



*CDBG-DR Action Plan for  
October & December 2017  
Wildfires*



***PUBLIC MEETING***

October 2018

# AGENDA

- Introductions
- Funding Overview
- Disaster Overview
- HUD Action Plan
- Proposed Recovery Programs
- Question & Answer

# GOALS AND OBJECTIVES

- Provide an overview of Community Development Block Grant Disaster Recovery (CDBG-DR) requirements and timeline
- Provide an understanding of impacted areas, damages, and unmet recovery needs
- Provide an overview of the state's proposed recovery programs
- Discuss recovery timeline
- Open discussion, questions, and feedback

# DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD)

***Mission:*** Provides leadership, policies, and programs to preserve and expand safe and affordable housing opportunities and promote strong communities for all Californians.

- Grants and funding
- Mobile home registration
- Building standards
- Planning and community development
- Policy and research

# FUNDING AND DISASTER OVERVIEW

# AVAILABLE FUNDING

**April 2018** - Federal Department of Housing and Urban Development (HUD) issued a press release stating that the State of California will receive a total of **\$212,374,000** for disaster recovery efforts from the 2017 wildfires, mudflows, and debris flows.

## **Funding split into two funding sources:**

### 1. Unmet Recovery Needs - \$124 million

- Address serious unmet housing needs, business needs, and infrastructure recovery

### 2. Mitigation - \$88 million

- Not addressed in this presentation

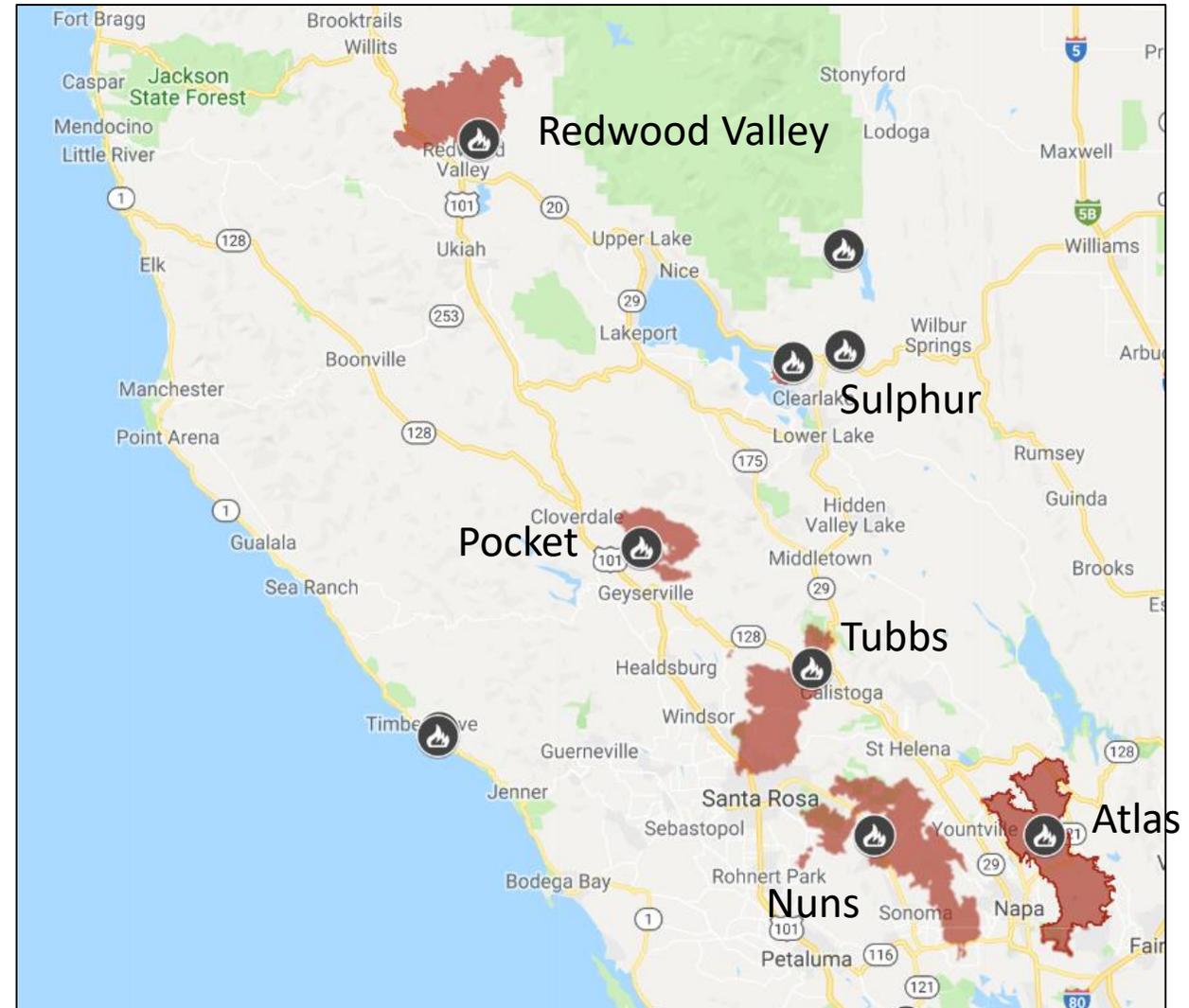
# HOW DOES THE STATE ACCESS THE RECOVERY FUNDS?

