perform a check for duplication of benefit and federal funding supplantation prior to issuing an award to ensure that duplicative assistance is not provided for multifamily housing. DOB and supplantation checks will be maintained in the project file. Complete lists of eligible and ineligible project and subrecipient activity delivery costs will be provided in the program policies and procedures.

Eligible costs include:

- Activity delivery costs for Subrecipients to implement their program, including staff time and environmental reviews for funded projects
- Architectural and engineering design
- Permitting fees
- Developer fees
- Mobilization, site prep, and clean up

- Construction costs
- Land and building acquisition costs (on a case-by-case basis)

Ineligible costs include:

- Pre-application costs and application development costs
- Advances of any type, including construction
- Facility operating or maintenance expenses
- Offsite Improvements

HCD reserves the right to question the applicability and eligibility of costs on a per- application basis. HCD will also ensure that construction costs are reasonable and consistent with current market costs for the area where the multifamily construction will take place.

10. Form of Assistance

Selected proposals will be funded by grant on a reimbursement basis via a Standard Agreement between HCD and the subgrantee. Specific payment terms and conditions are outlined in the MSA. The MSA will define financial and property management requirements as well as remedies to correct deficient or non-compliant projects. Master Standard Agreements will also contain CDBG-DR recapture provisions for non-performance or breach of subrecipient responsibility. HCD will monitor construction agreements between the subrecipient and the developer or contractor to ensure that proper financial controls and safeguards are in place to protect CDBG -DR funds.

If subrecipients who have executed a Master Standard Agreement (MSA) with HCD fail to meet performance milestones or other contractual requirements, HCD may cancel the MSA. HCD may include any unused funds from cancelled MSA(s) in a Notice of Funding Availability (NOFA) for developers to directly apply for project funding. To the extent feasible, the NOFA will utilize the unused funds in their original geographical area. The NOFA requirements will be set out in the Program policies and procedures.

11. Timeline

The multifamily housing program will begin following HUD's approval of the Action Plan and execution of the grant agreement between HUD and HCD. Project proposals are expected to be submitted to HCD by Quarter 4 of 2022 for review and construction will continue through the end of the grant term, or until all projects are complete and funds are expended. Individual construction timeframes will be specific to each selected application.

14. Small Rental Projects (1-7 units)

Small rental recovery funding will address rental housing needs through rehabilitation, reconstruction, or new construction of one-to-seven-unit housing opportunities on a single site or on scattered sites within DR-4382 or DR-4407 disaster-impacted areas. Sites shall be appropriately zoned to accommodate the housing unit(s) and have appropriate access to water and electric utility service. A dwelling unit is defined as having complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.



Subject to the Department's determination of economic feasibility within a housing market area, the Small Rental program will be offered by Multi-Family Housing program subrecipients that elect to set-aside a portion of their allocation for Small Rental projects. Small Rental program activities will be regulated through separate policies and procedures designed specifically for smaller-scale rental projects.

For any Small Rental housing project, at least 51% of the units in the project must be reserved for low- and moderate-income renters and rents shall not exceed the High HOME Investment Partnerships program (HOME) rent limits published by HUD. The High HOME rents for a jurisdiction are the lesser of the fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or a rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits published by HUD include average occupancy per unit and adjusted income assumptions.

Other federal and state requirements may apply, as applicable, including but not limited to: Duplication of Benefits, National Environmental Policy Act, National Floodplain Elevation Standards, Broadband Infrastructure pursuant to 83 FRN 40314 for projects with more than four rental units, accessibility requirements under Section 504 of the Rehabilitation Act and the federal Fair Housing Act, State prevailing wages, Section 3 of the Housing and Community Development Act of 1968, Minority and Women Business Enterprise (M/WBE), Uniform Relocation Assistance and Real Property Acquisition Act, Lead-Safe Housing Rule, CalGreen, Wildlife Urban Interface, Article XXXIV - Section 1 of the California Constitution, California Building Codes, and Resilient Home Construction Standards.

All requirements of the Small Rental program within the Multi-family Housing Program will be detailed in the Small Rental program policies and procedures manual and guidance provided to subrecipients and prospective developers.

Infrastructure Recovery Program

HCD recognizes that as part of a comprehensive long-term recovery program, the repair and enhancements of local infrastructure and mitigation efforts are crucial components. Infrastructure activities are vital not only for the long-term recovery and restoration of housing but for the long-term recovery and viability of communities. The Infrastructure Recovery Program will provide disaster relief, long-term recovery, and restoration of infrastructure for local communities impacted by the 2018 wildfires.

CDBG-DR funds may be used to fund the local portion of non-federal share match on approved FEMA Public Assistance (PA) projects and Hazard Mitigation Grant Program (HMGP) projects, other federal grants with a demonstrated tie-back to DR-4407 and DR-4382 and that require a non-federal share match, and stand-alone infrastructure projects with a demonstrated tie-back to DR-4407 and DR-4382 and are in support of housing recovery.

HCD will make Infrastructure Recovery Program funding available to impacted jurisdictions based on eligible jurisdictions having an opportunity to submit eligible Infrastructure Recovery Program projects through a Notice of Interest (NOI) and application process. The application process requires the jurisdictions to prioritize the requests, in the event that not all projects are eligible or can be funded. The NOI and application processes, as well as the prioritization criteria will be fully



defined in the Infrastructure Recovery Program policies and procedures.

Infrastructure Recovery Program Activities

HCD will provide impacted local governments funds to ensure that as many critical infrastructure recovery needs are addressed as possible, through multiple activities. A tie-back to the disaster is required for eligibility. In addition, HCD will direct \$30 million toward the architectural design and engineering (A&E) phase of the Paradise Sewer Project.

Infrastructure Recovery Program activities may be used to fund:

- › Stand-alone infrastructure projects that address identified unmet disaster recovery needs and increase the resilience of cities and counties that are not funded by other federal recovery programs;
- › The non-federal share match on approved FEMA Public Assistance (PA) projects;
- › The non-federal share match on approved FEMA Hazard Mitigation Grant Program (HMGP) projects; and
- › Other disaster-related federal grants with a required non-federal share match.

Non-Match Infrastructure Projects

HCD will fund stand-alone CDBG-DR eligible infrastructure projects that can be funded with up to 100 percent CDBG-DR funding. These stand-alone projects are critical to address identified unmet disaster recovery needs and increase the resilience of cities and counties that are not funded by other federal recovery programs. Projects may include FEMA PA or HMGP projects that were determined ineligible by FEMA, but all projects will be subject to review for a tie -back to the DR- 4382 or DR-4407 disaster events, supporting or expanding community resilience, consistency with CDBG-DR requirements, and HCD's policies and procedures.

Stand-alone infrastructure projects will require a completed environmental review by the subrecipients. FEMA PA Match

HCD will fund the local portion of the non-federal share match for FEMA Category C (roads and bridges), Category D (water control facilities), Category E (public buildings and contents), and Category F (utilities), and Category G (parks, recreational, and other activities). Program policies and procedures will outline the requirements of the program and rules for specific projects, including general eligibility, specific eligible and ineligible costs, and the criteria for evaluating project proposals. HCD understands that FEMA PA match amounts are ever-changing and will continue to assess the funds allocated to this program. HCD proposes using CDBG-DR funds as a match for approved FEMA PA projects (Categories C through G only).

FEMA HMGP Match

HCD will fund the local portion of the non-federal share match for all infrastructure projects if identified by the local government. To be eligible for CDBG-DR funding, all projects must have a tie-back to the DR-4382 or DR-4407 disaster events. Program policies and procedures will be established that outline the requirements of the program and rules for specific projects, including general eligibility, specific eligible and ineligible costs, and the criteria for evaluating project proposals.

Because HMGP projects aren't required to tie-back to the specific disaster, HCD will define a clear process in its policies and procedures to demonstrate a tie-back to the DR-4382 or DR-4407 events. Additionally, HMGP funds have a wide range of eligible uses, so HCD will review all HMGP projects to ensure eligibility as a CDBG-DR funded infrastructure project. HMGP project qualifications will be included in the policies and procedures.

Other Non-Federal Match

HCD may fund the local portion of the non-federal share for all other federally grant-funded infrastructure projects with a tie-back to the DR-4382 and DR-4407 disaster events. HCD will develop policies and procedures to outline the other federal programs which may be funded.

All Projects HCD will issue NOIs for Infrastructure Recovery unmet needs that will lead to Infrastructure Recovery Program allocations. The jurisdictions that submit NOIs will have the opportunity to utilize the Infrastructure Recovery Program as a mechanism to fund stand-alone infrastructure projects and non-federal share match needs for eligible projects. HCD will review proposals for the use of funds with local governments and provide technical assistance and oversight to ensure that local governments receiving funds execute their infrastructure recovery effectively. All funded projects will be approved by HCD before funds are provided to subrecipients.

HCD will leverage internal resources, bring on staff to increase capacity and expertise, and HCD intends to procure a consultant to provide high-level technical assistance to eligible jurisdictions, to ensure proper oversight of the program and compliance of individual projects. Eligible cities and counties may work in coordination with other local entities with projects that may qualify under the Infrastructure Recovery Program, such as sewer or water districts. Local jurisdictions will be responsible for implementation and oversight of approved projects, with regular monitoring by HCD.

Projects must be compliant with applicable CDBG regulations, waivers, and alternative requirements identified in Federal Register Notices 83 FR 40314 (publication date: August 14, 2018) and 85 FR 4681 (publication date: January 27, 2020) and must have a tie-back to the DR-4382 and DR-4407 disaster events. Local jurisdictions may either follow the state's plan to minimize displacement or develop their own with the state's and public's approval. Projects selected should be designed to improve and support infrastructure recovery, serving those with the greatest need. Projects must also consider Fair Housing and ensure they do not have a disparate impact on protected classes or vulnerable populations.

1. Eligible Activity

Infrastructure repair is an eligible activity according to HCD Act 105(a)(2), which authorizes the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements. National Objective

In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a national objective. For the infrastructure program, all projects will meet the low- and moderate-income (LMI) or urgent need national objective. Infrastructure funding requires a case-by-case analysis of each project for meeting these requirements. It is the responsibility of the local government to substantiate the national objective as part of its proposal to HCD. Projects that qualify as LMI will be prioritized before urgent need.

2. Eligible Applicants

The eligible applicants for Infrastructure Recovery Program funds are municipal and county governments that received FEMA Public Assistance funds for permanent infrastructure projects (Categories C through G) related to the DR-4382 and DR-4407 disaster events and/or are listed as a subrecipient jurisdiction under the Multifamily Housing Program.

3. Allocation Methodology

HCD will make funding available to impacted jurisdictions based on eligible jurisdictions having an opportunity to submit eligible Infrastructure Recovery Program projects through a Notice of Interest (NOI) and application process. Additional details will be provided in the program policies & procedures.

4. Delivery

HCD will provide technical assistance and coordinate closely with local governments during the application phase. Once proposals have been reviewed, HCD will provide funds to subrecipients for the delivery of infrastructure repair programming in accordance with a Standard Agreement with the local government. Monthly progress reports will be required from the subrecipient, and reimbursement will be provided to the subrecipient based on the documented completion of agreed upon project milestones. As projects are selected, HCD will continue to provide technical assistance and complete regular monitoring throughout the project lifecycle.

5. Prioritization & Criteria for Selection

HCD will make Infrastructure Program funding available to impacted jurisdictions based on an the NOI and application process for impacted counties and municipalities to request funding for unmet infrastructure needs. The application process will also require the jurisdictions to prioritize the requests in the event that not all projects are eligible or can be funded. HCD is prioritizing infrastructure projects that meet the LMI national objective.

Prioritization criteria will be fully defined in the policies and procedures. The highest prioritization will be projects that qualify for the LMI national objective.

HCD will ensure that construction costs are reasonable and consistent with market costs for the location of the infrastructure project during the time of the infrastructure recovery work. HCD will require that the construction contractor implement cost control measures or verify that reimbursable costs were correctly controlled during the project. Standard Agreements with jurisdictions will include subrogation clauses in case of the event of non-compliance with the applicable requirements and regulations.

6. Eligible and Ineligible Costs

HCD commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 or those activities specified by waiver in 83 FR 5851. CDBG-DR funds may fund the following activities:

Required FEMA PA local portion of the non-federal share match funding for approved projects under the following FEMA PA permanent work categories:

- Category C (Road and bridges);



- Category D (Water control facilities);
- Category E (Public buildings and contents);
- Category F (Public utilities); and
- Category G (Parks, recreational, and other facilities).

Required non-federal share match for approved projects that meet the CDBG-DR requirements, including a tie-back to the DR-4382 and DR-4407 disaster events. Stand-alone infrastructure projects that are eligible for and funded with up to 100% CDBG-DR funding, have a tie-back to the DR-4382 and DR-4407 disaster events, and address identified unmet disaster recovery needs.

7. Ineligible costs include:

- › Required FEMA PA Match funding for approved projects under Categories A (Debris Removal) and Category B (Emergency Protective Measures).
- › FEMA HMGP projects not related to infrastructure and/or without a tieback to the 2018 disaster events.
- › Projects not related to infrastructure, increased code compliance, or DR-4382 and DR-4407 disaster events.

8. Timeline

HCD opened the first NOI process in 2021 for LMI projects. A subsequent NOI will follow for non-LMI and any remaining LMI projects. Applications will be released following the NOI process and allocations are made. Technical assistance will be provided until sufficient proposals 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.

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 89: UNMET INFRASTRUCTURE RECOVERY NEED

CATEGORY	IDENTIFIED UNMET NEED	CDBG-DR FUNDED
Infrastructure Recovery	\$2,838,348,374	\$347,428,488

E. Paradise Sewer Project A&E

1. **Unmet Needs:** The unmet needs analysis established that the Town of Paradise lost 83 percent of its residents during the Camp Fire and, as the town builds back and re-establishes its pre-fire population level, an integrated sewer system will support the recovery of housing and economic activity within the Sewer Service Area. The extreme heat of the Camp Fire led to water pollution issues in the town which require costly infrastructure repairs to ensure the long-term safety and resilience of the potable water systems. In the development of the unmet needs analysis and program design for this Action Plan, HCD coordinated and consulted with local community recovery plans in order to ensure consistency and efficiencies across programming. The Town of Paradise Long-Term Community Recovery Plan, published in June 2019, has been a valuable resource in determining how to best address the recovery needs of some of the hardest hit areas from the Camp Fire. The sewer project is listed by Paradise as a “Tier I” recovery priority project in the Paradise Long-Term Community Recovery Plan, meaning that it received strong community support as evidenced by public comments submitted in public meetings. Specifically, the Recovery Plan notes that, once completed, the sewer project will allow for accompanying land use and zoning changes to cluster multi-unit housing complexes, including affordable housing. Absent a centralized sewer to serve Paradise's central business and residential corridor, individual property owners must bear the cost of, in most cases, removing and replacing damaged septic tanks in inhospitable (poorly draining soils) that are already impacted, negatively, by a high rate of failed septic systems, which will take far longer than the municipal sewer option to come on line and limits the recovery effort to the spread-out development pattern that reliance on septic requires (for leach fields, etc.).
2. **Allocation Amount:** \$30,000,000
3. **Maximum Assistance:** \$30,000,000
4. **Eligible Activity:** HCD Act 105(a)(2), which authorizes the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements.
5. **National Objective:** Construction of the Paradise Sewer Project and its connection to the Chico wastewater treatment facility (the Chico Water Pollution Control Plant) will meet the urgent need national objective. The infrastructure program policies and procedures will include a condition on the use of the grant to require the Town of Paradise to demonstrate that construction funding is secured.
6. **Eligible applicant:** The Town of Paradise.
7. **Eligible Program Costs:** Eligible costs include the engineering, design, and architectural services required to design the Paradise Sewer Project.
8. **Ineligible Program Costs:** Ineligible costs include those not associated with Paradise Sewer Project A&E.



9. Form of Assistance: Assistance will be provided in the form of a grant directly to the Town of Paradise.

10. Timeline: The Town expects to implement the design phase of the project from mid 2022 through 2024 with construction starting in 2024 and ending in 2026.

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.

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 PA Match for infrastructure recovery is consistent in support of housing meet the with the requirement to address housing recovery needs first. Necessary infrastructure recovery must be complete before housing recovery is complete. The unmet needs assessment identified \$2.8B in unmet infrastructure recovery needs. Of the CDBG-DR funds received, \$309M will be used for Infrastructure Recovery Programs 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 percent38 percent of the total program allocation.

FIGURE 9091: UNMET INFRASTRUCTURE RECOVERY NEED

CATEGORY	IDENTIFIED UNMET NEED	CDBG-DR FUNDED
Infrastructure Recovery	\$2,838,348,374	\$389,668,186.81 \$389,348,700.80 \$317,428,488

Economic Revitalization Programs

HCD acknowledges the unmet economic revitalization need and is proposing a workforce development program and a small business loan and grant program. HCD is considering two programs that may be used to address the unmet economic recovery need. One will be funded now, 1) Workforce Development, and if future funding is made available, then HCD will fund a 2) Small Business Recovery program. HCD is focused on workforce training to support protected classes and LMI residents build resilience and capacity through skilled labor training.

As mentioned in the Housing Recovery program section and in accordance with the Federal Register, additional housing needs should be met through the use of funding from other government and private programs described in the Leveraging Funds section. The State’s

CDBG-DR funds are intended to be gap financing only. The State identified in its Needs Assessment that there remains extensive economic recovery needs that directly correlates to the ability to bring back housing. Without the proposed Workforce Development Program, areas impacted by the 2018 disasters will lack the labor force needed to construct new housing and infrastructure projects. Therefore, the State proposes to fund economic recovery activities that support housing, resilient infrastructure, and complete community recovery in the impacted areas.

