

**State of California
Action Plan for Disaster Recovery
from 2017 Disasters
Action Plan Amendment No. 4**

California Department of Housing and Community Development

Submitted to HUD: August 2, 2024

HUD Approval: September 16, 2024

**Submitted 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
2017 Disasters (FEMA DR-4344 and DR-4353).**

May 2024



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I. Background and Summary of Changes

On August 14, 2018, the U. S. Department of Housing and Urban Development (HUD) allocated \$124 million 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-4344 in October 2017 and DR-4353 in December 2017.

On January 27, 2020, HUD allocated an additional \$38 million of CDBG-DR funding to the State to address California's unmet infrastructure recovery needs, related to the FEMA Major Disaster Declarations: DR-4344 in October 2017 and DR-4353 in December 2017. The two grants combined bring a total of \$162,212,527 of CDBG-DR funding for the 2017 disasters.

The California Department of Housing and Community Development (HCD) is managing the associated CDBG-DR grant from HUD and implementing the goals and objectives of the state's initial, HUD-approved Action Plan. Through the Unmet Needs Action Plan Amendment, Number 1 (APA 1), HCD incorporated the \$38 million supplemental allocation into the Action Plan to address unmet infrastructure recovery needs. A subsequent substantial amendment added the New Infrastructure program and moved the funding from the initial FEMA PA Match program to the Multifamily Housing Program.

The third substantial amendment modified the state's Owner-Occupied Rehabilitation and Reconstruction Program (OOR) to better assist low and moderate income (LMI) households who have a gap in their total assistance by adding and clarifying the subsidized loan program.

This fourth amendment (APA 4) is a substantial amendment since it proposes to add a new program, close an existing program from the initial, HUD-approved Action Plan, and proposes to change the threshold for substantial action plan amendments. These changes are in excess of the \$3 million threshold for substantial amendments, articulated in the initial Action Plan, and required by HUD in the January 27, 2020, Federal Register Notice (FRN). This will also APA 4 will be submitted to HUD by August of 2024 and will be available for public comment for 30 days, prior to submission to HUD.

This amendment to the 2017 action plan proposes to reallocate \$26,150,000 million funding from the 2017 OOR program to the 2017 Disaster Recovery Multifamily Housing Program (DR-MHP) and add a new Homebuyer Assistance Program (HBA). The OOR program will continue to serve eligible applicants who have submitted applications prior to the program application deadline. The resources transferred to the DR-MHP and HBA programs will help address on going post disaster housing recovery needs of LMI renters and homeowners. The amendment will also change the current \$3 million threshold for substantial amendments to \$10 million, as articulated in the initial Action Plan.

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 4 (APA 4) will address the following items:

1. **Executive Summary, Proposed Uses of CDBG-DR Funds:** Provides an update to OOR and DR-MHP programs by reallocating funds from the OOR Program to the DR-MHP Program and adding a new HBA Program.
2. **Housing Recovery Programs:** Edits in this section provide updates for program distribution, budget and adding the HBA program.
 - a. **Owner Occupied Housing Rehabilitation and Reconstruction Program:** This amendment reduces the budget by \$26,150,000 million. These funds will be reallocated to the DR-MHP Program and HBA Program.
 - b. **Disaster Recovery Multifamily Housing Program:**
 - i. This section is updated to increase the budget by \$16 million.
 - ii. The Budget Table and Method of Distribution for MHP is updated to reflect an increase in the \$16 million. The budget increase will fund program activity delivery costs and unmet needs identified in the Most Impacted and Distressed areas (MID).
 - c. **Homebuyer Assistance Program:**
 - i. Add Homebuyer Assistance Program to the suite of housing recovery programs.
3. **Substantial Amendment:** Edits in this section provides update on the threshold for substantial amendment from \$3 million to \$10 million for addition or deletion of any CDBG-DR funded program, any funding change, or any change in the designated beneficiaries of the program.

II. Action Plan Amendments

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

I. Executive Summary

5. Proposed Uses of CDBG-DR Funds. (Pages 12 and 13)

Remove: The Owner-Occupied Rehabilitation program, as originally articulated in the initial Action Plan as a stand-alone program will close for new applicants.