- To access the funds, the state must submit an Action Plan to HUD.
- The Action Plan must identify the following information:
  - Detailed analysis of the unmet recovery needs based on a methodology provided by HUD.
  - Overview of the recovery programs proposed by the state
- The state is required to outline in the plan how all documented housing unmet recovery needs will be met with CDBG-DR funds or other funds.

# WHICH DISASTERS ARE COVERED BY THESE FUNDS?

## FEMA 4344 – October 2017 Fires

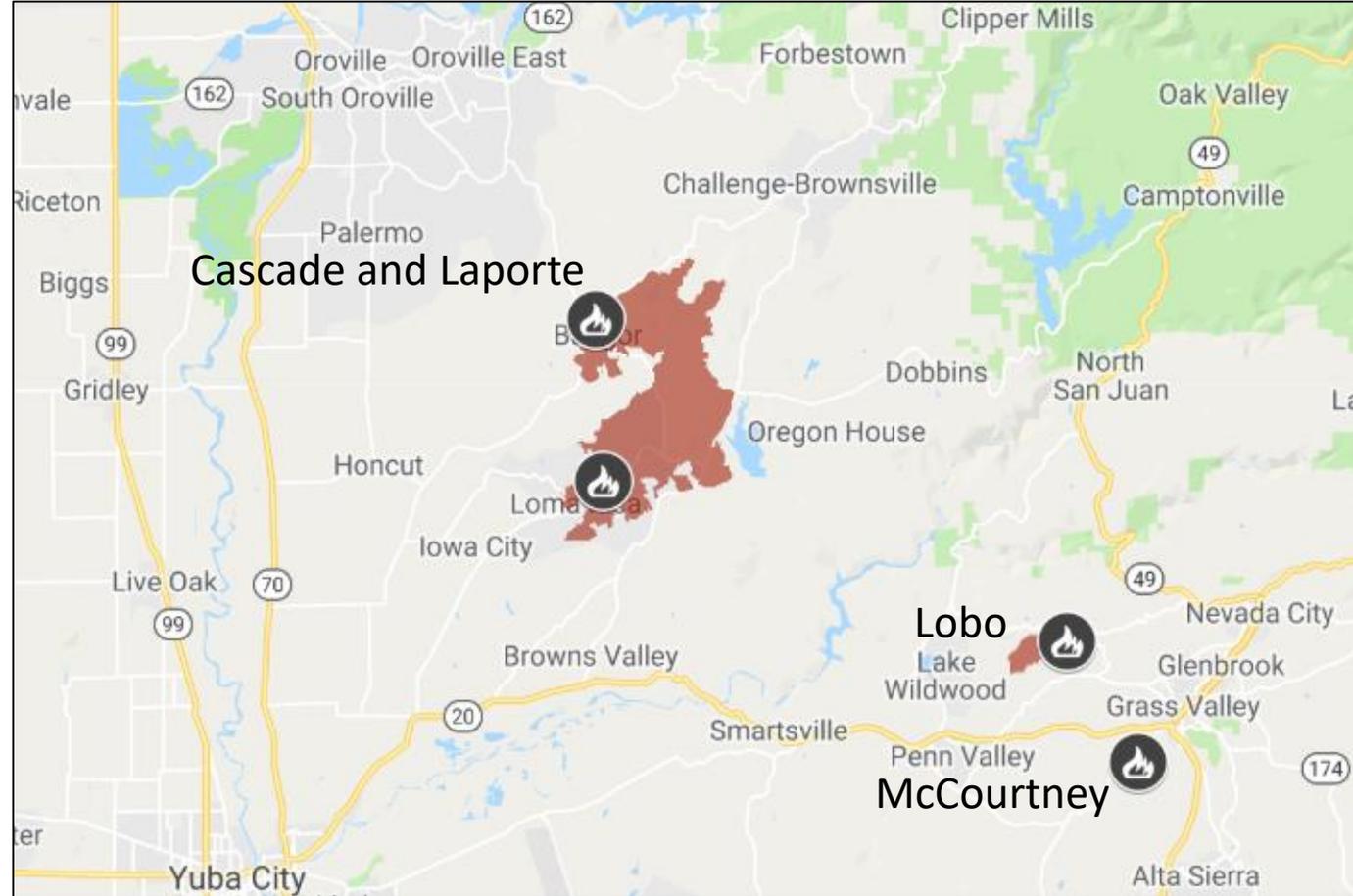
- Central LNU Complex
  - Pocket Fire – Sonoma County
  - Tubbs Fire – between Calistoga & Santa Rosa
  - Nuns Fire – Sonoma County
  - Atlas Fire – Napa & Solano Counties
- Mendocino-Lake Complex
  - Redwood Valley – Mendocino County
  - Sulphur – Lake County