Workforce Development Program

The primary objective of the Workforce Development Program is to fund projects that address the unmet need for skilled labor and specialized training to benefit the state's disaster recovery and rebuilding efforts. Often, following disaster, construction trades and other vital recovery industries face a workforce shortage. Workforce development programs aim to augment capacity by increasing the stock of vital labor. The Program prioritizes a continuum of services that increase economic opportunities for low-to-moderate income residents in the 2018 disaster declared counties. The Program also prioritizes supportive wrap-around services that are provided to remove barriers to successful participation in job training or obtaining employment. The Workforce Development Program delivers training supportive services eligible participants

Program guidelines will be established that outline the requirements of the program and rules for specific projects, including general eligibility, specific eligible and ineligible costs, and the criteria for evaluating project proposals, and the criteria for evaluating project proposals

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

1. Eligible Activity

The program will utilize Title I of the HCD Act 105 (a)(2), 105 (a)(4), 105(a)(8), and 105 (a)(14) authorizing the provisions of public services and assistance to public facilities respectively, as the primary eligible activities in the Workforce Development Program.

2. National Objective

The Workforce Development satisfies the LMI national objective by benefiting low-to-moderate income clientele .

3. Allocation Methodology

The Workforce Development NOFA closed on February 29, 2024. Based on applications and budgets provided, HCD has reallocated funding to meet the subrecipient unmet needs. The reallocation utilizes the original allocation mode and corrects a mathematical error in the original allocation budget. As the program moves into implementation, HCD may reallocate funds in two ways:

- between regional allocations based on expenditures and remaining project needs
- apply the same formula to reallocate leftover funds to other regions that are in need

If funds are reallocated, the process and updated allocation tables will be updated in policies and procedures.

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Funding is available to subrecipients based on a formula to determine a proportionate share of the total program allocation based on the impacts to that jurisdiction. After consultation with identified MID areas HCD used a methodology to calculate allocations based on four post disaster factors that assessed economic revitalization needs post disaster; the ratio of damaged structures, ratio of disaster unemployment claims after the event, ratio of existing relevant workforce training resources in the MID and a survey of regional need for workforce development resources. This allocation utilizes a weighted formula that weighs the four data points, twenty percent for damaged structure ratio, twenty-five percent for disaster unemployment claims ratio, forty percent for existing relevant workforce training resources and fifteen percent for regional need. This weighted formula puts the most weight on the need to develop or expand existing training programs in the MID and the need for and increased skilled construction labor force to aid housing and infrastructure recovery, addressing public comment.

FIGURE 97: WORKFORCE DEVELOPMENT PROGRAM REGIONAL GRANT ALLOCATION (APA 7)

Eligible MID area	Percent of Total	Regional Grant Allocation
Butte County	43.9%	\$ 17,868,376.00
Lake County	11.6%	\$ 4,706,721.40
Shasta County	21.3%	\$ 8,648,109.34
Los Angeles County	4.9%	\$ 1,994,542.00
Ventura County	18.3%	\$ 7,477,193.86
	Total	\$40,694,942.60

Figure 97: Workforce Development Program Regional Grant Allocations

Eligible MID area	Percent of Total	Regional Grant Allocation
Butte County	46.06%	\$ 18,742,117.42
Lake County	16.32%	\$ 6,642,191.11
Shasta County	14.98%	\$ 6,096,458.29
Los Angeles County	8.07%	\$ 3,283,960.49
Ventura County	14.57%	\$ 5,930,215.29
	Total	\$40,695,960.00

4. Delivery

The program is monitored at the state level but is delivered and administered through the use of local jurisdictions, not-for-profit organizations or other eligible entities acting as subrecipients to HCD. A Notice of Funding Availability (NOFA) will be used to solicit applications for funding from eligible applicants including, local non-profits and local jurisdictions.

5. Eligibility

Applicants must commit to serve LIM clients, in which at least 51 percent of their participants are LMI. Additional eligibility requirements will be detailed further in the workforce development



program policies & procedures.

6. Prioritization

In accordance with HUD requirements, 80 percent of available funding must be expended in the Most Impacted and Distressed (MID) areas. Additional priorities will include subrecipients serving predominately LMI areas, entities that demonstrate a familiarity with successful workforce development programming or related fields, either through direct experience and strong partners with experience and applications that propose, with the capacity to provide, supportive services. Success of the proposed training program will be assessed as responses to the NOFA are reviewed. Prioritization criteria will be full defined in the NOFA.

FIGURE 96: WORKFORCE RECOVERY PROGRAM PRIORITIZATION

WORKFORCE	DEVELOPMENT	PROGRAM	PRIORITIZATION	TIERS
	Location of the	Training Site	Income of the	Beneficiary
	4 Most Impacted Counties and Zip Codes	All Areas that Received a Federal Disaster Declaration	LMI Only	All Incomes
Tier 1	X		X	
Tier 2		X	X	
Tier 3				X
Tier 4		X		X

7. Eligible and Ineligible Costs

HCD commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 and those activities specified by waiver in 83 FR 5851. Qualifying workforce development programs are reimbursed for salaries and benefits for instructors, operating costs for educational programming, supplies, materials, and required equipment, indirect costs, acquisition, improvements and other costs necessary for delivery of workforce training and supportive services. A final list of eligible costs will be available in the program policies and procedures. Workforce development programs include, but are not limited to, training in the following areas:

- Construction trades (includes labor and or licensing)
- Heavy Equipment Operators
- Wildland and Forestry Fire Training
- Ecological Restoration Training
- Forest Restoration Training
- Ecological and structural hardening Training
- Arborist Training
- Modular Home and Mobile Home Construction Training programs
- Enhanced Resilience Training programs
- On-the-job Training (OJT)

8. Form of Assistance

Qualifying subrecipients receive funding from HCD to execute programming as a reimbursement for costs incurred.

Small Business Recovery Program

The primary objective of the Small Business Recovery Program is to provide funding to eligible small businesses located within impacted areas to assist them with ongoing operations and speed their recovery. Assistance is issued to qualifying small businesses. to reimburse the costs of lost or damaged inventory, stock, and equipment.

Program policies and procedures will be established that identify the requirements of the program and rules for applicants, including general eligibility, specific eligible and ineligible costs, and the criteria for evaluating applications.

1. Eligible Activity

42 USC 5305(a)(17) authorizes the provision of assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods).

2. National Objective

The Small Business Recovery Program will meet the LMI national objective. The mechanism for meeting the LMI national objective will be the creation and retention of jobs for LMI individuals. Participating small businesses will have their job creation and retention monitored to demonstrate compliance.

3. Allocation Methodology

No program funds are currently allocated to the Small Business Recovery Program. If additional CDBG-DR funds become available in the future and the unmet housing recovery need is fully satisfied, HCD will explore options to utilize the Small Business Recovery Program defined herein.

4. Delivery

The Small Business Recovery Program is implemented at the state level. Affected small businesses apply to HCD for assistance and are provided up to \$50,000 for recovery needs including repair or replacement of damaged equipment, stock, and materials lost due to the qualifying disaster. Awards are calculated in accordance to the eligibility and underwriting

guidance outlined in the Federal Register Notice. Additional details will be included in program guidelines.

5. Eligibility

Small Business Recovery Program applicants must conform to Small Business Administration (SBA) industry-specific definitions for small businesses. Applicants must demonstrate adverse impacts from the disaster, including damage or loss to equipment, stock, and materials necessary for ongoing business continuity. Assistance is provided after an analysis of other benefits received to prevent a duplication of benefits.

6. Prioritization

Program funding prioritization first accounts for expending grant funds in the Most Impacted and Distressed areas. Applications for assistance from businesses which meet the SBA definition of a small business will be prioritized. Otherwise, applications for assistance are prioritized in the order in which they are received. Applicants that are not responsive or found to be ineligible are moved off the list after due diligence by their assigned case manager. If funds remain after serving the Most Impacted and Distressed areas, qualifying applicants outside of the Most Impacted and Distressed areas may be served.

7. Eligible and Ineligible Costs

HCD commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 or those activities specified by waiver in 83 FR 5851. Eligible costs include:

- Payment for working capital
- Replacement of inventory or stock destroyed by the qualifying event

8. Replacement of supplies and materials needed for business continuity Ineligible costs include:

New equipment that serves as an upgrade to undamaged property or property that did not exist prior to the qualifying event

- Unsubstantiated or unsupported costs
- Construction activities

9. Form of Assistance

Qualifying applicants receive assistance from HCD as a deferred forgivable loan to execute programming or as a reimbursement for costs incurred. All costs are reviewed by the program to ensure eligibility.

PLANNING AND ADMINISTRATION

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.

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.

Administration

Per the Federal Register, HCD is allowed to retain up to 5 percent of the total grant allocation to support grant administration. HCD will use the five percent for state administrative costs and at its sole discretion, if the need is identified, may allocate, up to a cumulative total of one percent, to subrecipients for administrative costs. This allocation is for the purposes of oversight, management, and reporting.

This allocation enables HCD to provide the administrative and support services for the management and citizen participation necessary to formulate, oversee, evaluate, and report on the State's CDBG-DR program. These activities include:

- Ensuring citizen participation (including outreach and publication of public notices).
- Preparation of the required CDBG-DR quarterly reports.

- Maintenance of the CDBG-DR website.
- Monitoring of the expenditures for CDBG-DR programs.
- Monitoring of subrecipients and contractors.
- Coordination with HUD, FEMA, and other Federal departments.
- Certification and maintenance of the necessary records that demonstrate that Federal requirements for environmental review, fair housing, relocation, labor standards, equal opportunity, and citizen participation are met.

Furthermore, Administration funds may be used to cover eligible costs associated with the administration of particular program activities.

LONG-TERM COMMITMENTS

HCD commits to funding activities which address long-term recovery and restoration of housing and infrastructure in the Most Impacted and Distressed areas. HCD leverages partnerships at the local level to ensure that subrecipients share a commitment and responsibility to long-term recovery and future disaster risk reduction.

VI. CITIZEN PARTICIPATION

The following Citizen Participation Plan has been developed in compliance with § 24 CFR 91.115 and applicable HUD requirements to set forth citizen participation policies and procedures as they relate to this Action Plan, intended to maximize the opportunity for citizen involvement in the planning and development of the California CDBG-DR recovery program—including proposed program activities and amount of funding.

The goal of the Citizen Participation Plan is to provide residents impacted by DR-4382 and DR-4407 with opportunities to participate in the planning and continued assessment of HCD's CDBG-DR recovery programs.

HCD has prioritized a robust citizen participation process to ensure all citizens and stakeholders are provided the opportunity to contribute to and understand their recovery process. Stakeholder briefings were held with all impacted jurisdictions in February 2020, providing forums for structured conversations directly with key stakeholders to inform them on the basics of CDBG-DR funds, assistance being considered for their communities, the methods and means by which such assistance may be provided, and general process and timeline. Prior to publication of the draft Action Plan, HCD held a second round of briefings with impacted jurisdictions to brief them on the unmet needs analysis and the proposed programs to meet these needs.

Targeting the five impacted counties, virtual public meetings were held in March and April 2020 to provide a briefing to communities on the timeline, process, and eligible uses of CDBG-DR funding. These meetings were initially intended to be held in-person in the affected counties, but because of the evolving public health crisis posed by COVID-19, the decision was made to hold these via webinar to reduce the risk to participants. During these virtual meetings, HCD provided a briefing to communities on the timeline, process, and eligible uses of CDBG-DR funding. More information on how HCD will conduct future public meetings during this public health crisis can be found below.

Round II public meetings will be held in coordination with the Action Plan public comment period in mid- to late-July 2020. With the draft Action Plan published for public comment, Round II meetings will allow for dialogue about the proposed method of distribution, allocations, and programs.

A. PUBLICATION

Before the adoption of this Action Plan or any substantial amendments, HCD will publish the proposed plan or amendment on the CDBG-DR Action Plan webpage (<https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/cdbg-dr-2018/index.shtml>). The webpage will include links to action plans, action plan amendments, citizen participation requirements, and activity/program information for activities described in the action plan, including details of all contracts and ongoing procurement policies. The webpage will also store every HUD Quarterly Performance Report (QPR), with information accounting for how funds are being used and managed.

The draft Action Plan was available for public review and comment for thirty (30) days from July 6, 2020, through August 7, 2020. The published draft Action Plan was made readily accessible to all citizens, public agencies, and other interested parties.

For substantial amendments, HCD will ensure accessibility by notifying citizens through appropriate means such as electronic mailings, website postings, physical postings in local areas, press releases, statements by public officials, media advertisements, public service announcements, newsletters, contacts with neighborhood organizations, and social media. HCD will ensure that all citizens have equal access to information about the programs, including persons with disabilities (vision and hearing impaired) and LEP. A Spanish version of the Action Plan and all amendments will also be available. HCD consulted the “Final Guidance to Federal Financial Assistance Recipients Regarding Title VI, Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons,” published on January 22, 2007, in the Federal Register (72 FR 2732), to comply with citizen participation requirements.

A summary of all comments received during the public comment period will be noted and summarized in the final Action Plan. The Action Plan and all materials on HCD’s Disaster Recovery website are 508 compliant per state law. California’s Assembly Bill 434 (2017)¹³², requires that State agencies’ websites, including HCD’s Disaster Recovery website and its contents, meet Level AA of version 2.0 (or above) of Web Content Accessibility Guidelines, as published and, occasionally, revised by the Web Accessibility Initiative of the World Wide Web Consortium.

CONSIDERATION OF PUBLIC COMMENTS

The thirty (30) day public comment period of the for the Action Plan extended from July 6, 2020, through August 7, 2020. HCD considers all public comments received in writing, via e-mail, or delivered in person at official public hearings regarding this Action Plan or any substantial amendments. HCD will make public comments available to citizens, public agencies, and other interested parties upon request.

¹³² See text of AB 434 (2017), available online at: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB434 (last visited, August 25, 2021).

To ensure citizens have equal access and opportunity to provide comments on the Action Plan, HCD will post notices and work with local governments to ensure outreach to impacted residents and vulnerable populations. Additionally, HCD conducted a four - factor analysis to determine populations with Limited English Proficiency, will translate pertinent materials into Spanish, have American Sign Language (ASL) interpreters available and a Spanish language translator at every meeting. HCD will also provide translation services for additional languages if requested in advance.

CITIZEN COMPLAINTS

HCD will provide a timely response to citizen complaints. Citizens may file a written complaint or appeal through the Disaster Recovery email:

DisasterRecovery@hcd.ca.gov

Citizens may also submit complaints by postal mail to the following address:

ATTN: Disaster Recovery & Response Unit
Housing & Community Development
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833

The response will be provided within fifteen working days of the receipt of the complaint, if practicable.

SUBSTANTIAL AMENDMENT

HCD will engage citizens throughout the disaster recovery program to maximize the opportunity for input on proposed program changes that result in a substantial amendment. Substantial Amendments are characterized by:

- An addition or deletion of any CDBG-DR funded program,
- Any funding change greater than \$10 million of the CDBG-DR allocation, or
- Any change in the designated beneficiaries of the program.

Substantial amendments will be available on the State of California CDBG-DR Action Plan website (<https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/cdbg-dr-2018/index.shtml>) for public review and comment for at least 30 days before finalization and incorporation into the comprehensive Action Plan.

A summary of all comments received will be included in the final Substantial Amendment submitted to HUD for approval.

NON-SUBSTANTIAL AMENDMENT

Non-substantial Amendments are minor, administrative changes that do not materially alter activities or eligible beneficiaries. Any such amendments will be presented to HUD five days prior to incorporation in the comprehensive Action Plan. Every amendment to the Action Plan (substantial and non-substantial) will be numbered and posted on the HCD website.

COMMUNITY CONSULTATION

To ensure HCD sufficiently assesses the recovery needs of all areas affected by the disasters,

HCD consulted with Indian Tribes, local governments, federal partners, nongovernmental organizations, the private sector, and other stakeholders and affected citizens in the surrounding geographic area to ensure consistency of the Action Plan with applicable regional redevelopment plans. HCD will continually provide opportunities for partners, local governments and citizens to provide input into programs and ensure outreach to all minority groups and persons with disabilities according to HCD's affirmative marketing plan.

A. Tribal Consultation

HCD reached out to leaders from 47 Tribes via mail and email in May and June 2020 (a complete list of tribes contacted can be found in Appendix B) to determine the following:

Facility damage (emergency shelters, transitional shelters, supportive housing, or housing for elderly/disabled).

Impacts to alternatively housed communities, including homeless encampments, single room occupancy buildings, migrant housing, or other. Increase in client volume because of the disaster.

Stakeholder Consultation

HCD staff traveled around the state and visited each of the HUD identified Most Impacted and Distressed areas. At these meetings, participants were given a brief overview of the proposed program with an opportunity to ask any questions that they may have of staff. Most of the meeting was open dialogue with local government officials, community leaders, and nonprofit organizations asking questions and HCD staff providing responses. Key questions and concerns that were raised during these meetings are described below.

Local Government Consultation

HCD met consistently with the local governments and housing authorities for all impacted areas allowing for point-in-time updates to the public to be directed through local governments informing citizens of the basics of CDBG-DR funds, assistance they may be eligible to receive, and general process and timeline. HCD leveraged existing networks and meeting schedules to ensure engagement was convenient. In each impacted area HCD met with public official, government departments, government agencies, community foundations and non-profit organizations.

Public Meetings

HCD conducted extensive public and stakeholder outreach in direct coordination with impacted local governments; the meetings are detailed in Appendix B. In its two rounds of stakeholder meetings and public meetings, HCD presented program information for comment by stakeholders and the public.

HCD held Round I of public meetings during Action Plan development in March 2020 to both provide an overview of the Action Plan process and collect input from impacted citizens and community leaders. Round 1 meetings which were initially intended to be held in-person in the affected counties, were held via webinar per the Center for Disease Control's recommendation to limit public meetings and gatherings in response to the public health threat posed by the COVID-19 virus.

Four webinars were held for the impacted counties. Additionally, recordings of the webinars were

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publicly posted to <https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/cdbg-dr-2018/index.shtml>. Participants were still able to provide comments and feedback via the webinar chat and HCD email.

The Round II public meetings, which will be held as webinars due to the ongoing public health concerns posed by the COVID-19 virus, will be held concurrently with the draft Action Plan public comment period, built from the feedback received in Round I and provided additional details for consideration. HCD will take the feedback on program design from Round II of the public meetings to finalize its program design decisions.