Replace: The Owner-Occupied program was closed to new applicants as of January 31, 2024. The program will continue to assist eligible applicants who submitted applications prior the deadline.

Add: 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 2017 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 or very high Fire Hazard Severity Zones.

IV. Proposed Disaster Recovery Programs

1. Allocation of Funds (Page 135)

b. HCD Administered (Page 137)

Add: HCD will administer the Homebuyer Assistance Program (HBA) through its Subrecipient, Golden State Finance Authority, as an additional programmatic option to its recovery portfolio to meet the needs of those impacted by the 2017 disasters. The HBA will provide down payment and other housing assistance to low- to moderate-income disaster impacted survivors in MID counties, enabling them to relocate outside of high or very high Fire Hazard Severity Zones.

III. Proposed Use of Funds

Figure 9: CDBG-DR Program Summary Changes from the 2017 Action Plan Amendment Number 1 (Page 11).

	Action Plan Amendment 1 Allocation	Percent of Total	Action Plan Amendment 4 Allocation	Percent of Total	Change
Total CDBG- DR Funds	\$162,212,527	100%	\$162,212,527	100%	\$0
Administration	\$8,110,625	5%	\$8,110,625	5%	\$0
Program Allocations	\$154,101,902	95%	\$154,101,902	95%	\$0
Housing Programs	\$117,947,250	73%	\$117,947,250	73%	\$0
Owner Occupied	\$47,627,648	29%	\$21,477,648	14%	(\$26,150,000)
Multi-Family	\$70,319,602	43%	\$86,319,602	54%	\$16,000,000
Homebuyer Assistance	\$0	0%	\$10,150,000	5%	\$10,150,000
Infrastructure	\$36,154,651	22%	\$36,154,651	22%	\$0
Infrastructure Program	\$36,154,651	22%	\$36,154,651	22%	\$0
PA Match	\$0	0%	\$0	0%	\$0
Total CDBG- DR Funds	\$162,212,527	100%	\$162,212,527	100%	\$0

2. Housing Recovery Programs. (Page 139)

The following provides a summary of the section with language added for closing of the program.

a. Owner-Occupied Housing Rehabilitation and Reconstruction Program. (Page 140)

This section updated to reflect the close of applications to the OOR program to new applicants and reallocate remaining funds to the DR-MHP and HBA.

Timeline. (Page 145)

Remove: The Owner-Occupied Housing Rehabilitation and Reconstruction Program is expected to commence in quarter two of 2019 and remain operational through the end of the grant term.

Replace: The Owner-Occupied Housing Rehabilitation and Reconstruction Program is closed to new applicants effective January 31, 2024. The program will continue to assist eligible applicants who submitted applications prior to the deadline.

b. Multifamily Housing Program

Allocation Methodology. (Page 148)

Add: To prioritize the areas with the greatest unmet need, Action Plan Amendment 4 will redirect remaining funds from the OOR program to MHP to support the oversight and implementation of 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:

2017 APA 4 CDBG-DR Multifamily Housing Recovery by Impacted Jurisdiction (Updated)

Allocation Summary	Total Allocation	Allocation to MID	Percent to MID	APA 4 Total Allocation to MID	Allocation Outside of MID	Percent outside of MID
Sonoma County	\$4,698,809	\$4,698,809	100%		\$0	0%
City of Santa Rosa	\$38,469,772	\$38,469,772	100%		\$0	0%
Ventura County	\$2,756,047	\$2,756,047	100%		\$0	0%
City of Ventura	\$4,601,064	\$4,601,064	100%		\$0	0%
Mendocino County	\$6,591,778	\$6,235,730	95%		\$356,048	5%
Yuba County	\$1,666,091	\$1,622,677	97%		\$43,413	3%
Napa County	\$420,094	\$0	0%		\$420,094	100%
City of Napa	\$2,889,774	\$2,851,517	99%		\$38,257	1%
City of Clearlake	\$1,157,983	\$1,157,983	100%	\$10,000,000	\$0	0%
Santa Barbara County	\$588,504	\$57,028	10%		\$531,476	90%

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City of Santa Barbara	\$848,011	\$0	0%		\$848,011	100%
Butte County	\$679,013	\$0	0%		\$679,013	100%
Los Angeles County	\$590,987	\$0	0%		\$590,987	100%
Nevada County	\$424,028	\$0	0%		\$424,028	100%
San Diego County	\$405,845	\$0	0%		\$405,845	100%
Total	\$66,787,799	\$62,450,627	93.51%	\$10,000,000	\$4,337,172	6.49%

The funds will be allocated to conditionally approved projects previously underwritten by DR-MHP. This approach ensures MID areas with the highest need are prioritized for additional recovery funding.

c. Homebuyer Assistance Program

Add: Homebuyer Assistance Program. (Page 153)

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 2017 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 and very high Fire Hazard Severity Zones. HCD’s goal is to serve 22 low-to moderate income households with the HBA program.

