



**State of California
Action Plan for Disaster Recovery
from 2018 Disasters
Action Plan Amendment No. 3**
California Department of Housing and Community Development

Non-substantial Amendment posted:
Approved by HUD:

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



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I. Background and Summary of Changes

On January 27, 2020, the **U.S. Department of Housing and Urban Development (HUD)** allocated \$1,017,399,000 in Community Development Block Grant-Disaster Recovery (CDBG-DR) funds to the State of California to support California's unmet recovery needs related to the Federal Emergency Management Agency (FEMA) Major Disaster Declarations DR-4407 and DR-4382 for the 2018 wildfire season. The funds were released in two allocations: Public Law 115-254 Unmet Needs allocation of \$491,816,000 and Public Law 116-20 Unmet Needs allocation of \$525,583,000. The California Department of Housing and Community Development (HCD) manages CDBG-DR funds in accordance with the goals and objectives set forth in the state's initial HUD-approved Action Plan for 2018 disasters ("18DR-Action Plan"). The 18DR-Action Plan amendment, number two ("APA 2"), was a substantial amendment; it added a new program, removed an existing program from the initial HUD-approved Action Plan, and changed program budgets in excess of the \$10 million threshold for substantial action plan amendments. APA 2 also clarified existing program design for 2018 CDBG-DR funds.

In this non-substantial amendment for Action Plan Amendment 3 (APA 3), the State of California proposes to make a change to address how the state will directly administer the Homebuyer Assistance Program (HBA). The state will carry out HBA activities through assistance provided under an agreement with a nonprofit subrecipient. APA 3 does not include a change to the most recently revised budget in APA 2, nor does it propose a change to eligibility criteria for applicants to the HBA Program.

In this non-substantial amendment for APA 3, the State of California defines how the state allocates Phase II funds for oversubscription under the Multifamily Housing Program. APA 3 does not propose a change to eligibility criteria for jurisdictions or projects under the Multifamily Housing Program. The amendment will show the final allocations based on Phase II deferred and declined allocations.

Summary of Changes:

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 oversubscriptions.



II. Action Plan Amendments

1. Executive Summary, no change in use of CDG-DR Funds (page 10)

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

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

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



2. Proposed Disaster Recovery Programs, Connection to unmet needs

A. Allocation of funds (page 133) (No change for APA3)

FIGURE 91: CDBG-DR PROGRAM BUDGET (page 134)

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

B. Program Allocations (page 135)

1. HCD Administered

This section below is updated to provide how the state will partner with a nonprofit subrecipient to deliver Homebuyer Assistance.

The 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 either a state agency partner or a procured contractor.

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

Replace: 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.



3. Proposed Disaster Recovery Programs, Program Overviews

C. Multifamily Housing Program (page 143)

7. Allocation Methodology

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.

Add: 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 nine 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 93 shows the updated allocations.

In 2021 and 2022, several jurisdictions decided to defer or decline their allocation. Figure 93 shows the updated allocations.

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

	TOTAL APPLICANTS	% OF TOTAL	MF ALLOCATION
Total	12,775		\$250,687,114.00
Butte County	8,205	64.2%	\$161,008,827.43
Butte County	3,127	24.5%	\$61,361,926.06
Chico	1,656	13.0%	\$32,496,114.35
Gridley	122	1.0%	\$2,394,037.41
Oroville	451	3.5%	\$8,850,089.11
Paradise	2,849	22.3%	\$55,906,660.49
Lake County	511	4.0%	\$10,027,484.56

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Lake County	387	3.0%	\$7,594,200.64
Lakeport	124	1.0%	\$2,433,283.92
Los Angeles County	1,498	11.7%	\$29,395,639.67
Los Angeles County	138	1.1%	\$2,708,009.53
Agoura Hills	246	1.9%	\$4,827,321.33
Calabasas	166	1.3%	\$3,257,460.74
Malibu	948	7.4%	\$18,602,848.07
Shasta County	1,183	9.3%	\$23,214,313.57
Shasta County	218	1.7%	\$4,277,870.13
Redding	849	6.6%	\$16,660,145.58
Anderson	38	0.3%	\$745,683.78
Shasta Lake	78	0.6%	\$1,530,614.08
Ventura County	175	1.4%	\$3,434,070.05
Ventura County	87	0.7%	\$1,707,223.40
Thousand Oaks	88	0.7%	\$1,726,846.65
Phase II *	1,203	9.4%	\$23,606,778.72

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

	TOTAL APPLICANTS	% OF TOTAL	Original MF ALLOCATION	CHANGE (Phase II or Reallocation)	Current MF ALLOCATION
Total	12,775		\$250,687,114.00		\$250,687,114.00
Butte County	8,205	64.20%	\$161,008,827.43		\$178,982,374.42
Butte County	3,127	24.50%	\$61,361,926.06	\$9,823,547.00	\$71,185,473.06
Chico	1,656	13.00%	\$32,496,114.35		\$32,496,114.35
Gridley	122	1.00%	\$2,394,037.41		\$2,394,037.41
Oroville	451	3.50%	\$8,850,089.11	\$8,150,000.00	\$17,000,089.11
Paradise	2,849	22.30%	\$55,906,660.49		\$55,906,660.49
Lake County	511	4.00%	\$10,027,484.56		\$15,656,516.56
Lake County	387	3.00%	\$7,594,200.64	(\$7,594,200.64)	\$0.00
Clearlake	--	--	--	\$5,650,916.32	\$5,650,916.32
Lakeport	124	1.00%	\$2,433,283.92	\$7,572,316.32	\$10,005,600.24
Los Angeles County	1,498	11.70%	\$29,395,639.67		\$24,568,318.34

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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