All public hearings were publicized by HCD as well as local government partners in the applicable jurisdictions. HCD also created and passed out summary memos on CDBG - DR funding and the proposed homeowner program, translated these documents and the presentations into Spanish, and passed them out to each meeting attendee.

The Round I series of meetings commenced on March 24, 2020 and were completed on April 2, 2020. Round II will begin on July 20, 2020 and end on July 23, 2020. The meeting schedule is as follows:

- Round I (webinars)
 - Butte County – March 24, 2020, 6pm-8pm
 - Shasta County – March 25, 2020, 6pm-8pm
 - Lake County – March 26, 2020, 6pm-8pm
 - Los Angeles and Ventura counties – April 2, 2020
- Round II
 - Butte County – July 20, 2020
 - Shasta County – July 21, 2020
 - Lake County – July 22, 2020
 - Los Angeles and Ventura counties – July 23, 2020

For the round I webinars, the presentation slides were translated into Spanish and made publicly available here:

<https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/cdbg-dr-2018/index.shtml>.

Interpreters are made available at the in-person meetings to assist those participants in need of Spanish or sign language. Additionally, for in-person public meetings, HCD will choose locations are that accessible to persons with disabilities.

HCD accepts all comments from citizens, either sent in writing to the designated email (DisasterRecovery@hcd.ca.gov) or shared orally at the public meetings. Only comments submitted during the formal public comment period will be included in the public comment Appendix D to the Action Plan, coupled with a response from HCD.

A Note on COVID-19 and Virtual Public Engagement

The unprecedented COVID-19 public health crisis has and will continue to impact HCD's typical Citizen Participation Plan and how the agency will be able to interact and engage with the general

public. Public health is the number one priority, and as such, many meetings and hearings which are normally held in-person will be moved to virtual formats.

HCD will follow HUD's guidance on virtual hearings. As with in-person meetings, any virtual hearing will allow for real-time questions and comments (may be via text or chat boxes within webinars). Additionally, HCD will make every effort to provide these virtual hearings in a way that is accessible for persons with disabilities and Limited -English Proficiency. In all communications and advertising regarding a virtual public hearing, HCD will provide its contact information (DisasterRecovery@hcd.ca.gov) and encourage any participants with accessibility requests to contact the agency prior to the hearing so accommodations can be made.

Stakeholder and Public Meeting Comments

The following provides a summary of the key themes that were raised in the February stakeholder meetings with each impacted community:

1. Housing and Displacement

Stakeholders highlighted the movement of displaced persons throughout fire-impacted areas, which has put a strain on communities with very low vacancy rates. It is also a consideration in determining where new construction will be located, and the type of housing needed. This may include additional multi-family housing.

2. Cost of Reconstruction

Stakeholders highlighted the significant increase in the cost of construction in fire - impacted communities. This is influenced by a variety of factors, including: limited capacity of the construction sector, cost to repair/rebuild damaged septic systems, cost to infill property impacted by debris removal, new housing and building codes.

3. Local Cost Share

Stakeholders expressed a need for funds to support the local cost share for infrastructure projects, including road repair and reconstruction.

4. Public Sewers

Stakeholders expressed an interest in exploring the possibility of placing new sewer systems in communities as they consider redevelopment plans that may impact population density.

5. Disaster Case Management

Disaster case management service contracts are generally wrapping up in mid-2020 and stakeholders expressed a need for continuity of these services for impacted residents navigating the recovery process.

6. Workforce

Stakeholders expressed concern that the lack of construction workforce in impacted communities may delay recovery and communicated a desire to explore opportunities to train additional workforce to help meet the increased construction demand.

The following summarizes the key themes that came out of the Round I public meetings held in March and April 2020:

7. Unmet Needs Analysis

Attendees had questions about how HCD conducts its unmet needs analysis, such as how and from where the data/information is sourced.

8. Funding Timeline

Attendees questioned when CDBG-DR funding will be available.

9. Allocation Methodology

Residents inquired about the methodology used to distribute funds to different programs and how that translates to funding available in their community.

10. Reimbursement (for work already completed)

Residents are concerned they will not be reimbursed for repair or reconstruction work they have completed using personal funds.

11. Dead tree removal and over-excavation

Residents asked if CDBG-DR funds would be available to pay for dead tree removal or for rehab needs resulting from the State's clean-up program.

12. Housing Programs

Attendees inquired about what specific types of housing programs will be available, including mobile homes.

13. Low-to-Moderate Income

Attendees asked whether assistance would be available for impacted residents above the LMI thresholds.

The input received during the above referenced briefings and meetings has informed HCD's recovery plan, including decisions related to funding allocations and program design. HCD will continue to affirmatively outreach to all minority groups and persons with disabilities for future public meetings and consultations.

PUBLIC WEBSITE

HCD will maintain a comprehensive website dedicated to CDBG-DR programs and related activities, including the final Action Plan, public comments, and Citizen Participation Plan. The website can be found at the following address: <https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/cdbg-dr-2018/index.shtml>

WAIVERS

No waivers have been requested at this time.

VII. CERTIFICATION AND RISK ANALYSIS

The Department of Housing and Community Development submitted the Certification and Risk Analysis Implementation Plan to HUD on July 2, 2020.

CDBG-DR CERTIFICATIONS

24 CFR 91.225 and 91.325 are waived. Each grantee receiving a direct allocation under this notice must make the following certifications with its action plan:

- a. The grantee certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.
- b. The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- c. The grantee certifies that the action plan for disaster recovery is authorized under State and local law (as applicable) and that the grantee, and any entity or entities designated by the grantee, and any contractor, subrecipient, or designated public agency carrying out an activity with CDBG-DR funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this notice. The grantee certifies that activities to be undertaken with funds under this notice are consistent with its action plan.
- d. The grantee certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this notice.
- e. The grantee certifies that it will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135.
- f. The grantee certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.115 or 91.105 (except as provided for in notices providing waivers and alternative requirements for this grant). Also, each local government receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).
- g. State grantee certifies that it has consulted with affected local governments in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the state in determining the uses of funds, including the method of distribution of funding, or activities carried out directly by the state.
- h. The grantee certifies that it is complying with each of the following criteria: (1) Funds will be used solely for necessary expenses related to disaster relief, long term recovery, restoration of infrastructure and housing and economic revitalization in the Most Impacted and Distressed areas for which the President declared a major disaster in 2016 pursuant State of California 2018 CDBG-DR Action Plan Department of Housing and Community Development 167 to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.). (2) With respect to activities expected to be assisted with CDBG-DR funds, the action plan has been developed so as to

give the maximum feasible priority to activities that will benefit low- and moderate-income families. (3) The aggregate use of CDBG–DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 70 percent (or another percentage permitted by HUD in a waiver published in an applicable Federal Register notice) of the grant amount is expended for activities that benefit such persons. (4) The grantee will not attempt to recover any capital costs of public improvements assisted with CDBG–DR grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless: (a) Disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).

i. The grantee certifies that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601– 3619), and implementing regulations, and that it will affirmatively further fair housing.

j. The grantee certifies that it has adopted and is enforcing the following policies, and, in addition, must certify that they will require local governments that receive grant funds to certify that they have adopted and are enforcing: (1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and (2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

k. The grantee certifies that it (and any subrecipient or administering entity) currently has or will develop and maintain the capacity to carry out disaster recovery activities in a timely manner and that the grantee has reviewed the requirements of this notice. The grantee certifies to the accuracy of its Public Law 115–56 Financial Management and Grant Compliance certification checklist, or other recent certification submission, if approved by HUD, and related supporting documentation referenced at A.1.a. under section VI and its Implementation Plan and Capacity Assessment and related submissions to HUD referenced at A.1.b. under section VI.

l. The grantee certifies that it will not use CDBG–DR funds for any activity in an area identified as flood prone for land use or hazard mitigation planning purposes by the State, local, or tribal government or delineated as a Special Flood Hazard Area (or 100-year floodplain) in FEMA’s most current flood advisory maps, unless it also ensures that the action is



designed or modified to minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the State, local, and tribal government land use regulations and hazard mitigation plans and the latest issued FEMA data or guidance, which includes advisory State of California 2018 CDBG-DR Action Plan Department of Housing and Community Development 168 data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.

m. The grantee certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.

n. The grantee certifies that it will comply with environmental requirements at 24 CFR part 58.

o. The grantee certifies that it will comply with applicable laws. The State of California Department of Housing and Community Development hereby certifies the above, as authorized by the Executive Director.

_____ Signed version submitted to HUD _____



APPENDIX B: CONSULTATION SUMMARY

Initial Stakeholder Outreach	
Purpose	Conference calls and meetings to engage stakeholders; for informational purposes to introduce CDBG-DR grant and describe future outreach and engagement
Date	February 18-21, 2020
Stakeholders	<ul style="list-style-type: none"> • Ventura County • Shasta County • Butte County • City of Biggs • City of Chico • City of Oroville • Town of Paradise • Lake County • City of Clearlake • Los Angeles County • City of Los Angeles • City of Redding • California Business, Consumer Services and Housing Agency
Unmet Needs Data Call	
Purpose	Email outreach to localities, recovery groups, and other stakeholders requesting data to incorporate into unmet needs analysis
Date	February 20, 2020
Stakeholders	<ul style="list-style-type: none"> • Butte County • City of Biggs • City of Chico • City of Oroville • Town of Paradise • Local consultants • Lake County • City of Clearlake • Shasta County • Ventura County • City of Thousand Oaks • Los Angeles County Development Authority • LA County Office of Emergency Management

In-Person Stakeholder Meetings



Purpose	Initial in-person meetings with county and municipal stakeholders to provide further details on the CDBG-DR grant, and discuss local data availability and recovery priorities
Date	February 27-28, 2020

Stakeholders	<ul style="list-style-type: none"> • Shasta County • City of Redding • Butte County • City of Biggs • City of Chico • City of Oroville • Town of Paradise • Lake County • City of Clearlake
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Unmet Needs Data Call Follow-up and Recovery Update Discussions	
Purpose	Phone calls, conference calls, and video calls with stakeholders to follow up on data request, to ensure stakeholder understanding, and to review potential data sources. Recovery update discussions with local recovery groups and localities.
Date	March 3-9, 20, 27, 2020
Stakeholders	<ul style="list-style-type: none"> • Butte County • Los Angeles County • LA Region Community Recovery Organization • Woolsey Fire Long Term Recovery Group • Town of Paradise • California Business, Consumer Services and Housing Agency • Camp Fire Long Term Recovery Group, Town of Paradise

Round 1 Public Webinars	
Purpose	First round of public engagement to provide information on CDBG-DR allocation and requirements. Was intended to be in-person public hearings, but restrictions due to COVID-19 crisis pushed this to online format. Four webinars in total were held, for Butte County, Lake County, Shasta County, and Ventura and Los Angeles Counties. Invites were sent to county and local contacts and local recovery groups with request to share broadly. Invites were sent through HCD mailing list and events were posted publicly on HCD's website.
Date	March 24-April 2, 2020



Stakeholders	<ul style="list-style-type: none"> • General Public • Butte County • City of Biggs • City of Chico • City of Oroville • Town of Paradise • Shasta County • City of Redding • Lake County • City of Clearlake • City of Lakeport • Los Angeles County • Ventura County • City of Thousand Oaks • City of Malibu • Agoura Hills • Calabasas • Westlake Village

Local Jurisdictions Webinars	
Purpose	To share information about the unmet recovery needs analysis completed for the Action Plan. To review the programs, allocations, and method distribution proposed based on the unmet recovery analysis for the 2018 CDBG DR funds.
Date	May 27-June 17, 2020
Stakeholders	<ul style="list-style-type: none"> • City of Chico • Butte County • Town of Paradise • City of Oroville • City of Gridley • City of Lakeport • Lake County • Los Angeles County • City of Agoura Hills • City of Malibu • City of Calabasas • Ventura County • City of Redding • Shasta County • City of Shasta Lake • City of Anderson

State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



Outreach to California Native Tribes	
Purpose	HCD email and mail communication to California Native Tribes the last week of May and first week of June 2020. Email the first week of July with invitation to Round II Public Webinar for CDBG-DR Action Plan.
Date	May 20 - June 4, 2020
Stakeholders	<ul style="list-style-type: none">• Berry Creek Rancheria of Maidu Indians• Mooretown Rancheria of Maidu Indians• Estom Yumeka Maidu Tribe of the Enterprise Rancheria• Greenville Rancheria• Tsi Akim Maidu• KonKow Valley Band of Maidu



	<ul style="list-style-type: none"> • Mechoopda Indian Tribe • United Auburn Indian Community of the Auburn Rancheria • Big Valley Band of Pomo Indians • Middletown Rancheria • Elem Indian Colony Pomo Tribe • Mishewal-Wappo Tribe of Alexander Valley • Guidiville Indian Rancheria • Robinson Rancheria Band of Pomo Indians • Habematolel Pomo of Upper Lake • Scotts Valley Band of Pomo Indians • Koi Nation of Northern California • Yocha Dehe Wintun Nation • Barbareno/Ventureno Band of Mission Indians • Fernandeno Tataviam Band of Mission Indians • Gabrieleno Band of Mission Indians - Kizh Nation • Gabrieleno/Tongva San Gabriel Band of Mission Indians • Gabrielino /Tongva Nation • Gabrielino Tongva Indians of California Tribal Council • Gabrielino-Tongva Tribe • San Luis Obispo County Chumash Council • Juaneno Band of Mission Indians Acjachemen Nation - Belardes • San Manuel Band of Mission Indians • Santa Ynez Band of Chumash Indians • Kern Valley Indian Community • Soboba Band of Luiseno Indians • Kitanemuk & Yowlumne Tejon Indians • Nor-Rel-Muk Nation • Pit River Tribe of California • Quartz Valley Indian Community • Redding Rancheria • Shasta Nation • Winnemem Wintu Tribe • Wintu Tribe of Northern California • Chumash Council of Bakersfield • Coastal Band of the Chumash Nation • Northern Chumash Tribal Council • San Fernando Band of Mission Indians • San Luis Obispo County Chumash Council
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Round 2 Public Webinars	
Purpose	Second round of public engagement to provide information on CDBG-DR allocation and requirements. Was intended to be in-person public hearings, but restrictions due to COVID-19 required virtual meetings. Four webinars in total were held, for Butte County, Lake County, Shasta County, and Ventura and Los Angeles Counties. Invites were sent to county and local contacts and local
	recovery groups with request to share broadly. Invites were sent through HCD mailing list and events were posted publicly on HCD's website.
Date	July 20 - July 23, 2020
Stakeholders	<ul style="list-style-type: none"> • General Public • Butte County • City of Biggs • City of Chico • City of Oroville • Town of Paradise • Shasta County • City of Redding • Lake County • City of Clearlake • City of Lakeport • Los Angeles County • Ventura County • City of Thousand Oaks • City of Malibu • Agoura Hills • Calabasas • Westlake Village



Appendix C: Public Comments

The following provides a summary of public comments received for the 2018 CDBG-DR Action Plan during the public comment period of July 8, 2020, through August 12, 2020. Comments and questions are grouped by topic area.

GRANT ELIGIBILITY

Public Comment: Are non-profits able to apply directly or will funds be distributed through local jurisdictions? What are the requirements for non-profits to participate in the CDBG-DR program?

HCD Response: The distribution of funds depends on the program. For the state's Owner-Occupied Program, homeowners will apply directly from the state. In the Multifamily Program, local governments will administer funding in their jurisdictions that may include awards to private and non-profit entities. More information about this process will be contained in the Multifamily Program's policies and procedures. Infrastructure programs will be administered by local jurisdictions. The State will work with various subrecipients to administer the Economic Revitalization program, which may include government, profit, or non-profit entities. Details about the administration of each program will be contained in subsequent program policies and procedures.

Public Comment: For survivors who borrowed or spent their personal funds to rebuild can they apply for funds once they are available?

HCD Response: Details on eligible assistance for owner-occupied repair program will be in the program policies and procedures. At this time, the Program does not include Reimbursement as a program option, but options may change, and applicants may still be eligible for remaining repairs.

Public Comment: Can CDBG-DR funds be used to assist a private for-profit owner of rental property that serves the LMI population?

HCD Response: In the Multifamily Program, local governments will apply for funding from the state and those who receive an award will administer it. Jurisdictions will likely team up with developers in constructing their proposals. More information about this process will be contained in the Multifamily Program's policies and procedures.

Public Comment: Must all housing be rebuilt in the town where the disaster took place, or can it be used throughout the County?

HCD Response: If this refers to multi-family development, specific program policies and procedures will be contained in the Multifamily Program policies and procedures, and the local government's program guidance that administers each program.

Public Comment: Do income requirements consider recent unemployment due to Covid-1

HCD Response: Income is reviewed after an application for assistance is submitted and not based on income at the time of the disaster.

Public Comment: Can these resources be used to rebuild Section 8 housing?

HCD Response: Details on multifamily housing programs will be in the Multifamily Housing Program policies and procedures.

Public Comment: Can anyone who is income eligible apply for single family housing?

HCD Response: For the state's Owner-Occupied Program, residents who lost their home in the 2018 wildfires and resided in a disaster impacted county are eligible to apply. Eligibility is dependent on several different factors that will be assessed during application intake.

Public Comment: Can community colleges, workforce development organizations, or counties apply for economic revitalization funds?

HCD Response: Program policies and procedures for the Economic Revitalization program are still being developed, but HCD anticipates community colleges, workforce development organizations, and counties and municipalities being eligible applicants.

Public Comment: Can economic revitalization funds be used to expand an existing program?

HCD Response: CDBG-DR funds can be utilized to expand an existing program provided that there is no duplication of benefits.

Public Comment: What are the eligibility requirements for multi-family housing?

HCD Response: The details of the multifamily program will be included in program policies and procedures.

Public Comment: Will funds be made available for mobile home parks?

HCD Response: The Multifamily Housing Program policies and procedures will include a list of eligible uses and costs.