# WHICH DISASTERS ARE COVERED BY THESE FUNDS?

## FEMA 4344 - October 2017 Fires

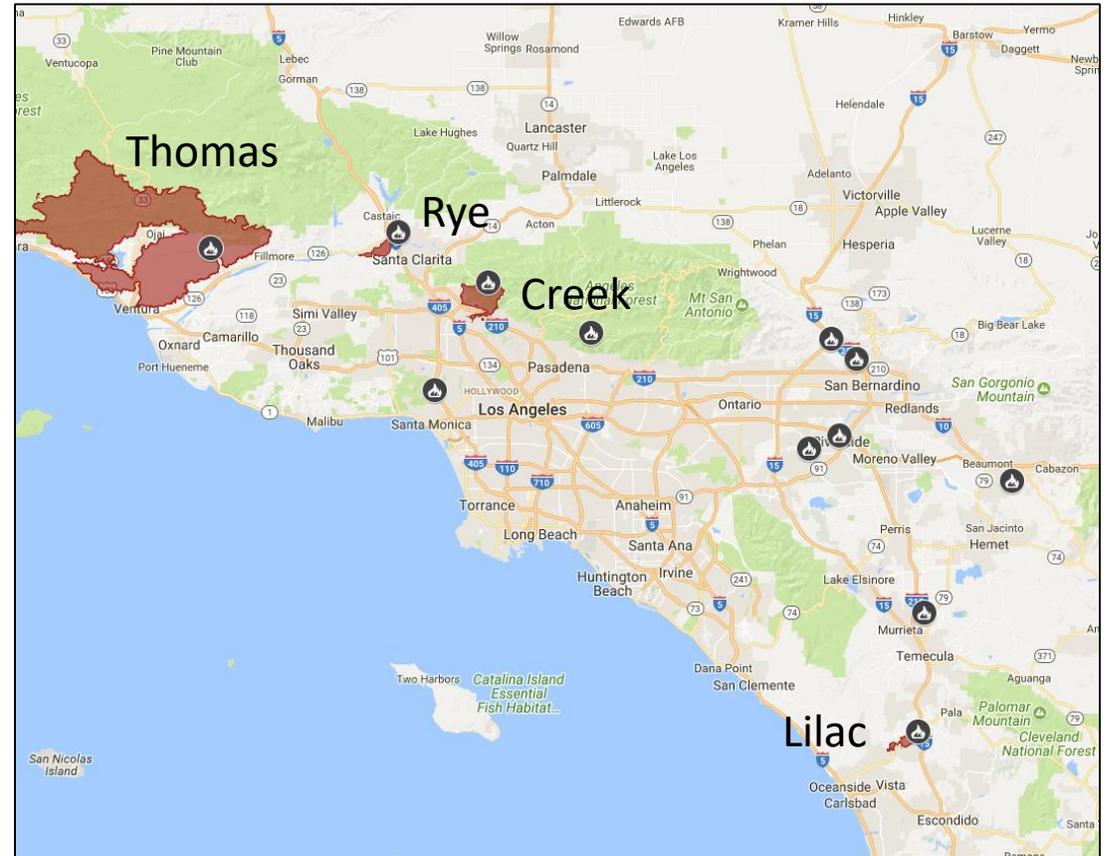
- Wind Complex
  - Cascade and Laporte Fire
  - Lobo Fire
  - McCourtney Fire – Nevada County