1. **Unmet Needs:** As the State of California continues to recover from the devastating fires in 2017, the state is expanding housing programs to meet the needs of impacted homeowners and renters. After multiple extensive rounds of outreach and coordination with local jurisdictions, HCD determined there were no additional applicants for Recover California Owner Occupied Reconstruction. Considering the original unmet needs assessment identified 72% of the unmet need in housing, this amendment maintains funding in housing recovery programs to serve LMI renters and homeowners. This achieved through the Multifamily housing program as well as new HBA program to assist with the purchase of a home outside of high fire areas.

The HBA program extends the ReCoverCA portfolio to include an option for homeowners or renters who are looking to relocate outside of high and very high fire zones. HBA program will also assist impacted renters to have options for permanent housing in less fire prone areas. Providing a program such as HBA provides an alternative option to meet the housing recovery needs of impacted households.

2. **Allocation Amount:** \$10,150,000
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 high or very high fire hazard severity zone in a MID County at the time of the 2017 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 5 years.
10. 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's subrecipient 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.

V. Citizen Participation

4. Substantial Amendment. (Page 164)

Remove: 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 either an addition or deletion of any CDBG-DR funded program, any funding change greater than \$3 million of the CDBG-DR allocation, or any change in the designated beneficiaries of the program.

Replace: 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 either 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.

III. Public Comments

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In keeping with the State's Citizen Participation Plan, as articulated in Section V 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.

2017 APA 4 is available for public review and comment for thirty (30) days from June 17 through 5:00 p.m. Pacific Standard Time on July 17, 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 July 17, 2024.

Residents who require a reasonable accommodation or other assistance to fully participate in the public comment process can request assistance by contacting the HCD Disaster Recovery Section via the same methods, listed above, for submission of public comments.

HCD will consider all public comments received, timely and in writing, via e-mail, or delivered in person at official public hearings regarding this Action Plan Amendment, Number 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.

Public Comment and Questions

These are the summary of public comments and questions received for the 2017 CDBG-DR Action Plan Amendment #4 during the public comment period beginning June 17th, 2024, through July 17th, 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.

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 2017 Action Plan.

a. Public Comment Email received from Lake County Official on 6/17/24

In the initial plan for this funding, Lake County/County of Lake had an allocation. In the 4th amendment, the City of Clearlake has a larger allocation, and there is no allocation for the

County of Lake. Are you/HCD staff able to provide information on why this is the case, by chance? Thanks for all you do to support California and Lake County residents!

HCD Response:

Lake County relinquished their 2017 CDBG DR-MHP award to the City of Clearlake due to lack of capacity and assigned it to the City of Clearlake. Please let me know if you have any other question.

b. Public Comment Email received from Individual Citizen on 6/18/24

Dear HCD.CA.GOV Staff;

I am immediately confused as to what plan period and draft is being presented, and where. Today is June 18, 2024. Your site is directing me to the latest document being 2023, on a site that is defined in your internal coding as apparently an ideation of planning started in 2017. While your nomenclature is obviously meaningful to you; it is completely obfuscating to the general public. Only if your intent is to confuse is this nomenclature, years, and coding successful.

Logically, I would assume you are seeking input on a draft for policies, programs and procedures for 2025. That year is not mentioned in your menu. It is illogical that you are working on policies for our current year, 2024. This year is not mentioned.

If execution is to follow planning; I am fearful. Your public comment process should lead California citizens directly to a site displaying the current draft plan clearly identified by the period in which the plan is intended to be in effect.

The plan currently in effect should be identified as such, for reference. Your site implies you use the calendar year; in which the current plan would be 2024; and the draft plan would be for 2025; if you want salient public comment.