Public Comment: Local utilities have raised rates dramatically because of the fires. Is it possible to direct funds to local utilities or to residents to offset these charges?

HCD Response: HUD does not allow government funds to support private utilities. Currently, the program does not include public service support for subsidized utility payments for residents.

Public Comment: Will HCD reimburse residents for repairing damage caused by CALOES over excavation of burned properties?

HCD Response: The program does not currently include a reimbursement program. Additionally, the program for residents is for residential structure repair or replacement.

Public Comment: Funding for energy efficiency, solar photovoltaic, and battery storage expenses should be eligible and encouraged for housing recovery within the CDBG-DR Action Plan.

HCD Response: All homes repaired or rebuilt with CDBG-DR funds will be required to comply with all applicable codes and standards. The Owner-Occupied Housing Rehabilitation and Reconstruction policies and procedures will outline all eligible uses and costs.

Public Comment: The eligibility criteria for the Multi-Family program states “the proposed project must have a minimum of eight total units for Multifamily and will be 1-4 for Small Rental.” What happens if a project has 5-7 units?

HCD Response: Details on the Multi-Family Housing program will be included in the program policies and procedures.

FUNDING DECISIONS - HOUSING

Public Comment: Why are multi-family allocations based on where survivors were displaced to rather than where they were displaced from? Do residents displaced from the burn scar want to find permanent housing outside the burn scar or would they like to return to housing within the burn scar?

HCD Response: Allocations were based on several factors that included both displacement and relocation using the best data available. HCD will work with local jurisdictions on funding needs.

Public Comment: What was the formula used for allocating multi-family funds?

HCD Response: Allocations were based on several factors that included both displacement and relocation using the best data available. HCD will work with local jurisdictions on funding needs.

Public Comment: Butte County accounts for 83% of the residential property loss claims across the 2018 disasters but has only been allocated 60.9% of the Multifamily housing allocation. Many residents who left Butte County after the fire did so because there were no affordable housing options in the County. Building housing elsewhere rather than here reinforces rather than mitigates the impact of the fire on not just Butte County but specifically the foothill communities that were burned.

HCD Response: Allocations were based on several factors that included both displacement and relocation using the best available data. Further, the Multi-Family allocation is only a portion of housing recovery funding and does not take into consideration the substantial amount of funding that will be available through the Owner-Occupied Rehabilitation and Reconstruction for the County. HCD will work with local jurisdictions on funding needs.

Public Comment: It is not even clear that Chico wants additional housing, particularly low- and moderate-income housing. Their infrastructure is overburdened by the thousands of new arrivals living there by necessity rather than choice. The city asked to be removed from AB430 which would have expedited residential and mixed-use development. Chico already has too many vehicles for its street network and may soon have too many customers drawing on its share of the Tuscan Aquifer.

HCD Response: Allocations were based on several factors that included both displacement and relocation using the best available data. HCD will work with local jurisdictions on funding needs and to ensure disaster recovery housing is rebuilt in a manner that is responsive to the affordable housing recovery needs.

Public Comment: Magalia was an especially affordable place to live before the fire and needs multifamily housing.

HCD Response: HCD will work with all impacted jurisdictions to ensure housing redevelopment is responsive to the needs of disaster impacted communities. Unincorporated areas are represented by the County in which they are located due to land use regulations.

We encourage the County and all the unincorporated areas to coordinate recovery efforts.

Public Comment: Can you explain the priority tiering? Is it just based on income?

HCD Response: The priority tiering takes several factors into consideration. It is based on geography, income, and level of damage. In addition, within each tier, owner occupied households with a household member that is disabled or has access or functional needs are given priority. The tiering is outlined in Proposed Disaster Recovery Programs, Section A.2.B, 91.

Public Comment: Can the funds for disaster relief credits under the housing section be used for direct hard costs of the private multi-family sector?

HCD Response: If referring to the \$1 billion in tax credits being made available by the California Tax Credit Allocation Committee, yes. HCD encourages the leveraging of multiple funding sources to implement disaster recovery projects.

Public Comment: HCD should allocate funds towards new homeownership opportunities to increase affordable housing options. We recommend the state include a “placeholder” program under owner-occupied program that would allow the state to reprogram funding into the creation of new homeownership should the owner-occupied program be underutilized.

HCD Response: HCD supports the development of new home ownership opportunities. The State currently anticipates an oversubscription to the housing recovery program and had to make initial choices on program options due to limited funding. However, the State offers new home ownership assistance opportunities in programs outside of CDBG-DR, including CalHOME as one option.

Public Comment: An “opt-in” single family process, as opposed to an “opt-out” approach for creating a pool of potentially fundable needs, is likely to under recognize needs, with a distribution similar to that of FEMA IA and SBA Disaster Loans, also application driven processes. What internal controls or metrics will HCD be monitoring to help ensure an equitable outcome for Lake County?

HCD Response: Due to the nature of CDBG-DR funding and related requirements all programs are voluntary, or “opt-in.” To assist all eligible homeowners with the CDBG-DR requirements, the State will be offering case management assistance through the Owner- Occupied Housing Rehabilitation and Recovery program. Details of the Owner-Occupied Housing Rehabilitation and Recovery program will be included in the program policies and procedures.

Public Comment: Reliance on LMI creates liabilities for rural impoverished areas; repeated disaster seems to exacerbate them, as CDBG-DR builds on HUD’s use of Area Median Income (AMI). Lake County has the lowest AMI (by 17%) of any MID County. Meaning that a person in Lake County must make \$8,000 less than a resident of Butte County to qualify as LMI, however, the cost to rebuild housing does not vary greatly across jurisdictions. Lake County’s situation is unusual but reveals ways HUD and CDBG norms can unintentionally burden local governments and residents in rural, impoverished areas, particularly when there is disaster overlay.

HCD Response: HCD appreciates the comment and understands the challenges federal funding can pose but is required to spend all federal funding in compliance with HUD regulations. To ensure all eligible jurisdictions are able to access CDBG-DR funding, HCD has allocated Planning funds to build capacity at the local level and to provide technical assistance to impacted jurisdictions.

Public Comment: Support for the additional flexibility in the multi-family program through inclusion of the small rental program. Recommend including a method of covering the direct costs of using CDBG-DR dollars (such as NEPA reviews) in addition to the per-unit subsidy/increasing the per-unit subsidy.

HCD Response: Many direct costs related to regulatory requirements such as environmental reviews are eligible uses of CDBG-DR dollars. Details on the Multi-Family Housing program will be included in the program policies and procedures.

Public Comment: The eligibility criteria state Multifamily developments must meet the following affordability requirement: a minimum affordability period of 15 years for the rehabilitation or reconstruction of multifamily rental projects with eight or more units and a minimum affordability period of 20 years for the new construction of multifamily rental units with five or more units. Why is there a difference in the for the affordability period between 8 or more units and five or more units (should this be 5-7 units)? And does this mean the 1-4 units for Small Rental have no affordability period?

HCD Response: This language is taken directly from HUD guidance. The distinction is between “new” construction versus a “repair or reconstruction” activity. However, the State is still finalizing details on the Multi-Family Housing program. This is just the basic criteria as outlined by HUD that will be included in the program policies and procedures.

FUNDING DECISIONS – NON-HOUSING

Public Comment: Since Infrastructure and Economic Revitalization funds are competitive, will priority be given to the most impacted areas? Will applications be weighed based on damage?

HCD Response: After the Action Plan is approved by HUD, HCD will develop policies and procedures for the Infrastructure and Economic Revitalization programs.

Public Comment: Does the requirement to prioritize housing mean that the funding for Economic Revitalization will not be available until the Housing need has been met?

HCD Response: It does not. HCD has prioritized housing through the proposed program allocations. The Economic Revitalization program will proceed once all HUD approvals are obtained.

Public Comment: How much match is required for infrastructure projects?

HCD Response: There is no match requirement associated with CDBG-DR funds.

Public Comment: HCD should fund wildfire mitigation and sustainable forest management.

HCD Response: HCD has allocated funds to Planning that can be utilized for fire mitigation planning and other resilient planning efforts. In addition, HCD is in the process of implementing \$212 million of CDBG-MIT funds for wildfire mitigation HCD received in response to the 2017

wildfires for mitigation in the 2017 impacted jurisdictions. Further, other State and Federal agencies and resources, such as CalFire, CalOES, and, FEMA, are available to address wildfire mitigation and sustainable forest management.

Public Comment: The Action Plan calls for funds to be available beyond the initial phases of the project, but other jurisdictions are better positioned to take advantage of early stages of funding. How will HCD maximize the opportunity Lake County will see a just outcome?

HCD Response: HCD is committed to working with all impacted jurisdictions on funding needs and has allocated Planning funds to build capacity at the local level and fund technical assistance for impacted jurisdictions.

Public Comment: We recommend the 2018 Action Plan provide a direct allocation of Infrastructure and Economic Revitalization funds to each disaster effected county according to the level of destruction and in proportion to the disaster impact.

HCD Response: HCD will make Infrastructure and Economic Revitalization Program funding available to impacted jurisdictions based on eligible jurisdictions having an opportunity to submit eligible Infrastructure Recovery Program projects through a Notice of Interest (NOI) and application process. The NOI and application process requires the jurisdictions to prioritize the requests, in the event that not all projects are eligible or can be funded. The NOI and application process, as well as the prioritization criteria will be fully defined in the Infrastructure Program policies and procedures.

Public Comment: The Town of Paradise has recognized that the wastewater issue is an impediment to rebuilding and is pursuing the development of a sewer system with funds from the North Valley Community Foundation and the USDA. All parties are open to a possible extension outside Town limits, but the County government has not been participating in the process.

HCD Response: HCD intends to fund infrastructure in support of housing and will work with all impacted jurisdictions on funding needs.

TIMELINE

Public Comment: When will additional details on program implementation be available?

HCD Response: Each program will develop their own program policies and procedures, and the timing of each is not known. The State will work expeditiously once HUD approves the Action Plan.

Public Comment: When will the application period for the single-family program begin?

HCD Response: All programs must wait until HUD approves the Action Plan, and executes an agreement with the State.

Public Comment: Will this program be an extension of the 2017 program? What is the timeline?

HCD Response: Many details of the programs are similar to 2017, however each program will have their own policies and procedures pursuant to the approved 2018 disaster Action Plan.

Public Comment: Will the survey begin my place in line for funding?

HCD Response: The survey is the initial step for our owner-occupied program. The survey gathers

information for a tiering process. The survey determines which tier the applicant may qualify for. The survey gathers information for HCD to determine eligibility. After the survey an application must be submitted to initiate the program.

OUTREACH/COORDINATION

Public Comment: How many people are participating in the webinars? What efforts has HCD made to increase outreach due to the pandemic?

HCD Response: Numerous webinars were held virtually and advertised in a number of ways to try and reach people in their homes during the pandemic.

Public Comment: How does this CDBG program coordinate with other CDBG programs?

HCD Response: CDGB-DR is different than regular CDBG. CDBG-DR has specific eligible geographies (counties) and requirements, such as tie-back to specific disaster events. The regular CDBG program has different eligibilities and geographies for distributing funds.

Public Comment: Will these slides be made available?

HCD Response: Yes. The slides from the public meetings are available on the HCD website.

Public Comment: Are the same local groups involved in the 2017 and 2018 programs?

HCD Response: Not sure how to respond. 2017 and 2018 wildfires impacted different areas of the same counties. So the impacted populations are different. Some local groups have chapters that are active in areas impacted by 2017 and 2018 wildfires, such as Catholic Charities and United Way, and they might coordinate their disaster recovery efforts. In other instances, local groups have been established after each disaster, such as the Camp Fire Collaborative (formerly Camp Fire Long Term Recovery Group), that are very focused on a community or disaster and do not necessarily coordinate across counties. Any organization, public or private, local or national, applying to use the CDBG-DR resources would have to go through competitive, public procurement processes.

Public Comment: The webinars are hard to follow. Can you please make this information available to review?

HCD Response: Yes, the slides and a recording of the presentation are available on HCD's website.

Public Comment: The CDBG-DR process involves government entities communicating with one another and not with unincorporated communities. HCD's stakeholder outreach has included valley cities like Biggs and Gridley but none of the organizations based in unincorporated Butte County hill towns where roughly five thousand homes were lost. In past years, after lesser disasters, it may have been adequate to let county governments do the talking. Recovering from the Camp Fire will require unprecedented involvement for unincorporated communities commensurate with the unprecedented harm they have suffered and their unprecedented stake.

HCD Response: HCD prioritizes community engagement and has made efforts to connect with long term recovery groups and other community organizations in addition to county and municipal governments and HCD will continue to do so throughout the disaster recovery process. Land use and disaster recovery decisions in unincorporated areas, however, are ultimately the responsibility of counties for unincorporated areas.

Public Comment: The action plan should reflect the participation of community leaders in every step of the six-year process to make sure CDBG-DR multi-family housing and infrastructure projects go where they are needed most. Some portion of the technical assistance and capacity building budget should go to underrepresented areas to make sure their unmet needs receive equal consideration as incorporated municipalities.

HCD Response: HCD prioritizes community engagement and will continue to do so throughout the disaster recovery process. HCD has also allocated Planning funds for capacity building at the local level, where municipalities and counties are ultimately responsible for administering the disaster recovery funds.

DISASTER CASE MANAGEMENT

Public Comment: Concern was expressed over individual disaster survivor's ability to navigate the application process. Will there be funding for disaster case management?

HCD Response: At this time, the State will be providing case management services for the applicants in the Owner-Occupied Recovery Program.

Public Comment: Can HCD provide training for local disaster case managers?

HCD Response: HCD will be looking at a number of capacity building opportunities. In addition, HCD will ensure that local disaster case managers are aware of CDBG-DR and how to instruct disaster survivors to participate in the program.

Public Comment: Is there anything disaster case manager can to assist this process in our current interactions with disaster survivors?

HCD Response: HCD appreciates the work of case managers and we encourage everyone to check our website regularly for updates.

Public Comment: The state-run program for owner occupied rehab, while building off the 2017 program, remains untested. We worry that the program will be cumbersome and hard to navigate and ultimately undersubscribed. We recommend that the State contractor subcontract with the local disaster case management and construction management providers that have developed effective systems in Butte County.

HCD Response: HCD appreciates the work of local disaster case managers. The State will provide case management services as part of the Owner-Occupied Housing Rehabilitation and Recovery Program. HCD will continue to coordinate with local groups active in disaster recovery.

CDBG-DR REQUIREMENTS

Public Comment: Is there any guidance on these funds being considered supplemental v. the prohibition on supplanting funds?

HCD Response: Details on what is considered duplication of benefits will be contained in each program's guidance documents.

Public Comment: Can you explain the bid process for multi-family/low-income developments? Are they required to go out for public bid?

HCD Response: The use of federal funds requires all procurements be in compliance with the requirements of 2 CFR 200. These requirements are designed to ensure fair and open competition and would require a public process for a large multifamily development project.

Specific details of program awards will be contained in program guidance documents developed after Action Plan approval.

Public Comment: How is low-mod benefit demonstrated for infrastructure projects?

HCD Response: There are several methods of demonstrating a project meets the criteria for the low-moderate income national objective. The most appropriate method must be determined on a case-by-case basis.

Public Comment: How is duplication of benefits a concern if the \$200,000 for single-family is only considered gap financing?

HCD Response: The use of all federal funds must be reviewed to confirm there is no duplication of benefits.

MISC.

Public Comment: In California's CDBG-DR Draft Action Plan, ICC suggests adding on to page 121's sentence "Where possible, proposed activities must consider projects or programs that forward hazard mitigation to reduce future losses. Specific code compliance to achieve hazard mitigation, such as WUI codes, will be implemented where applicable according to local code and the unique needs of impacted communities" so that it includes activities associated with 1) training, 2) certifications, and 3) staffing as eligible for funding under the CDBG-DR Plan. These three elements have proven to increase loss avoidance, encouraged as part of our national mitigation strategy, and would be welcomed across the state.

HCD Response: Thank you for your comment. HCD supports the adoption of progressive building codes to advance wildfire mitigation and resilience and has allocated funding to Planning to allow impacted jurisdictions to adopt and update WUI codes.

Public Comment: There are certain references to s within the document that appear to be incorrect.

HCD Response: HCD appreciates the comment and will review the plan for typographical errors.

In keeping with the State's Citizen Participation Plan, as articulated in the Citizen Participation Section of the initial HUD approved Action Plan, HCD made the draft of this proposed **2018 CDBG-DR Action Plan Amendment number 2**, available for public review and comment on HCD's website here: (<https://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/cdbg-dr-2018/docs/2018-apa2-substantial-508-compliant.pdf>) in English and Spanish.

Comments could be submitted during the comment period via the following methods:

Electronic mail to DisasterRecovery@hcd.ca.gov

Post mail to Disaster Recovery and Response Unit.

The following provides a summary of public comments on 18DR-APA2, received during the public comment period, beginning June 14, 2022, through July 15, 2022.

Public comments received during June 28, 2022, public meeting

The following exchange is from the public meeting held on June 28, 2022, as the required public meeting for the 18DR-APA2. Questions are taken verbatim from meeting participants and

answers are paraphrased from HCD staff.

Question/Comment 1: I'm just curious if someone could speak more to the renter component of the Home Buyer Assistance program and how you see that working.

Answer 1: The Home Buyer Assistance (HBA) program is still under development; we are still very much in the design phase. HCD has requested information from local entities, non-profits, community development finance institutions (CDFIs), to provide input into the design of the program. The intent is to open up the HBA program to both former homeowners and renters.

Question/Comment 2: Is the HBA program only for people who want to relocate out of their current area, or it is available if they were to find a home within the area they lived in – perhaps that was the MID? And then, secondly, I know that, in the Paradise area, there were a lot of homes that were rentals, and so there were a lot of displaced renters, so would it also assist a – well, I guess it's a homeowner program, so – I was just thinking somebody were to have a home and were willing to rent it to a lower-income household, if that would qualify as well.