# WHICH DISASTERS ARE COVERED BY THESE FUNDS?

## 4353 – December 2017 Fires, Mudflows, and Debris Flows

- Thomas Fire – Ventura and Santa Barbara Counties
- Rye Fire – Los Angeles County
- Creek Fire – Angeles National Forest
- Lilac Fire – San Diego County



# WHICH COUNTIES ARE ELIGIBLE TO RECEIVE THESE FUNDS?

## **FEMA 4344 – Disaster Declaration**

- Butte
- Yuba
- Nevada
- Lake
- Napa
- Sonoma
- Mendocino
- Orange

## **FEMA 4353 – Disaster Declaration**

- Santa Barbara
- Ventura
- Los Angeles
- San Diego

# OVERVIEW OF CDBG-DR FUNDING REQUIREMENTS

- **Unmet Recovery Needs** – \$124 million is available to meet unmet recovery needs; the state must address housing needs first.
  - \$88 million in Mitigation funds – schedule and requirements TBD
- **Overall Benefit Requirement** – 70% of the total allocation must benefit low and moderate income households (individuals whose income is below 80% of area median income).
- **Most Impacted and Distressed Areas** – 80% of funds must be spent in these areas.
- **Documented Tie Back to the Disaster** – Each project must have a documented tie back to the appropriate disaster.
- **Duplication of Benefits** – CDBG-DR funds must address an identified unmet recovery need and cannot replace or duplicate other funding available to address the same need.

# LOW AND MODERATE INCOME

- Funding from the Federal Department of Housing and Urban Development (HUD) must primarily serve Low and Moderate Income Households.
- HUD calculates income by using a household's total annual gross income and number of people living in the household. These limits change annually.
- Using this definition, Low and Moderate Income Households must earn under 80% of Area Median Income. Area Median Income is based on the median income of a County or Metropolitan Statistical Areas.