HCD Response:

Thank you for your inquiry about the public notice sent out for the 2017 Community Development Block Grant – Disaster Recovery (CDBG-DR) Action Plan Amendment yesterday, June 17th, 2024. HCD is proposing some changes for the program and budgets for the 2017 Allocation of the CDBG DR funds. The Draft Action Plan is available under the 2017 CDBG DR Action Plans, you would have to **click on the plus sign +** on the left for the drop-down menu to open. The link for the draft action plan is here: [2017 CDBG-DR APA 4](#). Please let me know if you have any other questions.

Follow-up Comment from Individual Citizen on 6/18/24

Dear HCD Staff.

I trust that the HCD, backed by the federal government, clearly grasp what areas of assistance have priority at this time; and thank you for carrying this difficult work forward.

The simple fact facing all of us; is that climate change is exponential rather than lineal. One critical focus in our mitigation and adaptation must be to avoid “maladaptation”. The most we can expect is that current projects are positioned to assure their longest endurance in the face of future climate change.

Many of the same phenomena which engendered the need for government intervention, will become more frequent and more intense going forward in time.

Each project expenditure must consider exponentially worsening climate factors over time, pertinent to the site and structure(s), which will impact the designed life cycle of each project; and the lives of those increasingly dependent upon them.

Each public dollar invested should incorporate direct long-term mitigation of projected site climate-based challenges going forward, for the longest attainable duration.

In our future, extreme climate events of greater frequency and magnitude will inevitably preclude the time and/or resources to simply replace disaster recovery projects currently funded.

Future land availability, manpower, materials, competing projects; as well as the physical work environment itself may force limiting mitigation choices in favor of more immediate climate adaptation demands. Public funds and lead-times will frequently become stretched beyond attainability. These facts are fully documented as effects of exponential climate change in California, U.S.; and UN comprehensive studies.

HCD Response:

Thank you for your public comment. HCD works to help communities recover after disasters by administering special federal funds for both recovery and mitigation purposes. HCD works with local governments and organizations to support programs that provide long-term recovery assistance for housing, infrastructure, economic revitalization and mitigate disaster risks and reduce future losses.

Visit our website for more information on Mitigation Planning and Public Services. We appreciate your feedback.

c. Public Comment Email letter received from Butte County Official on 6/21/24

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County Administration

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Members of the Board

Bill Connelly | Peter Durfee | Tami Ritter | Tod Kimmelshue | Doug Teeter

July 17, 2024

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 Draft Substantial Action Plan Amendment 4 of the 2017 CDBG-DR Action Plan

Dear Ms. Akbar,

On August 14, 2018, the Department of Housing and Urban Development (HUD) allocated \$124,155,000 for federally declared disasters DR-4344 and DR-4353. On January 27, 2020, HUD allocated an additional \$38M. The original Action Plan for the funds was developed by the California Department of Housing and Community Development (HCD), approved by HUD on March 15, 2019, and has been amended three times. Butte County respectfully submits the following public comments for the Draft Substantial Action Plan Amendment 4 (APA 4) for the 2017 CDBG-DR Action Plan.

Under the 2017 Action Plan, HCD has been operating an Owner Occupied Rehabilitation and Reconstruction (OOR) Program. HCD closed out the OOR Program to new applicants as of January 31, 2024. With APA 4, HCD proposes to move \$26M remaining in the OOR Program budget to the Homebuyer Assistance (HBA) Program and Multi-Family Housing (MHP) Program, \$10M and \$16M respectively.

In presenting the changes proposed in APA 4 to Butte County staff, HCD indicated that the lack of additional applications from Butte County residents for the 2017 OOR Program, despite additional HCD outreach efforts, indicates the reconstruction need has been met. Butte County disagrees with this assessment and conclusion given the number of residents still living in temporary housing. Using the number of applications as the sole metric for reconstruction need fails to measure what other application data may tell us that would allow HCD to address program barriers. Butte County recommends a deeper review of the data HCD collects to understand why applicants withdraw, fail to qualify, or if they lack enough trust in a State-operated program to submit an application and engage with case management.