Answer 2: Focusing on the first question, first, many of the areas impacted by the fires, the whole county was identified as the most impacted and distressed (MID). Most people are looking to move from a very high-risk area to a low-risk area, often within the same county and MID. On the second question on single-family homes that homeowners may be willing to rent to low-income renters, HCD is working with the Town of Paradise to develop a locally-run program – a sort-of pilot program – for small rental units. That would be a different, standalone program from the Home Buyer Assistance program. The small rentals program is not ready to launch yet.

Question/Comment 3: Just tiering off of the last question, when we are talking about home buyer assistance – I work for the local jurisdiction of the City of Lakeport and, so, even though we're within Lake County, which is high fire, the city center has a lower risk of fire – would the City apply for a home buyer program that then we could implement to kind of move people that are located somewhere in the county that's high risk into the City of Lakeport or does an individual homeowner try and access these funds?

Answer 3: HCD is looking to set this up with direct assistance to potential home buyers. We're working, right now, to see if there's a statewide operator (or operators) that HCD can coordinate with. These kinds of programs are an equity challenge for a lot of local jurisdictions, since it depends on who has resources; these are very resource-intensive programs to administer. Since we've already built the infrastructure around HCD's Owner Occupied Rehabilitation and Reconstruction (OOR) program, we are going to leverage that infrastructure to launch this program more quickly and efficiently. HCD would be very interested in coordinating with local jurisdictions to get the word out about the program and conduct targeted outreach with specific neighborhoods.

CDBG-DR requires that a renter show a direct tie-back or connection to the qualifying disaster.

CalOES has programs, such as the Hazard Mitigation Grant Program (HMGP) and Building Resilient Infrastructure Communities (BRIC) program to look at your risk of folks who haven't been impacted and see if there's activities that can be taken now to limit future disasters.

Question/Comment 4: I just noticed under the Paradise sewer architecture and engineering ("A&E") thing; it talks about a condition of the funding is that they'd have to have construction funding secured. I'm not really sure how feasible that would be. You would need to have that A&E done before you could actually go out and secure construction funding.

Answer 4: HCD is not going to require that the Town of Paradise has 100% of construction funding, before HCD will fund Paradise's A&E phase. We are going to be phasing the Town of Paradise's A&E work. It's important that HCD work, strategically, with Paradise to ensure certain milestones are met, so that the funds are not recaptured by the federal funding agency, HUD. The Town of Paradise is already very far along in accessing those construction funds. The sewer system will also connect with the City of Chico and is regional in scope and benefit in that way.

Public comment received in writing (date indicated below)

Comment received July 14, 2022



Butte County Administration

Andy Pickett
Chief Administrative Officer

25 County Center Drive, Suite 200
Oroville, California 95965

T: 530.552.3300
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buttecounty.net/administration

Members of the Board

Bill Connelly | Debra Lucero | Tami Ritter | Tod Kimmelshue | Doug Teeter

July 8, 2022

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

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 June 16, 2022, State HCD issued the Action Plan for Disaster Recovery Amendment No. 2 (APA 2) a substantial amendment which, among other changes, clarifies existing program design for 2018 CDBG-DR funds.

The APA 2 allocates \$18.7M to Butte County in CDBG-DR Economic Revitalization funds which represents just over 46% of the total unmet need identified: \$41M. Economic Revitalization funds are proposed to fund economic recovery activities that support housing, resilient infrastructure, and complete community recovery in impacted areas, specifically a workforce development program delivering training and supportive services to eligible participants.

HCD used a weighted formula methodology to calculate the CDBG-DR Economic Revitalization allocations based on four post-disaster factors that assessed economic revitalization needs: (1) 20% for damaged structure ratio, (2) 25% for disaster unemployment claims ratio, (3) 40% for an inverse ratio of existing relevant workforce training resources, and (4) 15% for an inverse ratio of regional available resources.

The updated APA 2, released on June 24, 2022, states that the two inverse ratios for local and regional trainings put greater weight to eligible counties that have fewer available workforce training resources, and less weight to eligible counties with more available workforce training resources. This weighted formula puts the most weight on the need to develop or expand existing training programs in the eligible counties and the need for an increased skilled construction labor force to aid housing and infrastructure recovery. However, we argue that workforce training resources should at least be commensurate with the volume of the rebuild in order to meet the Action Plan's goals.

For example, Butte County's damaged structure ratio of 82.28% compared to the damaged structure ratio of less than 8% in the next most impacted county suggests that the volume of the rebuild will be significantly greater in Butte County requiring workforce training resources to scale equally. As the APA

2 currently suggests, while Butte County's allocation will be just over 46% with 82.28% of the damage, the next most impacted county's allocation will be 15% (or a full third of Butte's allocation) while their damage structure sits at 7.96%. Both counties offer an equal number of workforce training services.

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, from 20% to a minimum of 50%. 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 preparing the workforce for a rebuild greater in Butte County than any other impacted county, we request the vast majority of funds be allocated to Butte County.

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 your comment on the 2018 CDBG DR Action Plan APA#2.

As part of the initial Action Plan process, HCD established and documented a data driven unmet recovery need for the 2018 disasters. This need greatly exceeded the funding provided by HUD. Based on the funding provided by HUD and the unmet recovery needs, the state dedicated \$40 million to economic revitalization and workforce development. As part of the program design process, HCD collected data to identify an allocation based on a community's ability to recover from the disaster as it relates to workforce. As such, the formula is weighted to provide more grant resources to those communities who would most need and benefit from grant resources in their recovery. HCD factored in damaged structures to its formula; however, the other factors were a stronger indication of where grant funds were most needed. That is, to make the number of damaged structures the greatest factor would leave out important consideration for the number of people who lost employment, the amount of existing local workforce development programs, and the existing regional resources already available in a disaster community. Given the limited amount of funding available, the state anticipates that the disaster recovery funds are used as a leverage with other public and private workforce development programs to expand and further the impacts of the programs in the impacted areas.

The recently signed state budget included increases of \$35 million in pre-apprenticeship and apprentice training programs, as well as \$10 million for new Entrepreneurship Pathways Grant Program. HCD continues to work with its state partners to identify opportunities to align programs and welcomes having Butte at the table for those discussions. Further, as with all of the disaster recovery programs, the state will continue to assess applications, needs, and program implementation progress to determine where funds are best utilized.

The state appreciates the continued coordination with Butte County on the recovery from the 2018 disasters. Thank you.

Public Comment received July 13, 2022

Regarding the addition of Homebuyer Assistance Program to the CDBG-DR action plan:

Most of the CDBG-DR eligible applicants lived in the counties with the lowest income limits in the state. A couple moving from Butte County making up to the CDBG low-income limit would be limited to a housing payment of less than \$1,500 a month, using Fannie Mae's front end ratio maximum. If eligible program costs limit assistance to 20% of the purchase price, the household would need to find a home to purchase with a sales price below \$250,000. There is no county in California with a median home sales price this low.

While offering home-buying assistance to former renters in addition to homeowners fills a needed gap, the expectation that an applicant will move out of the disaster area is problematic because the ability to obtain a primary mortgage often requires two-years of consistent employment with the same employer or in the same industry. This also brings up the issue of the many potential applicants who have relocated outside of the disaster area who now do have a two-year work history that makes a primary mortgage obtainable. Because most of the disaster affected counties have the lowest low-income limits, a displaced resident working outside their disaster-affected county would need to be earning well below the area median income of their current location in order to qualify for assistance which would make an area's proportionally higher housing prices even further out of reach.

HCD response:

Thank you for your comment on the 2018 CDBG DR Action Plan Amendment 2.

The Homebuyer Assistance Program (HBA) currently has an award cap per eligible applicant of \$350,000 as down payment assistance and/or mortgage buydown underwritten as a forgivable loan. The interested homebuyer is expected to also bring any applicable insurance proceeds and other housing assistance resources towards the purchase of their new home. We believe these efforts will help to bring the mortgage loan amount down to affordable levels for the purchase of a modest home in most rural and suburban housing markets across the state, though we are aware that high cost areas will still likely be unaffordable for a program participant. The final program design, including underwriting standards and long-term affordability goals will be completed as part of a collaborative effort with the program operator.

Thank you for your comment. Please let us know if you have any other questions.

Public Comment received July 15, 2022

Would using insurance proceeds to pay off the mortgage on the disaster affected property in order to qualify for a mortgage on the replacement property be considered a duplication of benefits?

HCD response:

The sale of the old home would include the insurance proceeds that was used to pay-off loan. All the proceeds from the sale of the older home can be used to purchase the new home.

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-notice-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.

- 3. 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.

- 4. 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.

- 5. 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.

6. **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.

7. **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,

A handwritten signature in cursive script that reads 'Amy Rohrer'.

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



Butte County Administration

Andy Pickett
Chief Administrative Officer

25 County Center Drive, Suite 200
Oroville, California 95965

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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,



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 to 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.

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-notices-frns>) in English and Spanish.

2018 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 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 required 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 considered 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, is 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 and posted to HCD website.

Public Comment and Questions

These are the summary of public comments and questions received for the 2018 CDBG-DR Action Plan Amendment #7 during the public comment period beginning August 26th, 2024, through September 27th, 2024. All Comments were considered that were received during the meeting and emailed to HCD's disaster recovery email point. The questions and public comments are transcribed below for each meeting and answers from HCD and county staff. HCD will make public comments available to citizens, public agencies, and other interested parties upon request and post it to the HCD website.

Virtual Public Hearing

There were three virtual hearings held for public comment on September 10th in English and September 11th in Spanish and for Tribal Government. There we no public comments or questions asked during the Spanish Public Webinar held on September 11th at 6pm.

Below is a summary of public comment received during the English virtual hearings held for public Comment on September 10th, 2024.

1. Public Comment received from Seana O'Shaughnessy – President/CEO for Community Housing Improvement Program (CHIP Housing).

I appreciate the shift of the OOR dollar to MHP, but I am very disappointed in how the State is going against the wishes of the local jurisdictions in the decisions that are being made, about which projects are being chosen. It goes against local control, which is the spirit of CDBG-DR. So, speaking to both the Town and County, as you know, we have projects in both of those, and you all have seemingly decided that CHIP's projects are the ones that shouldn't be funded. I mean, I know you're allowing the town to pick one. But speaking to the splitting. We've done some analysis of the scores and splitting the 28 million to the town of Paradise, would make both projects in incredibly stratospheric tiebreakers, which would almost guarantee. I know we're in a situation of highly competitive tax credit. Unusually competitive tax credits in the rural set aside. So, we would strongly encourage you to allow the town of Paradise to fund both projects, not pick one and also give us a full year of applications to move forward. So that's the Town speaking to the County potentially, the project in Chico will move forward with tax credits. It has the highest score which would allow all of the remaining projects to be funded. But regardless, telling the town the county which projects should be fully funded. It goes against the spirit of CDBG-DR. The county should be allowed to pick which projects to fully fund.

Those are my primary comments. But I do want to put on the public record that but I do want to put on the public record that pushing disaster, relief funds away from the communities of Paradise and Magalia is incredibly disappointing, because these are the communities that were impacted the

greatest by this disaster. And when you think about the recovery for the people, that is where the housing is needed. And you said that one of the reasons was to where the highest housing needs are, and that's actually not what you're choosing to do by pushing more disaster, relief funds to the cities of Chico and Orville.

We will also submit a public comment letter. But I feel very disappointed. And I've enjoyed working with all of you for many years. The potential that you won't allow the local jurisdictions to really build the housing that is needed in our communities. I know you can't really respond. But I just wanted to put that out there and have it on the record, and we'll submit a letter. Thanks.

HCD Response: Thank you, Shauna. Yes, we appreciate your feedback. We appreciate your comment. Since you write the letter we'll respond to your letter.

Written Public Comment via Electronic Mail

The following questions were received via Electronic Mail (email) by HCD staff during the required 30-day public comment period for the 2018 Action Plan.

There were multiple public comment letters received below in support of Community Housing Improvement Program (CHIP Housing) and Butte County from:

- a. Bruce Yerman, Director of Camp Fire Collaborative, Paradise, CA on 9/17/24
- b. Cathryn Carkhuff, Executive Director - Home & Heart on 9/17/27.
- c. Amy Rohrer, Executive Director of Valley Contractors Exchange on 9/20/24.
- d. Erin Kennedy – Boys & Girls Clubs of North Valley on 9/23/24.
- e. Chelsea Irvine – Community & Economic Development Consultant, Butte County on 9/24/24.
- f. Nicole Bateman, Executive Director – Habitat for Humanity, Butte County on 9/24/24.
- g. Tom Taylor, Superintendent, Paradise Unified School District on 9/24/24.
- h. Leslie Johnson, President, Chico Housing Action Team on 9/24/24.
- i. Congressman Dough LaMalfa's Office on 9/24/24.
- j. from Assemblyman James Gallagher – Chico, CA on 9/26/24.
- k. Butte County, Board of Supervisors on 9/26/24.
- l. Adam Thompson APT Housing on 9/27/24
- m. Chelsea Irvine, Community & Economic Development Consultant, Butte County
- n. Jen Goodlin, Rebuild Paradise Foundation
- o. Casey Taylor, Achieve Charter School of Paradise
- p. Mercy Housing California and CHIP
- q. Monica Nolan, CEO, Paradise Ridge Chamber of Commerce

The public comment letters stated to:

- Allow local jurisdictions to determine how the reallocated funds will be spent.
- Prioritize the Cypress Senior Apartments, Clark Road Family Apartments, and Lakeridge Family Apartment projects.
- Provide a minimum of one-year extension for all 2018 CDBG-DR MHP projects currently in the pipeline.

HCD’s Response to the public comment letters above:

Thank you for submitting your valued comment to the Department of Housing and Community Development’s (HCD) Community Development Block Grant – Disaster Recovery (CDBG-DR) Action Plan Amendment #7 (APA 7) for 2018 Disasters.

Action Plan Amendment #7 updates the status of the ReCoverCA Owner-Occupied Rehabilitation/Reconstruction (OOR) Program and redirects funds from OOR to the Disaster Recovery Multifamily Housing Program (DR-MHP) and Homebuyer Assistance Program (DR-HBA). Specifically, HCD reallocated approximately \$87.5 million to the DR-MHP, to provide an opportunity to fully fund projects that have already been conditionally approved by HCD’s grantees for the use of the funds.

HCD relied on the original Action Plan’s method of distribution to determine which subrecipients (jurisdictions) received additional funding in APA 7. The original action plan allocated 24.5% of the total DR-MHP funds to Butte County, 22.3% of total DR-MHP funds to Town of Paradise, and 3% of total DR-MHP funds to Lake County. There are not enough funds to fill the funding gaps for all conditionally approved projects; therefore, HCD then ranked the conditionally approved projects based on the amount of funds needed to fill the funding gap per unit (total gap/total units) and the amount of other funds being leveraged for each project. HCD appreciates your support of the projects in your community. This amendment allows subrecipients to maintain their ability to determine which conditionally approved multifamily projects are funded with their allocation amount.

The 2018 CDBG-DR grant has an expenditure deadline of December 1, 2026. Multifamily housing projects must complete construction and lease-up to meet its expenditure deadline. HCD continues to work with all subrecipients and demonstrate progress towards maximizing CDBG-DR resources to construct as many units as possible.

Thank you again for your continued partnership and valued feedback that support our joint-efforts in recovering our communities across the state. Please do not hesitate to contact me (916) 862-1527 or Maziar.Movassaghi@hcd.ca.gov.

Some of the letters that were received for public comments are below:



September 17, 2024

Joe Harney, Section Chief
Housing Programs, Disaster Recovery Branch
California Department of Housing and Community Development

Re: 2018 CDBG-DR Substantial Action Plan Amendment 7

Dear Mr. Harney,

On behalf of the **Camp Fire Collaborative**, we strongly support reallocating 2018 CDBG-DR-OOR funding to the 2018 CDBG-DR-MHP program. We respectfully request that you prioritize funding for the three remaining multifamily housing projects in Paradise and Magalia, as these communities have the greatest need for replacement housing.

The Camp Fire Collaborative is a dedicated coalition formed after the devastating 2018 Camp Fire. Our organization has been instrumental in coordinating recovery efforts on the Ridge, assisting over 2,000 families in securing permanent housing solutions. We have been at the forefront of rebuilding and revitalizing our community through partnerships with public agencies, civic groups, faith-based organizations, and non-profit entities. Our mission is to facilitate a comprehensive and equitable recovery, ensuring that the most vulnerable residents have the opportunity to return home and rebuild their lives.

The 2018 Camp Fire devastated our region, resulting in the loss of over 14,000 housing units, primarily in the Town of Paradise and the Butte County communities of Magalia, Concow, and Yankee Hill. Much of the housing loss naturally occurred in affordable housing. Recovery has been slow and challenging, and the difficulties experienced within the Owner-Occupied Rehabilitation program are a testament to the obstacles families have faced in trying to rebuild their lives.

As the Camp Fire Collaborative, we have witnessed firsthand the struggles of displaced residents yearning to return to their communities. Our efforts on the Ridge have included coordinating disaster case management, facilitating donations management, providing spiritual and emotional wellness support, and addressing unmet needs. Despite these efforts, the lack of affordable housing remains the most significant barrier to a full recovery.

Unfortunately, the vast majority of federal funding for housing recovery—including both disaster tax credits and CDBG-DR-MHP funds—has been allocated to the cities of Chico and Oroville. While increasing the availability of affordable housing in these neighboring

Uniting, Strengthening, & Facilitating a healthy & vibrant recovery



September 17th, 2024

Joe Harney, Section Chief
Housing Programs, Disaster Recovery Branch
California Department of Housing and Community Development

Re: 2018 CDBG-DR Substantial Action Plan Amendment 7

On behalf of Home & Heart, we express our support for the reallocation of 2018 CDBG-DR-OOR funding to 2018 CDBG-DR-MHP program and ask that you prioritize funding the three remaining multifamily housing projects in Paradise and Magalia as these communities have the greatest need for replacement housing.