# HUD FY 2018 INCOME LIMITS – LOW AND MODERATE INCOME (80% AMI OR BELOW)

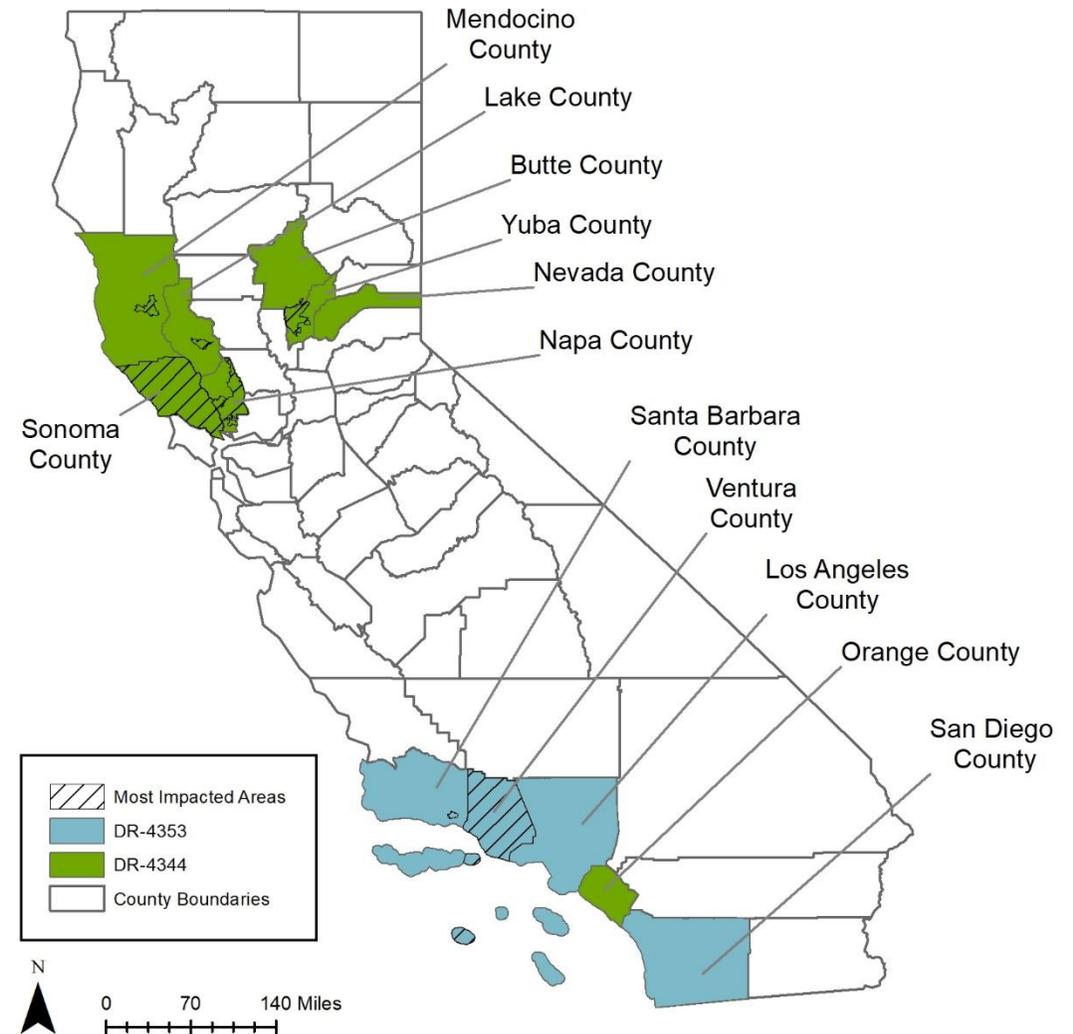
Geography	Persons in Family							
	1	2	3	4	5	6	7	8
<b>Butte</b>	\$33,900	\$38,750	\$43,600	<b>\$48,400</b>	\$52,300	\$56,150	\$60,050	\$63,900
<b>Lake</b>	\$33,450	\$38,200	\$43,000	<b>\$47,750</b>	\$51,600	\$55,400	\$59,250	\$63,050
<b>Los Angeles</b>	\$54,250	\$62,000	\$69,750	<b>\$77,500</b>	\$83,700	\$89,900	\$96,100	\$102,300
<b>Mendocino</b>	\$33,950	\$38,800	\$43,650	<b>\$48,500</b>	\$52,400	\$56,300	\$60,150	\$64,050
<b>Napa</b>	\$51,450	\$58,800	\$66,150	<b>\$73,450</b>	\$79,350	\$85,250	\$91,100	\$97,000
<b>Nevada</b>	\$40,600	\$46,400	\$52,200	<b>\$58,000</b>	\$62,650	\$67,300	\$71,950	\$76,600
<b>Orange</b>	\$61,250	\$70,000	\$78,750	<b>\$87,450</b>	\$94,450	\$101,450	\$108,450	\$115,450
<b>San Diego</b>	\$54,500	\$62,300	\$70,100	<b>\$77,850</b>	\$84,100	\$90,350	\$96,550	\$102,800
<b>Santa Barbara</b>	\$56,250	\$64,250	\$72,300	<b>\$80,300</b>	\$86,750	\$93,150	\$99,600	\$106,000
<b>Sonoma</b>	\$55,000	\$62,850	\$70,700	<b>\$78,550</b>	\$84,850	\$91,150	\$97,450	\$103,700
<b>Ventura</b>	\$56,800	\$64,900	\$73,000	<b>\$81,100</b>	\$87,600	\$94,100	\$100,600	\$107,100
<b>Yuba</b>	\$33,600	\$38,400	\$43,200	<b>\$48,000</b>	\$51,850	\$55,700	\$59,550	\$63,400
<b>State</b>	\$43,400	\$49,600	\$55,800	<b>\$62,000</b>	\$66,950	\$71,900	\$76,900	\$81,850