Butte County believes a lack of applicants is a sign the program barriers are too high for rural wildfire survivors, many of whom fail to qualify or withdraw because of duplication of benefits, because they exceed the LMI threshold but still do not have enough resources to rebuild and reinsure their property, or because the price of an OOR home is two to three times what they'd pay to construct a traditionally financed home. Rather than

defund the OOR Program in this and future Action Plans, Butte County recommends HCD adapt eligibility to address rural survivor constraints – such as ineligibility to qualify for a housing loan due to utilizing fire proceeds on temporary housing – and recognize a State-run program may by nature have a low uptake rate in remote, rural areas. The latter may be the largest, changeable barrier.

The 2017, 2018, and 2020/2021 Action Plans grant control over the OOR Program to the State for the restoration of single-family homes, which represent the largest category of homes lost in recent wildfires. Consistently, Butte County has advocated for local control believing 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.

Even with OOR Programs in each successive Action Plan, the overall reconstruction rate in wildfire-impacted areas is low for the reasons listed above. At the five-year anniversary of the Camp Fire in November of 2023, 14% of homes in the unincorporated burn scar had been rebuilt. On the same date, just 4% of the homes had been rebuilt in the North Complex Fire burn scar which occurred in 2020. Fire survivors are depending upon temporary housing solutions such as RV living and dry camping as permanent solutions, which may lead to unsanitary living conditions and an increased wildfire risk in remote areas.

To address the increase in wildfire risk due to temporary housing conditions, Butte County has applied for mitigation funding to reduce reconstruction barriers that slow the permitting process and increase the overall cost of reconstruction. Lowering barriers to permanent housing reconstruction allows survivors to recover in place and reduces wildfire risk. The County also applied for and was awarded a grant to develop finalized, pre-approved plan sets at a variety of unit sizes from 500 square feet to 1200 square feet. The grant also establishes a zoning code amendment to modify sprinkler requirements, permits within the Timber Production Zone designation, and remove Deed Restriction requirements within the County's Accessory Dwelling Unit Ordinance to lower barriers and encourage housing production.

Butte County would like to see HCD adapt the OOR Program to local recovery priorities, keeping a focus on single-family housing reconstruction in fire-impacted communities which is necessary for the economic and social viability of rural California. Shifting funds away from OOR Programs and into programs that support displacement housing (the purchase of housing outside of the burn scar) and/or conversion from ownership to rental status (increasing rental units for survivors unable to rebuild), removes the last resource available to individuals who want to recover in place. With APA 4 and future amendments to the 2018 and 2020/2021 Action Plans, Butte County would like HCD to consider the following recommendations:

- Shift authority to administer the OOR Programs and all restorative housing programs to local jurisdictions for ongoing adaptation to local recovery priorities and policies; and/or, embed HCD consultants as capacity-building program staff in County offices.
- Adapt OOR Program funds to allow construction of master-planned primary dwelling units and/or master-planned Accessory Dwelling Units as policies allow.

- Ensure OOR Programs lower rebuild barriers by funding pre-construction costs and/or resolving complications like legal lot line determination, title clearance, and survey recording.
- Ensure adequate MHP funding and eliminate the 40% project cap that delays the reconstruction of much-needed rental units.
- Focus Homebuyer Assistance Programs on ownership in fire-affected communities where reconstruction is occurring to allow survivors to recover in place, lessening disruption and permanent displacement.

While Butte County would like HCD to retain and adapt the OOR Program to local needs and priorities following disaster, the County wishes to thank HCD for ensuring the funds in underutilized programs go to the next highest need in disaster-impacted communities. Butte County believes fire survivors should retain the right to recover in place using all available resources including federal funds administered by the State for housing reconstruction.

These comments are consistent with concerns Butte County staff has presented to HCD throughout the development of the 2017 CDBG-DR Action Plan. If there are any questions, please contact Katie Simmons, Deputy Administrative Officer – Economic & Community Development, Butte County Administration, ksimmons@buttecounty.net, 530.552.3338.

Thank you for your consideration.

Sincerely,



Máximo A. Pickett
Chief Administrative Officer

HCD Response:

Thank you for submitting your comment regarding the **2017 CDBG-DR Action Plan Amendment #4**. We appreciate the concerns expressed in the comment. HCD values its partnership and ability to engage regularly with Butte County. This action plan amendment (2017 APA 4) updates the Owner Occupied Rehabilitation/Reconstruction Program (RecoverCA) and Multifamily Rental Housing Program (DR-MHP) and adds a new Homebuyer Assistance Program (HBA).