Home & Heart is an organization in Butte County who supports older adults to age in place, increase affordable housing options and reduce isolation in older adults by facilitating homesharing. Our organization has been on the front lines of working with adults and seniors displaced by the Camp Fire, which took and existing housing crises and made it worse. Projects like Cypress Senior Apartments, Clark Road Family Apartments, and Lakeridge Family Apartments are projects that will prevent hundreds of adults, seniors and their families on the brink of homelessness to have permanent stable housing, increase their financial stability and overall wellbeing.

The 2018 Camp Fire devastated our region, bringing the loss of over 14,000 housing units, primarily in the Town of Paradise and Butte County communities of Magalia, Concow, and Yankee Hill. Much of the housing lost was naturally occurring affordable housing. Recovery has been extremely slow and challenging. The challenges experienced within the Owner-Occupied Rehab program are a testament to the difficulty families have faced trying to recover.

Sadly, the vast majority of federal funding for housing recovery, including both disaster tax credits and CDBG-DR-MHP, has gone to the cities of Chico and Oroville. While increasing the availability of affordable housing in these neighboring cities has provided some relief, building replacement housing in the communities most impacted by disaster remains our greatest need. The purpose of CDBG-DR funding is to support *local* communities' recovery post-disaster. Access to affordable housing has been one of the greatest challenges faced by low-income disaster survivors. With this Action Plan amendment, the State has an opportunity to support a more equitable recovery in our region, by providing the lowest-income survivors with a choice.

We strongly encourage you to: 1) allow the local jurisdictions to determine how the reallocated funds will be spent; 2) prioritize Cypress Senior Apartments, Clark Road Family Apartments, and Lakeridge Family Apartments; and 3) provide a minimum of a one-year extension for *all* 2018-CDBG-DR-MHP projects in the pipeline.

Increasing affordable housing options will lead to a healthier and balanced housing market and allow residents who have been waiting desperately for more options to return to Paradise and Magalia. We welcome the substantial investments these developments will bring to our community to help drive economic growth and bolster our community's quality of life.

Sincerely,

Cathryn Carkhuff

Cathryn Carkhuff
Director
Home & Heart
Cathryn@buttecountyhomeshare.com
www.buttecountyhomeshare.com



valley contractors exchange, inc.

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

September 20, 2024

Joe Harney, Section Chief
Housing Programs, Disaster Recovery Branch
California Department of Housing and Community Development

Re: 2018 CDBG-DR Substantial Action Plan Amendment 7

Via Email: DisasterRecovery@hcd.ca.gov

On behalf of Valley Contractors Exchange, we express our support for the reallocation of 2018 CDBG-DR-OOR funding to 2018 CDBG-DR-MHP program and ask that you prioritize funding the three remaining multifamily housing projects in Paradise and Magalia as these communities have the greatest need for replacement housing.

As a member-based association representing over 350 contractors and industry professionals, Valley Contractors Exchange is assisting in our regions recovery and recognize the importance of workforce housing, which multifamily housing projects provide to our local workforce.

The 2018 Camp Fire devastated our region, bringing the loss of over 14,000 housing units, primarily in the Town of Paradise and Butte County communities of Magalia, Concow, and Yankee Hill. Much of the housing lost was naturally occurring affordable housing. Recovery has been extremely slow and challenging. The challenges experienced within the Owner-Occupied Rehab program are a testament to the difficulty families have faced trying to recover.

Sadly, the vast majority of federal funding for housing recovery, including both disaster tax credits and CDBG-DR-MHP, has gone to the cities of Chico and Oroville. While increasing the availability of affordable housing in these neighboring cities has provided some relief, building replacement housing in the communities most impacted by disaster remains our greatest need. The purpose of CDBG-DR funding is to support *local* communities' recovery post-disaster. Access to affordable housing has been one of the greatest challenges faced by low-income disaster survivors. With this Action Plan amendment, the State has an opportunity to support a more equitable recovery in our region, by providing the lowest-income survivors with a choice.

We strongly encourage you to: 1) allow the local jurisdictions to determine how the reallocated funds will be spent; 2) prioritize Cypress Senior Apartments, Clark Road Family Apartments, and Lakeridge Family Apartments; and 3) provide a minimum of a one-year extension for all 2018-CDBG-DR-MHP projects in the pipeline.

Increasing affordable housing options will lead to a healthier and balanced housing market and allow residents who have been waiting desperately for more options to return to Paradise and Magalia. We welcome the substantial investments these developments will bring to our community to help drive economic growth and bolster our community's quality of life.

Sincerely,

Amy Rohrer
Amy Rohrer
Executive Director

Cc: Seana O'Shaughnessy, Stacy Rodgers, Maziar Movassaghi, and Jenny Cho



Northern Valley
Catholic Social Service
INSPIRING HOPE & TRANSFORMING LIVES

September 23, 2024

Mona Akbar
Disaster Recovery Section
California Department of Housing and Community Development

Re: 2018 CDBG-DR Substantial Action Plan Amendment 7

Via Email: DisasterRecovery@hcd.ca.gov

On behalf of Northern Valley Catholic Social Service, we express our support for the reallocation of 2018 CDBG-DR-OOR funding to 2018 CDBG-DR-MHP program and ask that you prioritize funding the three remaining multifamily housing projects in Paradise and Magalia as these communities have the greatest need for replacement housing.

Since 2018, NVCSS has continued to provide extension long term recovery Disaster Case Management services to the Paradise, Magalia and Concow communities. There are many survivors living in less than desirable conditions, often times still on burnt out properties with little to no resources to rebuild or relocate.

The 2018 Camp Fire devastated our region, bringing the loss of over 14,000 housing units, primarily in the Town of Paradise and Butte County communities of Magalia, Concow, and Yankee Hill. Much of the housing lost was naturally occurring affordable housing. Recovery has been extremely slow and challenging. The challenges experienced within the Owner-Occupied Rehab program are a testament to the difficulty families have faced trying to recover.

Sadly, the vast majority of federal funding for housing recovery, including both disaster tax credits and CDBG-DR-MHP, has gone to the cities of Chico and Oroville. While increasing the availability of affordable housing in these neighboring cities has provided some relief, building replacement housing in the communities most impacted by disaster remains our greatest need. The purpose of CDBG-DR funding is to support *local* communities' recovery post-disaster. Access to affordable housing has been one of the greatest challenges faced by low-income disaster survivors. With this Action Plan amendment, the State has an opportunity to support a more equitable recovery in our region, by providing the lowest-income survivors with a choice.

We strongly encourage you to: 1) allow the local jurisdictions to determine how the reallocated funds will be spent; 2) prioritize Cypress Senior Apartments, Clark Road Family Apartments, and Lakeridge Family Apartments; and 3) provide a minimum of a one-year extension for *all* 2018-CDBG-DR-MHP projects in the pipeline.



Northern Valley
Catholic Social Service
INSPIRING HOPE & TRANSFORMING LIVES

Increasing affordable housing options will lead to a healthier and balanced housing market and allow residents who have been waiting desperately for more options to return to Paradise and Magalia. We welcome the substantial investments these developments will bring to our community to help drive economic growth and bolster our community's quality of life.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Erna Friedeberg'.

Erna Friedeberg, MPA
Northern Valley Catholic Social Service

Cc: Seana O'Shaughnessy, Stacy Rodgers, Maziar Movassaghi, and Jenny Cho

September 17, 2024

Joe Harney, Section Chief
Housing Programs, Disaster Recovery Branch
California Department of Housing and Community Development

Re: 2018 CDBG-DR Substantial Action Plan Amendment 7

Via Email: DisasterRecovery@hcd.ca.gov

On behalf of Boys & Girls Clubs of the North Valley we express our support for the reallocation of 2018 CDBG-DR-OOR funding to 2018 CDBG-DR-MHP program and ask that you prioritize funding the three remaining multifamily housing projects in Paradise and Magalia as these communities have the greatest need for replacement housing.

As the Director of Case Management, my team and I participated in recovery efforts and Disaster Case Management for 4 ½ years post Camp Fire. We rebuilt dozens of homes on the Ridge and housed hundreds of clients that were displaced from their previously affordable rentals on the day of Nov. 8, 2018. I can say without a doubt that CHIP housing on the Ridge has changed the lives of many of our clients and offered them safe and sustainable housing that they could afford on rather tight or fixed incomes. They are the ONLY low cost option that exists to support the community and not seek financial gain from residents (unlike the corporate tax deduction properties that have been built with similar funding in neighboring communities over the last few years). CHIP is the best option for individuals and families that have little to no opportunities to be housed at a rate that is sustainable for complex cases, disabled individuals, veterans, single income families, and the elderly. Further, we NEED these families and individuals to return to the Ridge as they are our *workforce*, our community partners, and the fabric of what makes the Ridge unique and wonderful.

The 2018 Camp Fire devastated our region, bringing the loss of over 14,000 housing units, primarily in the Town of Paradise and Butte County communities of Magalia, Concow, and Yankee Hill. Much of the housing lost was naturally occurring affordable housing. Recovery has been extremely slow and challenging. The challenges experienced within the Owner-Occupied Rehab program are a testament to the difficulty families have faced trying to recover.

Sadly, the vast majority of federal funding for housing recovery, including both disaster tax credits and CDBG-DR-MHP, has gone to the cities of Chico and Oroville. While increasing the availability of affordable housing in these neighboring cities has provided some relief, building replacement housing in the communities most impacted by disaster remains our greatest need. The purpose of CDBG-DR funding is to support *local* communities' recovery post-disaster. Access to affordable housing has been one of the greatest challenges faced by low-income disaster survivors. With this Action Plan amendment, the State has an opportunity to support a more equitable recovery in our region, by providing the lowest-income survivors with a choice.

We strongly encourage you to: 1) allow the local jurisdictions to determine how the reallocated funds will be spent; 2) prioritize Cypress Senior Apartments, Clark Road Family Apartments, and Lakeridge Family Apartments; and 3) provide a minimum of a one-year extension for *all* 2018-CDBG-DR-MHP projects in the pipeline.

Increasing affordable housing options will lead to a healthier and balanced housing market and allow residents who have been waiting desperately for more options to return to Paradise and Magalia. We welcome the substantial investments these developments will bring to our community to help drive economic growth and bolster our community's quality of life.

Sincerely,



Erin Kennedy
Boys & Girls Clubs of the North Valley

Cc: Seana O'Shaughnessy, Stacy Rodgers, Maziar Movassaghi, and Jenny Cho

September 24, 2024

Joe Harney, Section Chief
Housing Programs, Disaster Recovery Branch
California Department of Housing and Community Development

Re: 2018 CDBG-DR Substantial Action Plan Amendment 7

Via Email: DisasterRecovery@hcd.ca.gov

As a Community & Economic Development Consultant with extensive experience in disaster recovery, economic development, and affordable housing, I would like to express my support for the reallocation of 2018 CDBG-DR-OOR funding to the 2018 CDBG-DR-MHP program and urge that you prioritize funding the three remaining multifamily housing projects in Paradise and Magalia, as these communities have the greatest need for replacement housing.

With nearly a decade in disaster recovery experience in the public, private, and nonprofit sectors, I have seen firsthand the long-term impact when recovery dollars work. The key to successful recovery from megafires like the Camp Fire are significant community partner support, project innovation, and funding and timeline flexibility.

The Camp Fire devastated Butte County, destroying nearly 14,000 homes, including much of the region's affordable housing. This has had a disproportionate impact on low-income residents, who are still struggling to find a way to return home nearly six years later.

The good news is that some challenges stalling the recovery can be addressed, including that of funding from CDBG-DR, which is specifically meant to support *local* communities' recovery post-disaster. With this proposed Action Plan amendment, the State can support a more equitable recovery in the region, by providing the lowest-income survivors with a choice.

I strongly encourage you to: 1) allow the local jurisdictions to determine how the reallocated funds will be spent; 2) prioritize Cypress Senior Apartments, Clark Road Family Apartments, and Lakeridge Family Apartments; and 3) provide a minimum of a one-year extension for *all* 2018-CDBG-DR-MHP projects in the pipeline.

Increasing affordable housing options will lead to a healthier and more robust housing market and allow residents who have been waiting desperately for more options to return home. Thank you for your consideration. If you have any questions, please do not hesitate to contact me at (916) 207-3878.

Sincerely,



Chelsea Irvine
Community & Economic Development Consultant, Butte County
cc: Seana O'Shaughnessy, Stacy Rodgers, Maziar Movassaghi, and Jenny Cho

P.O. Box 3073
Chico, CA 95927
(530) 343-7423



September 17, 2024

Joe Harney, Section Chief
Housing Programs, Disaster Recovery Branch
California Department of Housing and Community Development

Re: 2018 CDBG-DR Substantial Action Plan Amendment 7

Via Email: DisasterRecovery@hcd.ca.gov

On behalf of Habitat for Humanity of Butte County, we express our support for the reallocation of 2018 CDBG-DR-OOR funding to 2018 CDBG-DR-MHP program and ask that you prioritize funding the three remaining multifamily housing projects in Paradise and Magalia as these communities have the greatest need for replacement housing.

Habitat for Humanity of Butte County has made Paradise our focus area to help rebuild the community after the devastating Camp Fire. We know that Paradise had offered affordable homeownership opportunities and Habitat is committed to building 6-10 homes a year to assist with the recovery.

The 2018 Camp Fire devastated our region, bringing the loss of over 14,000 housing units, primarily in the Town of Paradise and Butte County communities of Magalia, Concow, and Yankee Hill. Much of the housing lost was naturally occurring affordable housing. Recovery has been extremely slow and challenging. The challenges experienced within the Owner-Occupied Rehab program are a testament to the difficulty families have faced trying to recover.

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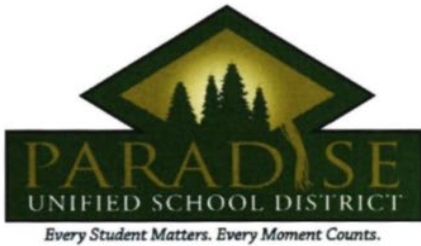
Increasing affordable housing options will lead to a healthier and balanced housing market and allow residents who have been waiting desperately for more options to return to Paradise and Magalia. We welcome the substantial investments these developments will bring to our community to help drive economic growth and bolster our community's quality of life.

Sincerely,

A handwritten signature in black ink, appearing to read "Nicole Bateman". The signature is fluid and cursive, with the first name being more prominent.

Nicole Bateman
Executive Director

Cc: Seana O'Shaughnessy, Stacy Rodgers, Maziar Movassaghi, and Jenny Cho



Paradise Unified School District
6696 Clark Road
Paradise, California
Telephone: (530) 872-6400
Fax: (530) 872-6409
Website: www.pusdk12.org

Tom Taylor
Superintendent

David McCreedy
Assistant Superintendent
Business Services

September 17, 2024

Joe Harney, Section Chief
Housing Programs, Disaster Recovery Branch
California Department of Housing and Community Development

Re: 2018 CDBG-DR Substantial Action Plan Amendment 7

Via Email: DisasterRecovery@hcd.ca.gov

On behalf of Paradise Unified School District, we express our support for the reallocation of 2018 CDBG-DR-OOR funding to 2018 CDBG-DR-MHP program and ask that you prioritize funding the three remaining multifamily housing projects in Paradise and Magalia as these communities have the greatest need for replacement housing.

Paradise Unified School District has seen increases in enrollment the last couple of years due to the continued construction within our community. However, there continues to be families who are doubled up and even a few still living in trailers. We believe this is due to the lack of low-income housing within our community.

The 2018 Camp Fire devastated our region, bringing the loss of over 14,000 housing units, primarily in the Town of Paradise and Butte County communities of Magalia, Concow, and Yankee Hill. Much of the housing lost was naturally occurring affordable housing. Recovery has been extremely slow and challenging. The challenges experienced within the Owner-Occupied Rehab program are a testament to the difficulty families have faced trying to recover.

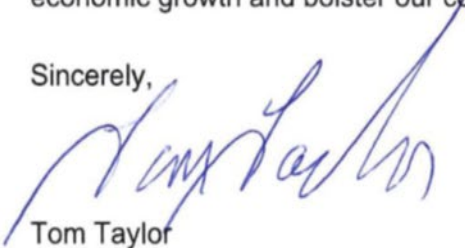
Sadly, the vast majority of federal funding for housing recovery, including both disaster tax credits and CDBG-DR-MHP, has gone to the cities of Chico and Oroville. While increasing the availability of affordable housing in these neighboring cities has provided some relief, building replacement housing in the communities most impacted by disaster remains our greatest need. The purpose of CDBG-DR funding is to support *local* communities' recovery post-disaster. Access to affordable housing has been one of the greatest challenges faced by low-income disaster survivors. With this Action Plan amendment, the State has an opportunity to support a more equitable recovery in our region, by providing the lowest-income survivors with a choice.

We strongly encourage you to: 1) allow the local jurisdictions to determine how the reallocated funds will be spent; 2) prioritize Cypress Senior Apartments, Clark Road Family Apartments,

and Lakeridge Family Apartments; and 3) provide a minimum of a one-year extension for all 2018-CDBG-DR-MHP projects in the pipeline.

Increasing affordable housing options will lead to a healthier and balanced housing market and allow residents who have been waiting desperately for more options to return to Paradise and Magalia. We welcome the substantial investments these developments will bring to our community to help drive economic growth and bolster our community's quality of life.

Sincerely,



Tom Taylor



September 24, 2024

Mona Akbar
Disaster Recovery Section
California Department of Housing and Community Development

Re: 2018 CDBG-DR Substantial Action Plan Amendment 7

Via Email: DisasterRecovery@hcd.ca.gov

On behalf of Chico Housing Action Team, I am writing to express our support for the reallocation of 2018 CDBG-DR-OOR funding to 2018 CDBG-DR-MHP program and ask that you prioritize funding the three remaining multifamily housing projects in Paradise and Magalia, as these communities have the greatest need for replacement housing.

Our organization, CHAT, is one of the major housing providers in Chico for local residents who have struggled to secure housing. All of our clients have been homeless or on the verge of homelessness even before the Camp Fire, and of course, after the Camp Fire and other major fires, the need has become so much greater. We recognize that the regions of Paradise and Magalia are the areas most in need of ongoing funding for replacement housing.

