

State of California Action Plan for Disaster Recovery from 2017 Disasters Action Plan Amendment No. 6

California Department of Housing and Community Development

Draft for Submission to HUD

**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).**

July 2025



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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 Public Assistance Match Program to the Disaster Recovery Multifamily Housing Program (DR-MHP).

This is a non-substantial Action Plan Amendment Number 6 (APA 6) that reallocates \$7,023,372 from activity delivery funds within the DR-MHP and Homebuyer Assistance (HBA) programs, identified through program efficiencies and cost-saving measures, to support local jurisdictions and the communities they serve by funding the conditionally approved DR-MHP project in the County of Nevada. Additionally, APA 6 repurposes \$476,628 from the DR-MHP to the HBA Program to provide additional homebuyer assistance and reallocates \$802,672 to the Owner-Occupied Rehabilitation/Reconstruction Program (OOR) program for activity delivery costs associated with program implementation and oversight.

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 6 (APA 6) will address the following items:

1. **Executive Summary, Proposed Use of CDBG-DR Funds:** Edits in this section provide budget adjustments to reallocate funds from the DR-MHP activity delivery funds to the DR-MHP conditionally approved project in the County of Nevada. Edits also provides an update to funding reallocation from the DR-MHP activity delivery funds to the HBA Program.
2. **Proposed Disaster Recovery Programs, Programs Overviews:** Edits in this section Provide updates for program distribution and budget changes as follows:

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- DR-MHP: This section is updated to reflect the movement of funds from DR-MHP activity delivery funds to a DR-MHP conditionally approved project in the County of Nevada to prioritize the areas with an outstanding unmet need for rental housing. Also, to reallocate a portion of DR-MHP activity delivery funds to the OOR program.
 - HBA Program: This section is also updated to reflect the movement of DR-MHP activity delivery funds to the HBA Program and HBA activity delivery funds to the OOR program.

I. Action Plan Amendment Table (Page 9)

The table was updated to include a summary of the changes included in this amendment. HCD's program budget includes all activity delivery and project costs. Through program efficiencies and cost-saving measures, we have identified activity delivery funds within the DR-MHP that can be reallocated to support local jurisdictions and the communities they serve.

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Remove:

Amendment	Substantial/ Non-substantial	Approval	Summary
No. 1	Substantial	May 29, 2020	<ul style="list-style-type: none"> - Incorporated additional \$38,057,527 Infrastructure funding - Expanded the Infrastructure Program - Increased the Multifamily Housing Program budget by \$3,531,803
No. 2	Non-substantial	March 10, 2022	<ul style="list-style-type: none"> - Updated document formatting - Clarified Multifamily Housing Program policies including prioritization and eligible costs - Updated Relocation Assistance and clarified eligible costs under OORProgram - Increased program award cap to \$500,000
No. 3	Substantial	September 8, 2023	<ul style="list-style-type: none"> - Updated to include subsidized loan program for the OOR Program. - Updated OOR Program to provide clarity for award caps and deed restrictions
No. 4	Substantial	September 16, 2024	<ul style="list-style-type: none"> - Closed the OOR Program to new applicants and reallocated \$26,150,00 to DR-MHP and added new HBA Program - Changed the threshold for substantial amendment from \$3 million to \$10 million
No. 5	Non-Substantial	Submit to HUD February 18, 2025	<ul style="list-style-type: none"> - Updated and clarified language in the Homebuyer Assistance Program. - Increased the threshold for substantial amendment from \$10 million to \$30 million.

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Replace:

Amendment	Substantial/ Non-substantial	Approval	Summary
No. 1	Substantial	May 29, 2020,	<ul style="list-style-type: none"> - Incorporated additional \$38,057,527 Infrastructure funding. - Expanded the Infrastructure Program. - Increased the Multifamily Housing Program budget by \$3,531,803
No. 2	Non-substantial	March 10, 2022	<ul style="list-style-type: none"> - Updated document formatting - Clarified Multifamily Housing Program policies including prioritization, and eligible costs - Updated Relocation Assistance and clarified eligible costs under OOR Program - Increased program award cap to \$500,000
No. 3	Substantial	September 8, 2023	<ul style="list-style-type: none"> - Updated to include subsidized loan program for the OOR Program. - Updated OOR Program to provide clarity for award caps and deed restrictions
No. 4	Substantial	September 16, 2024	<ul style="list-style-type: none"> - Closed the OOR Program to new applicants and reallocated \$26,150,00 to DR-MHP and added new Homebuyer Assistance (HBA) Program - Changed the threshold for substantial amendment from \$3 million to \$10 million
No. 5	Non-Substantial	Submit to HUD February 18, 2025	<ul style="list-style-type: none"> - Updated and clarified language in the HBA Program. - Increased the threshold for substantial amendment from \$10 million to \$30 million.
No. 6	Non-Substantial	Submit to HUD July 9, 2025	<ul style="list-style-type: none"> - This amendment reallocates \$7,023,372 from activity delivery funds within the DR-MHP to fund the conditionally approved multifamily project in the County of Nevada. - This amendment also reallocates \$476,628 from DR-MHP activity

			<p>delivery funds within the DR-MHP to HBA Program.</p> <ul style="list-style-type: none"> - This amendment also reallocates \$341,793 of HBA activity delivery funds to OOR for activity delivery costs. - This amendment also reallocates \$460,879 of DR-MHP activity delivery funds to OOR for activity delivery costs.
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II. Executive Summary (Page 10)

This section was modified to include a summary of changes for APA 6.