# MOST IMPACTED AND DISTRESSED AREAS

- Areas designated by Department of Housing and Urban Development (HUD) based on the following factors:
  - FEMA Individual Assistance household registration
  - Concentrated damage
  - One or more impacted counties and damage over \$10 million
- 80% of the CDBG-DR Funds must be spent in the Most Impacted and Distressed Areas.
- The remaining 20% may be spent outside those areas, but must still meet a need resulting from the disaster.

# HUD MOST IMPACTED AND DISTRESSED AREAS

- **FEMA 4353 (Blue) & 4344 Counties (Green)**
- **80% of funds must be spent in the following areas:**
  - **Counties**
    - Sonoma
    - Ventura
  - **Zip Codes**
    - 95470 (Mendocino)
    - 95901 (Predominately Yuba)
    - 94558 (Predominately Napa)
    - 95422 (Clearlake)
    - 93108 (Montecito)



# ACTION PLAN OVERVIEW

# UNMET NEEDS SUMMARY

<b>Category</b>	<b>Data Source</b>	<b>Total Impact</b>	<b>Resources Available</b>	<b>Unmet Need (Total Impact less Applied Resources)</b>
<b>Housing</b>	<b>FEMA IA</b>	\$209,630,395	\$23,723,406	\$185,906,989
<b>Infrastructure</b>	<b>FEMA PA</b>	\$592,197,307	\$557,523,980	\$34,673,327
	<b>FEMA HMGP*</b>	\$1,118,748,393	\$648,572,968	\$ 470,175,423
<b>Economic*</b>	<b>SBA – Commercial Loss</b>	\$123,619,322	\$33,084,100	\$90,535,222
<b>Agriculture*</b>	<b>Local</b>	\$259,438,082	N/A	\$259,438,082
<b>Total</b>		<b>\$2,303,633,499</b>	<b>\$1,262,904,454</b>	<b>\$1,040,729,043</b>

\*Not addressed in the Unmet Needs Action Plan at this time.

# RECOVERY PROGRAMS

# WHAT PROGRAMS ARE BEING PROPOSED?

- **Housing:** Two programs that address owner-occupant and rental housing recovery.
  - **Owner-Occupied (\$48 million)** – Rehab or reconstruction of owner-occupied properties. Small Rental (1-4 units) may be considered after survey period is complete
  - **Multi-Family (\$67 million)** – Rehab, reconstruction or new construction of large-scale housing developments.
- **Infrastructure (\$3.5 million):** Repair funding limited to required match for approved FEMA Public Assistance (PA) public utility projects.

# HOUSING: PROPOSED OWNER-OCCUPIED PROGRAM

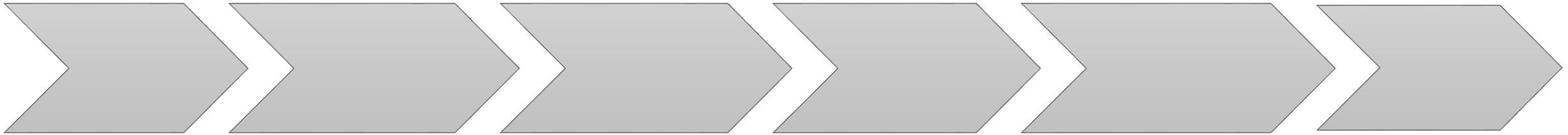
- HCD will manage the program.
- Rehab or reconstruction of owner-occupied residences.
- Max gap finance award of up to \$150,000 for a single property.
- Surveys will be conducted prior to application period to assess and prioritize the universe of potential applicants.
- Applicants are assigned a case manager who will guide applicants from application through closeout.