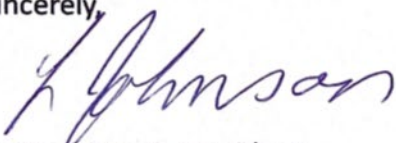
As you know, the 2018 Camp Fire devastated our region, bringing the loss of over 14,000 housing units, primarily in the Town of Paradise and Butte County communities of Magalia, Concow, and Yankee Hill. Much of the housing lost was naturally occurring affordable housing. Recovery has been extremely slow and challenging. The challenges experienced within the Owner-Occupied Rehab program are a testament to the difficulty families have faced trying to recover.

The vast majority of federal funding for housing recovery, including both disaster tax credits and CDBG-DR-MHP, has gone to the cities of Chico and Oroville. While increasing the availability of affordable housing in these neighboring cities has provided some relief, building replacement housing in the communities most impacted by disaster remains our greatest need. The purpose of CDBG-DR funding is to support *local* communities' recovery post-disaster. Access to affordable housing has been one of the greatest challenges faced by low-income disaster survivors. With this Action Plan amendment, the State has an opportunity to support a more equitable recovery in our region, by providing the lowest-income survivors with a choice.

We urge you to: 1) allow the local jurisdictions to determine how the reallocated funds will be spent; 2) prioritize Cypress Senior Apartments, Clark Road Family Apartments, and Lakeridge Family Apartments; and 3) provide a minimum of a one-year extension for *all* 2018-CDBG-DR-MHP projects in the pipeline.

Increasing affordable housing options will lead to a healthier and balanced housing market and allow residents who have been waiting desperately for more options to return to Paradise and Magalia. We welcome the substantial investments these developments will bring to our community to help drive economic growth and bolster our community's quality of life.

Sincerely,

A handwritten signature in blue ink that reads "L. Johnson". The signature is written in a cursive, flowing style.

Leslie Johnson, President
Chico Housing Action Team

Cc: Seana O'Shaughnessy

DOUG LAMALFA
1ST DISTRICT, CALIFORNIA
COMMITTEE ON AGRICULTURE
COMMITTEE ON
TRANSPORTATION AND INFRASTRUCTURE
COMMITTEE ON
NATURAL RESOURCES

Congress of the United States
House of Representatives
Washington, DC 20515-0501

September 24, 2024

Maziar Movassaghi, Chief Disaster Recovery Officer
California Housing and Community Development
651 Bannon Street
Sacramento, California 95811

WASHINGTON OFFICE:
400 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
TEL: (202) 225-3078
FAX: (202) 226-0862

CHICO DISTRICT OFFICE:
120 INDEPENDENCE CIRCLE
SUITE B
CHICO, CA 95973
TEL: (530) 343-1000
FAX: (530) 343-0240

REDDING DISTRICT OFFICE:
2885 CHILLEN CREEK ROAD
SUITE C
REDDING, CA 96002
TEL: (530) 223-5808
FAX: (530) 223-5897

YUBA CITY DISTRICT OFFICE:
1505 BUTTE HOUSE ROAD
SUITE D
YUBA CITY, CA 95903
TEL: (530) 445-6225

<http://doug.lamalfa.house.gov>

RE: Public Comment on the California 2018 Draft Disaster Action Plan Amendment 7 (APA7) of the 2018 CDBG-DR Action Plan

Dear Chief Movassaghi,

As a member of Congress, I represent California's first district where the devastating 2018 Camp Fire destroyed thousands of structures and took the lives of eighty-five of our residents. Six years later, the Butte County region in my district is still in the recovery process. On January 27, 2020, the United States 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 unmet recovery needs related to Major Disaster Declarations DR-4407 and DR-4382 for the 2018 wildfire season. Due to the Major Disaster Declaration for the Butte County Camp Fire occurring during that time, the County and the Town of Paradise have both received funding allocations to support their Multifamily Housing Programs (MHP). The County and the Town received their CDBG-DR allocations for MHP's in the amounts of \$71,185,473 and \$55,906,660 respectively.

On August 26, 2024, the California Department of Housing and Community Development (HCD) issued the DRAFT 2018 Action Plan Amendment 7 (APA7) proposing to shift unused funding allocations from the undersubscribed Owner-Occupied Reconstruction Program (OORP) to the MHP projects in both Butte County and the Town of Paradise in the amounts of \$47,001,436 and \$28,801,012 respectively. While it is unfortunate and disappointing that the Owner-Occupied Reconstruction Program was not more successful, I appreciate HCD's proposal to continue to dedicate these unused funds to the region's shovel-ready, MHP projects. As you are aware, recovery from these major disasters is a long and arduous process. It is important Congress' authorization to utilize these funds for the ongoing housing recovery efforts continues as there is still more work to be done.

Because the OOR funds were designated to help families rebuild and directly replace housing lost in the County and Town, prioritizing projects where housing was lost is the original intent of

Congress and the authorized use of the funding.

In order to best meet local needs of those whom have lost their homes, I suggest the local jurisdictions are best positioned to determine which of the remaining MHP projects would be the best recipient(s) of the redirected OOR funds and request that HCD not assign the funds to specific projects in amending the Master Standard Agreement, but instead provide local discretion to best meet local needs with limited resources.

This redirected OOR funding will be of great help to my constituents who are still in search of permanent housing. It is my pleasure to have this opportunity to share my thoughts with you and provide my support to the local jurisdictions. Please feel free to direct any questions to my staff, Laura Page, Senior Advisor, at laura.page@mail.house.gov or 530-343-1000.

Sincerely,

A handwritten signature in black ink, appearing to read "D. LaMalfa".

Doug LaMalfa
Member of Congress

cc: Acting Secretary Adrienne Todman, United States Housing and Urban Development
Brian Dahle, California State Senator
James Gallagher, California State Assemblyman
Andy Pickett, Butte County Chief Administrative Officer
Jim Goodwin, Town of Paradise Manager

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0003
(916) 319-2003
FAX (916) 319-2103

E-MAIL

Assemblymember.Gallagher@assembly.ca.gov

Assembly
California Legislature



JAMES GALLAGHER
ASSEMBLY REPUBLICAN LEADER
ASSEMBLYMEMBER, THIRD DISTRICT

DISTRICT OFFICE
2060 TALBERT DRIVE, SUITE 110
CHICO, CA 95928
(530) 895-4217
FAX (530) 895-4219

September 26, 2024

Jenny Cho, Assistant Deputy Director
Disaster Recovery Branch
California Department of Housing and Community Development
651 Bannon Street
Sacramento, CA 95811

RE: 2018 Draft Disaster Action Plan Amendment 7 of the 2018 CDBG-DR Action Plan

Dear Ms. Cho,

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 unmet recovery needs related to Major Disaster Declarations DR-4407 and DR4382 for the 2018 wildfire season. Due to the Camp Fire, Butte County has received a \$71,185,473 allocation of CDBG-DR funds and the Town of Paradise received a \$55,906,660 allocation to support the Multifamily Housing Program (MHP).

On August 26, 2024, the California Department of Housing and Community Development (HCD) issued the DRAFT 2018 Action Plan Amendment 7 (APA7) proposing to shift \$47,001,436 from the undersubscribed Owner-Occupied Reconstruction Program (OOR) to the Butte County and \$28,801,012 to the Town of Paradise MHP allocation. While it is unfortunate that the Owner-Occupied Reconstruction Program was not more successful, we appreciate HCD's proposal to continue to dedicate these funds to the region's shovel-ready, multi-family housing projects.

Because the OOR funds were designated to help families rebuild and directly replace housing lost in the Town and County, we believe prioritizing the three remaining projects in the towns of Paradise and Magalia aligns with the original intent of the funding.

To meet local needs, the local jurisdictions are best positioned to determine which of the remaining projects would be the best recipient(s) of the redirected OOR funds. It is for this reason I ask that HCD not assign the funds to specific projects in amending the Master Standard Agreement, but instead provide local discretion to best meet local needs with limited resources.

Sincerely,

A handwritten signature in blue ink, appearing to read "James Gallagher".

JAMES GALLAGHER
Assemblymember, Third District



Adam Thompson
6055 Timber Ridge Drive
Magalia, CA 95954
(916) 468-6443
adam@apthousingca.com

September 27, 2024

Joe Harney, Section Chief
Housing Programs, Disaster Recovery Branch
California Department of Housing and Community Development

Re: 2018 CDBG-DR Substantial Action Plan Amendment 7

Via Email: DisasterRecovery@hcd.ca.gov

On behalf of APT Housing California, I express my support for the reallocation of 2018 CDBG-DR-
OOR funding to 2018 CDBG-DR-MHP program and ask that you prioritize funding the three
remaining multifamily housing projects in Paradise and Magalia as these communities have the
greatest need for replacement housing.

For the past twenty-two years, I've had the privilege of assisting developers in California with the
construction, acquisition, and rehabilitation of low-income multifamily projects. I moved my family
and business to Paradise in 2021 and have been welcomed and embraced by this wonderful
community. The need for more housing, specifically low-income, in Paradise and Magalia is dire to
the ongoing recovery efforts from 2018 Camp Fire. More housing equals more businesses, jobs,
opportunities, growth, and strengthened support for the health of this incredible and resilient
community.

The 2018 Camp Fire devastated our region, bringing the loss of over 14,000 housing units, primarily in
the Town of Paradise and Butte County communities of Magalia, Concow, and Yankee Hill. Much of
the housing lost was naturally occurring affordable housing. Recovery has been extremely slow and
challenging. The challenges experienced within the Owner-Occupied Rehab program are a testament to
the difficulty families have faced trying to recover.

Sadly, the vast majority of federal funding for housing recovery, including both disaster tax credits and
CDBG-DR-MHP, has gone to the cities of Chico and Oroville. While increasing the availability of
affordable housing in these neighboring cities has provided some relief, building replacement housing
in the communities most impacted by disaster remains our greatest need. The purpose of CDBG-DR
funding is to support *local* communities' recovery post-disaster. Access to affordable housing has been
one of the greatest challenges faced by low-income disaster survivors. With this Action Plan
amendment, the State has an opportunity to support a more equitable recovery in our region, by
providing the lowest-income survivors with a choice.

**I strongly encourage you to: 1) allow the local jurisdictions to determine how the reallocated
funds will be spent; 2) provide a minimum of a one-year extension for *all* 2018-CDBG-DR-MHP
projects in the pipeline.**

Increasing affordable housing options will lead to a healthier and balanced housing market and allow residents who have been waiting desperately for more options to return to Paradise and Magalia. We welcome the substantial investments these developments will bring to our community to help drive economic growth and bolster our community's quality of life.

Sincerely,

Adam Thompson

Adam Thompson,
Principal

Cc: Seana O'Shaughnessy, Stacy Rodgers, Maziar Movassaghi, and Jenny Cho

Below are the public comment letters received via email for support of CHIP Housing from four residents of Paradise Community Village (PCV) on 9/25/24 and Mimi Brown, Individual Citizen.

To Whom it Concerns,

This is a statement on why low income is a very essential resource for family needs.

Without it we would not be able to afford to live anywhere in California for a three bedroom as reasonable, as it is here. with the sole income (of minimum wage) and a family of six, normal prices, without the help of low income, the amount is triple the amount, even quadruple the amount in certain areas.

We would also be forced to live with family and further be in debt.

This resource that chip has for our family is a life-line. without it we are in the streets.

The Moncayo Family

To whom this may concern:

I believe that low income housing is such a blessing to our community. There is a lot of people who rely on this type of housing, if it wasn't here I believe there would be a lot more homelessness than there already is. There are many families who work hard and still have a tough time making ends meet every month. The low income housing gives low income families the chance to thrive and strive. I myself and my family of 5 rely on low income housing to live. Our three boys feel safe and happy in our PCV community. They are thriving in school and it gives families like us an opportunity that we are forever grateful for.

Sincerely
PCV Resident.

Sept. 24, 2024

To Whom it may Concern,

I am expressing my concerns on an issue that is extremely close to my heart.

I have lived in Paradise, Ca. for 67 years. My Grandfather, Robert Leo Smith settled here in 1948. My mother, Goldie Eckert came with my Grandfather, same year.

I was 2 yrs. old when my mother brought me to Paradise, 1959. My daughter, Kyla was born at Feather River Hospital, Paradise, 1985. My son, Tyler Born, 1989 same Hospital. My daughter, had my first grandchild, Feather River Hospital, 2009. My second grandchild, 2011. 5 generations from Paradise, Ca!

In 2018, Paradise had the most devastating fire. The Camp fire! at that moment, I lost everything!

We were not allowed to come back to our town for approx. 6 months! When we were finally returned

our Crime Rate Here in Paradise
is Very Low, currently, But,
I Can see it increasing in
the future, if people are
struggling, every day, just
to put food on their table, Gas
prices, private Rent payments,
and No where to Live.

Please Consider, Keeping Paradise
a Safe, Peaceful, Beautiful,
Community To Live,
and a "Place To Call "Home."

Thank you,
Joyce Barker

To Whom it May Concern;

We really need low income housing in Paradise. There are many people, that need it here. I'm just one of the lucky ones that have a nice low income apt. here.

Janet Rhodes

MARIA "MIMI" BROWN MFT MARRIAGE FAMILY THERAPIST
COUNSELING IN NORTHERN CALIFORNIA

(530)354-4418

P. O. Box 276 Paradise, CA 95967

mimibrownmft@gmail.com

September 16, 2024

Joe Harney, Section Chief
Housing Programs, Disaster Recovery Branch
California Department of Housing and Community Development
Re: 2018 CDBG-DR Substantial Action Plan Amendment 7
Via Email: DisasterRecovery@hcd.ca.gov

On behalf of Maria 'Mimi' Brown MFT office, we express our support for the reallocation of 2018 CDBG-DR-OOR funding to 2018 CDBG-DR-MHP program and ask that you prioritize funding the three remaining multifamily housing projects in Paradise and Magalia as these communities have the greatest need for replacement housing.

Personally, at least a dozen of my middle aged friends (empty nesters) and myself are awaiting Lakeridge to open to live there. I have a number of friends in Chico, Oroville and elsewhere, who hate where they are and want to move into a senior or family apartment or condo complex, preferably in Magalia, if not, Paradise.

The 2018 Camp Fire devastated our region, bringing the loss of over 14,000 housing units, primarily in the Town of Paradise and Butte County communities of Magalia, Concow, and Yankee Hill. Much of the housing lost was naturally occurring affordable housing. Recovery has been extremely slow and challenging. The challenges experienced within the Owner-Occupied Rehab program are a testament to the difficulty families have faced trying to recover.

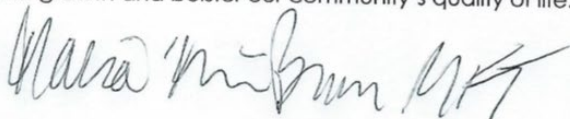
Sadly, the vast majority of federal funding for housing recovery, including both disaster tax credits and CDBG-DR-MHP, has gone to the cities of Chico and Oroville. While increasing the availability of affordable housing in these neighboring cities has provided some relief, building replacement housing in the communities most impacted by disaster remains our greatest need. The purpose of CDBG-DR funding is to support local communities' recovery post-disaster. Access to affordable housing has been one of the greatest challenges faced by low-income disaster survivors. With this Action Plan amendment, the State has an opportunity to support a more equitable recovery in our region, by providing the lowest-income survivors with a choice.

We strongly encourage you to: 1) allow the local jurisdictions to determine how the reallocated funds will be spent; 2) prioritize Cypress Senior Apartments, Clark Road Family Apartments, and **Lakeridge** Family Apartments; and 3) provide a minimum of a one-year extension for all 2018-CDBG-DR-MHP projects in the pipeline.

Increasing affordable housing options will lead to a healthier and balanced housing market and allow residents who have been waiting desperately for more options to return to Paradise and Magalia. We welcome the substantial investments these developments will bring to our community to help drive economic growth and bolster our community's quality of life.

Sincerely,

Maria "Mimi" Brown MFT
Lic No 50470



Cc: Seana O'Shaughnessy, Stacy Rodgers, Maziar Movassaghi, and Jenny Cho

HCD's Response to the four residents of Paradise Community Village and Mimi Brown, individual citizen:

Thank you for submitting your valued comment to the Department of Housing and Community Development's (HCD) Community Development Block Grant – Disaster Recovery (CDBG-DR) Action Plan Amendment #7 (APA 7) for 2018 Disasters.

Action Plan Amendment #7 continues HCD's support of post disaster housing recovery needs. Specifically, this amendment updates the status of the ReCoverCA Owner-Occupied Rehabilitation/Reconstruction (OOR) Program and redirects \$87.5 million funds from OOR to the Disaster Recovery Multifamily Housing Program (DR-MHP) and Homebuyer Assistance Program (DR-HBA). This amendment allows subrecipients to maintain their ability to determine which conditionally approved multifamily projects are funded with their allocation amount.

There are not enough funds to fill the funding gaps for all conditionally approved projects; therefore, HCD then ranked the conditionally approved projects based on the amount of funds needed to fill the funding gap per unit (total gap/total units) and the amount of other funds being leveraged for each project. HCD continues to work with all subrecipients and demonstrate progress towards maximizing CDBG-DR resources to construct as many units as possible.

Thank you again for your continued engagement with CDBG-DR program and our joint-efforts in post disaster recovery. HCD appreciates your support of the projects in your community.

Public Comment email letter received from Town of Paradise on 9/25/24.



Town of Paradise
5555 Skyway
Paradise, CA
95969
(530) 872-6291

September 23, 2024

Joe Harney, Section Chief
Housing Programs, Disaster Recovery Branch
California Department of Housing and Community Development

Re: 2018 CDBG-DR Substantial Action Plan Amendment 7

Via Email: DisasterRecovery@hcd.ca.gov

On behalf of the Town of Paradise, we express our support for the reallocation of 2018 CDBG-DR-OOR funding to 2018 CDBG-DR-MHP program and ask that you prioritize funding the three remaining multifamily housing projects in Paradise and Magalia as these communities have the greatest need for replacement housing.