For FEMA DR-4344, Butte County was not identified as a MID area by [Federal Register Notice Vol. 83, No. 157 August 14, 2018](#). The table below is the Impact Summary for Butte County by Data Source (Page 76 of the original [2017 Action Plan](#))

Ca Dept of Insurance Claims in Total Loss	FEMA Individual Assistance	Cal Fire Residential Damage	SBA – Real Estate Losses
16	35	38	10

For DR 4344, Cal Fire Residential Structure Damage was reported at 38 with 2 at 10-25% damage and 36 destroyed. (Page 73 of [2017 Action Plan](#)). Butte County residential property owners filed 59 claims, 16 of which resulted in total loss and \$5.4 million in direct residential losses. After several rounds of extensive outreach and modifications to increase program eligibilities, the 2017 OOR Program received 10 surveys and applications from survivors in Butte County. All 10 applicants withdrew from the RecoverCA Program because they either relocated or already rebuilt, did not meet program eligibility requirements, or were no longer interested. For 2017 CDBG DR Funds, Butte County also received an allocation for DR Multi-Family Housing (Outside of MID area) for \$679,013.00.

The 2017 ReCoverCA Owner Occupied Reconstruction (ReCoverCA) was the first program of its kind to respond to wildfires using CDBG-DR Funds. The federal requirements for such programs required a significant amount of technology infrastructure and case management services. For example, no jurisdiction eligible for these funds had experience with Duplication of Benefits and if implemented at the local level would require high administrative costs to implement reducing resources available to rebuilt homes lost to disasters. Many of the jurisdictions impacted by 2017 wildfires were also heavily impacted by 2018 wildfires as well. Recognizing these impacts, lack of infrastructure and program experience, HCD determined that the most cost-effective implementation with a higher likelihood of meeting federal compliance requirements would require implementation at the state level.

HCD launched the ReCoverCA Program survey to gain interest in the Program on November 1, 2019, and the Program began accepting applications on January 4, 2021. Between survey launch and the application opening, the Program engaged in a variety of equity-focused outreach activities, although limited due to the COVID-19 pandemic, including social media pages and advertising, flyer placement in highly populated government buildings, grocery stores, shopping malls, banks, etc., phone calls to Program survey participants and FEMA registration lists, and virtual public meetings in coordination with local governments and long-term recovery groups. In the fall of 2023, the Program launched an additional extensive outreach and engagement plan to reach impacted households and support them through the application process prior to the Program application closing Jan 31, 2024. This additional outreach included direct mailers to code enforcement and county assessors' lists, and in person presence with Program materials and application assistance at local community events and at the Town of Paradise's Building Resiliency Center 2 to 3 times a week.

HCD understood the lack of trust some Butte County residents may have in working with the State, which is why we relied heavily on Butte County to assist us in promoting the program across the county. HCD also ensured the ReCoverCA case managers working in Butte County were from the area. Along with state and local outreach before and during the Program application period, HCD worked to address applicant barriers specifically around income, duplication of benefits (DOB) and out of pocket costs. In April 2023, the Program opened applications and performed outreach to survivors earning up to 120% Area Median Income (AMI).

Additionally, while DOB review requirements cannot be waived by HCD or even HUD and require congressional action to be changed, early on the Program worked with HUD to build in allowable DOB exclusions and scope of work reductions to help reduce an applicant's DOB amount. Those exclusions include any funds used for temporary housing. As well, in summer 2023, to take advantage of the Disaster Recovery and Response Act of 2018 (DRRA) waiver of subsidized loans as a DOB prior to it sunseting, HCD launched a subsidized loan product to cover funding gaps caused by DOB or other amounts exceeding the Program grant cap.

Finally, the Program completed value engineering efforts in 2023 to reduce total scope of work costs, which reduced projects going over the Program grant cap and applicant's having to contribute more funds out of their own pocket.