# PROPOSED HOMEOWNER PRIORITIZATION

<b>Owner-Occupied Rehabilitation and Reconstruction Program</b>				
<b>Applicant Prioritization Tiers*</b>				
	<b>Geography</b>		<b>Owner-occupant Household Income</b>	
	<b>7 Most Impacted Counties and Zips Only</b>	<b>All Areas with Federal Disaster Declaration</b>	<b>LMI Only</b>	<b>All</b>
<b>Tier 1</b>	✓		✓	
<b>Tier 2</b>		✓	✓	
<b>Tier 3</b>	✓			✓
<b>Tier 4</b>		✓		✓

*\*Owner-occupied households with a household member that is disabled or has access or functional needs are given first priority within each established tier.*

# HOUSING: SURVEY FOR POTENTIAL HOUSING PROGRAM APPLICANTS



- Survey made available following HUD's approval of the Action Plan.
- Information used to refine program allocations, prioritization criteria, workflows and other design components to ensure an effective and efficient program.
- Allows homeowner to continue to repair their home during the program design phase.
- Based on outcomes, an Action Plan Amendment is submitted to make needed adjustments.

# WHO SHOULD COMPLETE THE SURVEY?

- Homeowners whose primary residence was located in the declared disaster area.
- The property was damaged as a direct result of the qualified disasters (FEMA 4353 & 4344).
- Households with all ranges of incomes are able to complete the survey but funding will be awarded based on prioritization criteria.

# WHAT ARE THE ELIGIBILITY REQUIREMENTS OF THE HOMEOWNER PROGRAM?

- Homeowners must provide evidence of ownership and occupancy at the time of the disaster(s).
- Information on income and assets collected to determine household income level and program prioritization.
- Documentation of resources available to address disaster impacts (e.g. FEMA, insurance, and SBA) must be provided to calculate need for CDBG-DR funding.
- Funding is not eligible for second homes.

# HOMEOWNER PROGRAM SAMPLE AWARD

Example: Ms. Jones suffers \$75,000 damage to her property from the Tubbs fire. She receives \$50,000 from private insurance and is awarded \$15,000 from SBA to repair her home. Ms. Jones would be eligible for \$10,000 in CDBG-DR funding.

Source	Amount
Cost to Rebuild or Repair	\$75,000
Private Insurance	(\$50,000)
SBA	(\$15,000)
Maximum CDBG-DR Award	\$10,000

## Special Role of SBA Assistance

Even though SBA must be repaid, it is still counted as a federal assistance and therefore cannot be duplicated with CDBG-DR funds.