The 2018 Camp Fire devastated our Town, bringing the loss of over 12,000 housing units and displacing tens of thousands of residents. The Town's population decreased by nearly 90% overnight; a shift that has impacted the community in every aspect. The Town has made tremendous efforts and progress in rebuilding our community, but recovery continues to be a challenging process. We believe that continued support and collaboration with HCD will be essential to replacing much needed affordable housing.

Most of the federal funding for housing recovery, including both disaster tax credits and CDBG-DR-MHP, has gone to the nearby cities of Chico and Oroville. While increasing the availability of affordable housing in these neighboring cities has provided some relief, building replacement housing in the communities most impacted by disaster remains our greatest need. The purpose of CDBG-DR funding is to support local communities' recovery post-disaster. Access to affordable housing has been one of the greatest challenges faced by low-income disaster survivors. With this Action Plan amendment, the State has an opportunity to support a more equitable recovery in our region, by providing the lowest-income survivors with a choice.

We strongly encourage you to: 1) allow the local jurisdictions to determine how the reallocated funds will be spent; 2) prioritize Cypress Senior Apartments, Clark Road Family Apartments, and Lakeridge Family Apartments; and 3) provide a minimum of a one-year extension for all 2018-CDBG-DR-MHP projects in the pipeline.

Increasing affordable housing options will lead to a healthier and balanced housing market and allow residents who have been waiting desperately for more options to return

to Paradise and Magalia. We welcome the substantial investments these developments will bring to our community to help drive economic growth and bolster our community's quality of life.

Sincerely,



James Goodwin,
Town Manager

Cc: Seana O'Shaughnessy, Stacy Rodgers, Maziar Movassaghi, and Jenny Cho



Butte County Board of Supervisors

25 County Center Drive, Suite 200
Oroville, California 95965

T: 530.552.3300
F: 530.538.7120

www.buttecounty.net/administrati

Members of the Board

Bill Connolly | Peter Guefze | Tom Ritter | Tod Kimmelshue | Doug Teeter

September 24, 2024

Mona Akbar, Disaster Recovery Section
Dept. of Housing and Community Development
651 Bannon Street, Suite 700
Sacramento, CA 95811

RE: Public Comment from the County of Butte on the 2018 Draft Disaster Action Plan Amendment 7 (APA7) 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 unmet recovery needs related to Major Disaster Declarations DR-4407 and DR4382 for the 2018 wildfire season. Due to the Camp Fire, Butte County has received a \$71,185,473 allocation of CDBG-DR funds to support the Multifamily Housing Program (MHP) and has issued nine conditional commitment letters to multifamily housing projects. Five projects are either complete or under construction, and four have yet to receive tax credit awards to complete their funding needs, but have met all environmental requirements.

On August 26, 2024, the California Department of Housing and Community Development (HCD) issued the DRAFT 2018 Action Plan Amendment 7 (APA7) proposing to shift \$47,001,436 from the undersubscribed Owner Occupied Reconstruction Program to the Butte County MHP allocation. While it is unfortunate that the Owner Occupied Reconstruction Program was not more successful, Butte County appreciates HCD's proposal to continue to dedicate these funds to Butte County's shovel-ready housing projects. However, in order to best meet local needs we believe the County is best positioned to determine which of the four projects would be the best recipient of the redirected funds and request that HCD not assign the funds to specific projects in amending the Master Standard Agreement, but instead provide local discretion to best meet local needs with limited resources.

These comments are consistent with concerns Butte County has presented to HCD throughout the development of the 2018 CDBG-DR Action Plan and all subsequent amendments. If there are any questions, please contact Katie Simmons, Deputy Chief Administrative Officer, Butte County Administration, ksimmons@buttecounty.net, 530.552.3338. Thank you for your consideration.

Sincerely,



Tod Kimmelshue, Chair
Butte County Board of Supervisors

There were four public comment letters received below in support of Lakeport Project CA from:

- a. Chris Dart, President of Danco Communities on 9/26/24.
- b. Chris Westlake, Westlake Consulting LLC, on 9/26/24.
- c. Kevin Ingram, City Manager, City of Lakeport on 9/27/24.
- d. Peter Schellinger, Managing Member, Waterstone Residential, LLC Communities on 9/26/24.

The letters stated to:

- Prioritize project based on tie-breaker scores from tax credits, if project awarded tax-credit then ,should not be eligible for CDBG-DR, redirect to next project
- Consider Parkside Apartments since the project did not receive tax-credit.
- Clearlake project did not apply for tax credit, the funds should go to Parkside Apartment.
- Projects selected to receive additional CDBG-DR funds from this Action Plan subsequently receive a tax credit, should not be eligible for additional .
- HCD should rank the projects based on their tie breaker scores with the latest round of 9% tax credits.
- Funding awarded to the highest scoring project with remaining available funds being awarded to the next project in Waterfall allocation.
- Remaining funds from Malibu, Calabasas and Agoura Hills should be used for Parkside Apartment project.
- Rank projects based on their tie breaker scores with 9% tax credits, since all DR projects originally contemplated tax credit equity in their funding sources.

HCD's Response to the letters for the comments above:

Thank you for submitting your valued comment to the Department of Housing and Community Development's (HCD) Community Development Block Grant – Disaster Recovery (CDBG-DR) Action Plan Amendment #7 (APA 7) for 2018 Disasters.

Action Plan Amendment #7 updates the status of the ReCoverCA Owner-Occupied Rehabilitation/Reconstruction (OOR) Program and redirects funds from OOR to the Disaster Recovery Multifamily Housing Program (DR-MHP) and Homebuyer Assistance Program (DR-HBA). Specifically, HCD reallocated approximately \$87.5 million to the DR-MHP, to provide an opportunity to fully fund projects that have already been conditionally approved by HCD's grantees for the use of the funds.

HCD relied on the original Action Plan's method of distribution to determine which subrecipients (jurisdictions) received additional funding in APA 7. The original action plan allocated 24.5% of the total DR-MHP funds to Butte County, 22.3% of total DR-MHP funds to Town of Paradise, and 3% of total DR-MHP funds to Lake County. Low-Income

Housing Tax Credits or Bonds are not required for a project to be eligible to receive DR-MHP funding. There are not enough funds to fill the funding gaps for all conditionally approved projects; therefore, HCD then ranked the conditionally approved projects based on the amount of funds needed to fill the funding gap per unit (total gap/total units) and the amount of other funds being leveraged for each project. HCD appreciates your support of the projects in your community. This amendment allows subrecipients to maintain their ability to determine which conditionally approved multifamily projects are funded with their allocation amount.

The 2018 CDBG-DR grant has an expenditure deadline of December 1, 2026. Multifamily housing projects must complete construction and lease-up to meet its expenditure deadline. HCD continues to work with all subrecipients and demonstrate progress towards maximizing CDBG-DR resources to construct as many units as possible.

Thank you again for your continued partnership and valued feedback that support our joint-efforts in recovering our communities across the state. Please do not hesitate to contact me (916) 862-1527 or Maziar.Movassaghi@hcd.ca.gov.

Below are the public comment letters received via email for support of Lakeport project.

September 26, 2024

Mona Akbar
Disaster Recovery and Response Unit Specialist
Housing & Community Development
651 Bannon Street, Ste 700 | Sacramento, CA 95811

RE: HCD Action Plan Amendment No.7 (2018 DR – MHP)

We would greatly appreciate HCD's consideration of the following feedback regarding the referenced Action Plan as it finalizes the distribution of funds.

HCD should prioritize projects based on their tie-breaker scores from the most recent round of 9% tax credits. Consistent with other HCD initiatives, funding should be awarded to the top-scoring project. If a CDBG-DR project selected for additional funding from this Action Plan receives a tax credit allocation in 2024, it should no longer be eligible for further CDBG-DR funds. In that case, HCD should redirect those funds to the next eligible CDBG-DR project.

While Parkside Apartments has consistently ranked as the highest-scoring project for both 9% and 4% CDBG-DR funding in recent rounds, it has yet to receive an award from TCAC. Therefore, we urge that this development be considered for funding under this Action Plan Amendment.

It's also important to note that the latest round of tax credits, the second 4% round, closed on August 27, 2024, with Parkside Apartments being the only CDBG-DR project to apply for these credits. Additionally, the Clearlake allocation is directed toward a project that did not apply for tax credits in 2024. Given the ongoing unmet need in Lake County, particularly in Lakeport, we propose an allocation of \$17,000,000 to fully fund Parkside Apartments.

Thank you once again for considering this input and for your continued support of the Parkside Apartments DR-MHP project in Lakeport, California.

Best regards,



Chris Dart

President of Danco Communities



September 26, 2024

Mona Akbar
Disaster Recovery and Response Unit Specialist
Housing & Community Development
651 Bannon Street, Ste 700 | Sacramento, CA 95811

RE: HCD Action Plan Amendment No.7 (2018 DR – MHP)

It would be greatly appreciated if HCD takes into consideration the following comments related to the above-referenced Action Plan when finalizing the regulations and guidelines for the allocation of funds:

General Comments

- Should a CDBG-DR project that is selected to receive additional CDBG-DR funds from this Action Plan subsequently receive a tax credit allocation in 2024, that project should not be eligible for additional CDBG-DR funds and HCD shall reallocate those funds to the next eligible CDBG-DR project.
- HCD should rank the projects based on their tie breaker scores with the latest round of 9% tax credits, since all DR projects originally contemplated tax credit equity in their funding sources. Similar to other HCD programs, funding shall be awarded to the highest scoring project with remaining available funds being awarded to the next project in the waterfall allocation.

Project Specific Comments

- Although Parkside Apartments has been the highest scoring tax credit project for both 9% and 4% CDBG-DR projects in the last several rounds, it still hasn't received an award from TCAC. As such, this development should be considered for funding with this Action Plan Amendment.
- The most recent round of tax credits is the 4% second round that closed August 27, 2024. The only CDBG-DR project that applied for credits was Parkside Apartments.
- It should be noted that the Clearlake allocation is going to a project that hasn't applied for tax credits in 2024. Not sure if there is a time constraint for this development.
- There is still unmet need in Lake County, especially Lakeport, and as such there should be an allocation to Lakeport of \$17,000,000 to fully fund Parkside Apartments.

Thanks again for your consideration and continued support of the Parkside Apartments DR-MHP project in Lakeport, California.

Best regards,

A blue ink handwritten signature of Peter Schellinger, consisting of a stylized cursive name.

Peter Schellinger
Managing Member

Westlake Consulting, LLC

September 26, 2024

Mona Akbar
Disaster Recovery and Response Unit Specialist
California Department of Housing & Community Development
651 Bannon Street, Suite 700
Sacramento, CA 95811

RE: HCD Action Plan Amendment No.7 (2018 DR – MHP)

Good Afternoon,

In response to the California Department of Housing and Community Development (HCD) Action Plan #7 (2018 DR-MHP), I want to submit the following comments as they relate to the DR-Multifamily Housing program component. As a former Deputy Director of HCD, I know there is a lot of comments that come in for analysis, but I wanted to keep mine brief and to the point. I am the finance consultant on a CDBG-DR project in Lakeport (Parkside Apartments) that has been trying to get awarded extremely high tie breaker scores in multiple tax credit rounds this year. This Action Plan could make a difference and fund this project similar to what has been done in the Accelerator program at HCD. I would appreciate it if HCD takes into consideration the following comments related to the above-referenced Action Plan when finalizing the regulations and guidelines for the re-allocation of funds:

General Comments:

- Should a CDBG-DR project that is selected to receive additional CDBG-DR funds from this Action Plan subsequently receive a tax credit allocation in 2024, that project should not be eligible for additional CDBG-DR funds and HCD shall reallocate those funds to the next eligible CDBG-DR project.
- HCD should rank the projects based on their tie breaker scores with the latest round of 9% tax credits, since all DR projects originally contemplated tax credit equity in their funding sources. Similar to other HCD programs, funding shall be awarded to the highest scoring project with remaining available funds being awarded to the next project in the waterfall allocation.

Project-Specific Comments:

- From the Round 1 CDBG-DR NOFA that closed on September 6, 2024, there was \$26,699,371 set aside for Malibu, Calabasas, and Agoura Hills. I believe that there have been no applications submitted for this set aside, and since it was part of the 2018 disasters, then those funds can be swept into the Multifamily Housing part and be used to fully fund the Lakeport development of Parkside Apartments.
- HCD should rank the projects based on their tie breaker scores with the latest round of 9% tax credits, since all DR projects originally contemplated tax credit equity in their funding sources. Similar to other HCD programs, funding shall be awarded to the highest scoring project with remaining available funds being awarded to the next project in the waterfall allocation. Below is a snapshot with the CDBG-DR projects highlighted in yellow:

Westlake Consulting, LLC

CDBG NUMBER	PROJECT NAME	HOUSING TYPE	ANNUAL FEDERAL CREDIT REQUEST	TOTAL STATE CREDIT REQUEST	POINTS SELF SCORE TOTAL	TE BREAKER SELF SCORE	SET ASIDE	CITY	COUNTY
CA-24-071	Summer Seas	Large Family	\$1,533,000	\$1,533,138	109.38	14.10%	Rural Apartment (CDBG-DR)	San Diego	San Diego
CA-24-111	Parkside Apartments	Large Family HR	\$1,713,181	\$0	109.38	71.32%	Rural Apartment (CDBG-DR)	Lakeport	Lake
CA-24-188	Clare Road Apartments	Large Family HR	\$2,533,220	\$4,331,321	109.38	88.30%	Rural Apartment (CDBG-DR)	Parkside	Butte
CA-24-195	Clare Road Apartments Phase II	Large Family	\$2,533,220	\$1,331,321	109.38	88.30%	Rural Apartment (CDBG-DR)	Parkside	Butte
CA-24-360	Lincoln Street Senior Apartments	Seniors	\$2,281,728	\$0	109.38	82.33%	Rural Apartment (CDBG-DR)	Truckee	Butte
CA-24-361	Lakeview Circle Apartments	Large Family	\$2,533,220	\$0	109.38	88.30%	Rural Apartment (CDBG-DR)	Truckee	Butte
CA-24-385	Brookview Senior Village	Seniors	\$2,533,220	\$1,737,438	109.38	84.82%	Rural Apartment (CDBG-DR)	Parkside	San Diego
CA-24-390	Cornelia Lane Senior Apartments	Seniors	\$2,328,712	\$5,746,874	109.38	84.18%	Rural Apartment (CDBG-DR)	Parkside	Butte
CA-24-378	Caroline Pines Apartments	Large Family	\$1,082,212	\$1,024,361	109.38	49.02%	Rural Apartment (CDBG-DR)	Carlinville	San Luis Obispo
CA-24-103	Lone Oak Senior Apartments I	Seniors	\$1,421,042	\$0	109.38	44.20%	Rural Apartment (CDBG-DR)	Tyrone Village	Tulare
CA-24-102	Burns Street Senior Apartments	Seniors	\$1,845,433	\$0	109.38	21.13%	Rural Apartment (CDBG-DR)	Lakeport	Lake
CA-24-121	Oakland View Apartments II	Large Family	\$1,514,511	\$403,338	109.38	14.21%	Rural Apartment (CDBG-DR)	Truckee	Butte

- Although Parkside Apartments has been the highest scoring tax credit project for both 9% and 4% CDBG-DR projects in the last several rounds, it still hasn't received an award from TCAC. As such, this development should be considered for funding with this Action Plan Amendment.
- The most recent round of tax credits is the 4% second round that closed August 27, 2024. The only CDBG-DR project that applied for credits was Parkside Apartments.
- It should be noted that the Clearlake allocation is going to a project that hasn't applied for tax credits in 2024. Not sure if there is a time constraint for this development.
- There is still unmet need in Lake County, especially Lakeport, and as such there should be an allocation to Lakeport of \$17,000,000 to fully fund Parkside Apartments.

Thanks again for your consideration and continued support of the Parkside Apartments DR-MHP project in Lakeport, California.

Sincerely,

Chris Westlake
Owner/Consultant

Public Comment Email letter received from Kevin Ingram - City Manager, City of Lakeport on 9/27/24.

CITY OF LAKEPORT

*Over 130 years of community
pride, progress and service*



September 27, 2024

Action Plan Amendment, Number 7, on the CDBG-DR Plan Webpage
Electronically Submitted--(DisasterRecovery@hcd.ca.gov)

RE: City of Lakeport Comments to State of California Action Plan for Disaster Recovery from 2018 Disasters Action Plan Amendment No. 7

Dear California Department of Housing and Community Development,

I am submitting this public comment regarding Action Plan Amendment Number 7, acknowledging that the official public comment period ended on September 26, 2024, at 5:00 PM. However, the Lakeport City Council met on September 26, 2024, at 6:00 PM and unanimously approved both a request for an extension of the comment period for CDBG-DR and the reallocation of \$2.4 million of CDBG-DR funds to the Parkside Apartments project. We respectfully ask that this input be considered as part of the broader discussion around the allocation of Community Development Block Grant Disaster Recovery (CDBG-DR) funds.

I would like to raise several important points for consideration regarding the allocation and reallocation of these funds:

- From the Round 1 CDBG-DR Notice of Funding Availability (NOFA), which closed on September 6, 2024, \$26,699,371 was set aside for the cities of Malibu, Calabasas, and Agoura Hills. It is my understanding that no applications have been submitted for this set-aside. As this funding is linked to the 2018 disasters, it is our belief that these funds should be redirected to the Multifamily Housing program and utilized to fully fund the Parkside Apartments development in Lakeport.
- In any instance where a CDBG-DR project selected to receive additional funds from this Action Plan subsequently secures a tax credit allocation in 2024, we propose that the project should become ineligible for additional CDBG-DR funding. HCD should reallocate these funds to the next eligible CDBG-DR project, ensuring that financial resources are distributed where they are most needed.
- We recommend that HCD rank projects based on their tie-breaker scores from the latest round of 9% tax credits. Since all CDBG-DR projects initially contemplated the inclusion of tax credit equity in their financial plans, funding should be awarded to the highest-scoring projects, with remaining funds allocated to subsequent projects following a

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