HCD's decision to reallocate remaining 2017 OOR funds to a Disaster Recovery Multifamily Housing Program (DR-MHP) will ensure much needed affordable rental housing is constructed within the grant expenditure period. Furthermore, increases to HBA program will assist impacted renters and homeowners have other options for permanent housing in less fire prone areas. Initiating any new programs with a fast-approaching end to the expenditure period of this

grant is not feasible given limitations of resources required to implement new programs.

HCD looks forward to continued dialogue with Butte County on recovery efforts. If you have any questions or need clarification regarding our response, please feel free to reach out to our email point at Disaster.Recovery@hcd.ca.gov or myself at Mona.Akbar@hcd.ca.gov. We thank you for your communication and look forward to continuing to partner on the County's Disaster Recovery efforts moving forward.

d. Public Comment email received from Individual Citizen on 7/9/24

I am a Thomas Fire survivor who lost everything in the fire. I was a renter at the time. I have reviewed the link below and I now see that relief funds have been allocated to 1st time home buyers. I would be a 1st time home buyer with this grant.

My question is how do I apply for the grant? I see there is a scheduled zoom call tomorrow July 9th to discuss this. Below is a link to the information I have read thus far. Looking forward to hearing from you!

HCD Response:

Thank you for your question regarding the 2017 CDBG DR Action Plan Amendment Number 4. The public webinar will be held today at 6pm, please register at this link:

Public webinar (English) – Wednesday, July 10, 2024, 6pm to 7:30pm
Register for the public webinar: <https://hcd-cagov.zoom.us/meeting/register/tZUkdeGsrTwjHdSSnilXWypkYB3sWIEFkQy->

e. Public Comment Email received from individual Citizen on 7/11/24

A couple questions.

- When will the link to the webinar be posted?
- When will the next meeting be?
- How will we be notified when the plan rolls out...should I email you back in the fall?

I would like to get a head start on anything that may be needed for the application process.

HCD Response:

The webinar will be posted this week at the link: <https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/action-plans-and-federal-register-notices-frns>. Please click on the + sign on the right-hand side under the State CDBG-DR Action Plan for 2017 Disasters, and the presentation will be under the Number 4. There will not be any other public comment meeting for the 2017 Action Plan Amendment. Please sign-up for the HCD email:

<https://www.hcd.ca.gov/contact-us/email-signup> to receive notification of the program rollout.

The link below details the program information: ReCover CA Homebuyer Assistance Program (DR-HBA) <https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/recover-ca-homebuyer-assistance-program-dr-hba>

f. Public Comment Email received from individual Citizen on 7/11/24 at 6:40pm

Was this meeting rescheduled or is there an issue with Zoom?

HCD Response:

The meeting started at 6pm PST and ended by 6:30pm since it was a small presentation with no questions or comments from the public. We will be posting the meeting presentation at this link: <https://www.hcd.ca.gov/grants-and-funding/disaster-recovery-and-mitigation/action-plans-and-federal-register-notice-fns> under the 2017 drop down menu. You can also view the 2017 Draft Action Plan Amendment Number 4 and send your comment or questions to this email by July 17th 5pm. Please let us know if you need any other information.

Follow-up Email:

It is unclear to me how the funds allocated for Thomas Fire recovery victims were not dispersed and instead re-allocated to first time home buyers? Can you help me understand what happened to take such a turn?

HCD Response:

Thank you for your question regarding the 2017 CDBG DR Action Plan Amendment Number 4. We have posted the presentation slides on our website at: <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/dr/dr-apa-4-public-comment-meeting.pdf>. The 2017 Owner-Occupied Rehabilitation Program (OOR) Program launched the OOR survey to gain interest in the program on November 1, 2019, and the program began accepting applications on January 4, 2021. In the fall of 2023, the program launched an extensive outreach and engagement plan to reach impacted households and support them through the application process prior to the program application closing Jan 31, 2024. The OOR Program received few applications after making policy changes to expand eligibility and extensive outreach. The decision was made to close the program to new applicants and reallocate the remaining funds to Multi-Housing and First-Time Homebuyer Programs. We have provided the program and budget changes in the 2017 CDBG DR Action Plan Amendment #4 Public Webinar Presentation. Thank you for our question.

Virtual Public Hearing

There were two virtual hearings held for public comment on July 10th in English and July 11th in Spanish. There were no public comments or questions asked during the English Public Webinar held on July 10th at 6pm in English and July 11th in Spanish.