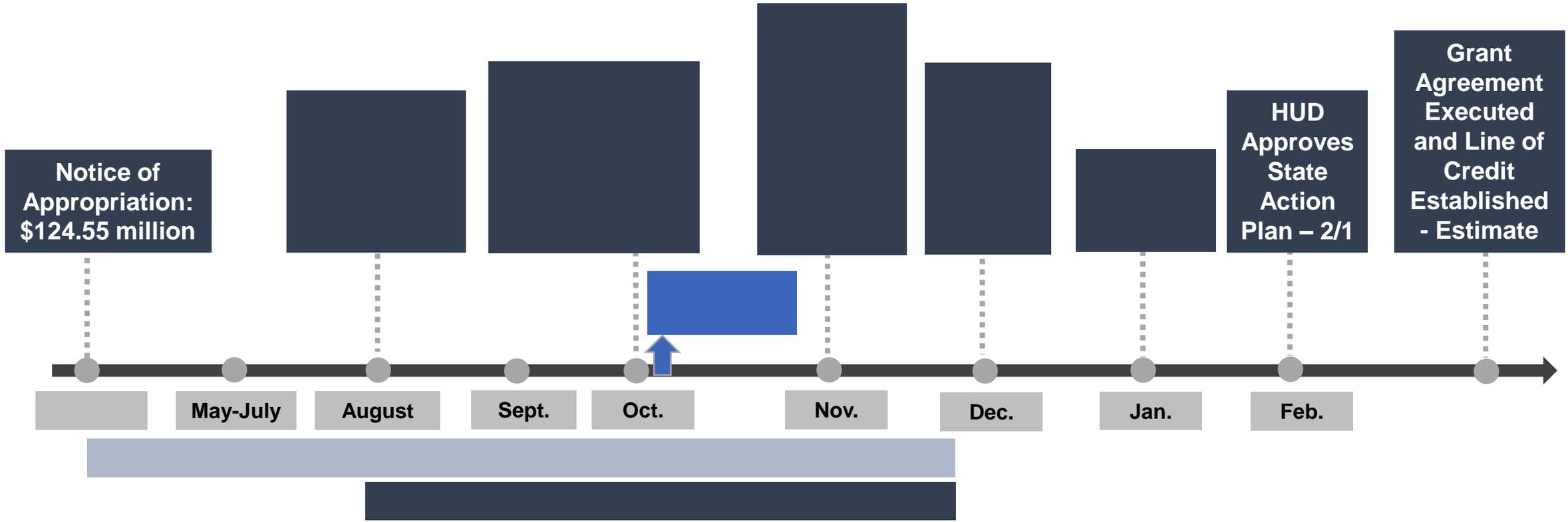
# HOUSING: PROPOSED MULTI-FAMILY RENTAL PROGRAM

- Provides gap financing for large-scale housing developments.
- Would entail a minimum percentage of affordable units.
- State will make funding available to local government, local government will oversee projects approved by State.
- Per unit maximum will be based on HOME subsidy limits.

# INFRASTRUCTURE: PROPOSED FEMA PA MATCH PROGRAM

- Provides funding for required state/local match on approved FEMA-PA projects that directly support housing recovery.
- Initial focus is limited to public utilities damaged by disaster.
- State will make funding available to local government, local government will oversee projects approved by State.

# TIMELINE – ACTION PLAN



# WHEN WILL FUNDING BE AVAILABLE?

## DRAFT TIMELINE

- **February 1, 2019** – Department of Housing and Urban Development(HUD) approves Unmet Need Action Plan.
- **February – March 2019** – State receives Grant Agreement & Line of Credit from HUD.
- **March – April 2019** – State launches Homeowner Survey to understand current program interest.
- **April – May 2019** – Program launch and homeowner applications for priority one applicants are available.
- **Summer 2019** – Initial homeowner awards.

# NEXT STEPS- WHAT CAN YOU DO TO STAY INVOLVED?

- 1. Sign up:** Sign into the meeting tonight to stay in touch with HCD by email.
- 2. Attend Public Meetings:** Round 2 of Public Meetings in November/December 2018. HCD will communicate schedules via e-mail.
- 3. Provide feedback to HCD:** Public Comment Draft of Action Plan will be available November 12, 2018 on [www.hcd.ca.gov](http://www.hcd.ca.gov) All public comment is addressed in the Action Plan prior to submission to HUD.
- 4. Housing Survey:** The housing survey will launch in early 2019. HCD encourages homeowners to complete the survey.

# ADDITIONAL INFORMATION

- For further information on HCD's CDBG-DR Recovery Programs, please visit: [hcd.ca.gov](http://hcd.ca.gov)
  - Contact:
    - Primary Contact: Susan Naramore, [Susan.Naramore@hcd.ca.gov](mailto:Susan.Naramore@hcd.ca.gov), 916-263-0371
    - Maziar Movassaghi, [Maziar.Movassaghi@hcd.ca.gov](mailto:Maziar.Movassaghi@hcd.ca.gov), 916-263-0256
- Comments on the CDBG-DR Action Plan can be submitted via email during the public comment period to [DisasterRecovery@hcd.ca.gov](mailto:DisasterRecovery@hcd.ca.gov)
  - Public comment period will last for 30 days, ending on December 14, 2018.