Add: The sixth non-substantial Action Plan Amendment (APA 6) amended program allocation to reflect the following changes in the methodology:

- HCD's program budget includes all activity delivery and project costs. Through program efficiencies and cost-saving measures, HCD has identified activity delivery funds within the DR-MHP and the HBA Program that can be reallocated to support local jurisdictions and the communities they serve.
- As a result of these cost-saving measures, APA 6 reallocates the following DR-MHP funds that were previously budgeted for activity delivery costs for program implementation and oversight:
 - \$7,023,372 to the County of Nevada to fund the conditionally approved multifamily housing project, previously underwritten by DR-MHP.
 - \$476,628 to the HBA Program to provide additional homebuyer assistance.
- APA 6 also reallocates \$341,793 of DR-HBA activity delivery funds and \$460,879 of DR-MHP activity delivery funds to DR-OOR for activity delivery costs associated with program implementation and oversight.

5. Proposed Uses of CDBG-DR Funds (Pages 17 and 18)

This section was modified to describe the reallocation of activity delivery funds to support local jurisdictions with an ongoing unmet need for housing and the communities they serve. More specifically, the sections below were modified to describe the updates to the allocations by a broader recovery program.

Add:

FIGURE 4: CDBG-DR Program Summary Changes from the 2017 Action Plan Amendment Number 6.

	Action Plan Amendment 6 Allocation	Percent of Total	Change
Total CDBG- DR Funds	\$162,212,527	100%	\$0
Administration	\$8,110,625	5%	\$0
Program Allocations	\$154,101,902	95%	\$0
Housing Programs	\$117,947,251	73%	\$0
Owner Occupied	\$22,270,320	14%	\$792,672
Multi-Family	\$85,868,724	53%	(\$450,879)
Homebuyer Assistance	\$9,808,207	6%	(\$341,793)
Infrastructure	\$36,154,651	22%	\$0
PA Match	\$0	0%	\$0

V. Proposed Disaster Recovery Programs

1. Allocation of Funds

b. Multifamily Housing Program (Page 142)

This section was modified to describe the updates to the allocations by broader recovery program.

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Remove:

FIGURE 18: CDBG-DR PROGRAMS SUMMARY

Summary	Summary	Summary	Most Impacted and Distressed	Most Impacted and Distressed	LMI Requirements	LMI Requirements
Item Breakdown	Total \$	% Total CDBG-DR Funds	Minimum \$ to MID	Maximum \$ Outside of MID	\$ LMI (Minimum)	% LMI (Minimum)
Total CDBG-DR Funds	\$162,212,527	100.00%	\$129,770,022	\$32,442,505	\$107,871,330	70.00%
Administration Costs	\$8,110,626	5.00%	\$6,488,501	\$1,622,125	\$0.00	0.00%
Housing Programs	\$117,947,250	72.71%	\$94,357,800	\$23,589,450	\$90,973,053	77.13%
Owner-Occupied Rehab and Reconstruction	\$47,627,648	29.36%	\$38,102,118	\$9,525,530	\$20,653,451	43.36%
Multifamily Housing	\$70,319,602	43.35%	\$56,255,682	\$14,063,920	\$70,319,602	100.00%
Infrastructure Program	\$36,154,651	22.29%	\$28,923,721	\$7,230,930	\$16,898,278	46.74%

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Replace:

FIGURE 29: CDBG-DR PROGRAMS SUMMARY

Summary	Summary	Summary	Most Impacted and Distressed	Most Impacted and Distressed	LMI Requirements	LMI Requirements
Item Breakdown	Total \$	% Total CDBG-DR Funds	Minimum \$ to MID	Maximum \$ Outside of MID	\$ LMI (Minimum)	% LMI (Minimum)
Total CDBG-DR Funds	\$162,212,527	100.00%	\$141,961,749	\$20,250,779	\$134,845,529	83.00%
Administration Costs	\$8,110,626	5.00%	\$6,488,501	\$1,622,125	\$0.00	0.00%
Housing Programs	\$117,947,251	72.71%	\$106,549,527	\$11,397,724	\$117,947,251	100.00%
<i>Owner-Occupied Rehab and Reconstruction</i>	\$22,270,320	13.73%	\$21,270,320	\$1,000,000	\$22,270,320	100.00%
<i>Multifamily Housing</i>	\$85,868,724	52.94%	\$75,471,000	\$10,397,724	\$85,868,724	100.00%
<i>Homebuyer Assistance</i>	\$9,808,207	6.05%	\$9,808,207	\$0	\$9,808,207	100.00%
Infrastructure Program	\$36,154,651	22.29%	\$28,923,721	\$7,230,930	\$16,898,278	46.74%

2. Housing Recovery Programs

b. Multifamily Housing Program (Page 153-154)

This section was modified to describe the reallocation of the remaining DR-MHP activity delivery funds to support projects in areas with an ongoing unmet need for rental housing.

Remove:

Allocation Methodology

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:

Replace:

Allocation Methodology

To prioritize the areas with the greatest unmet need, Action Plan Amendment 6 will reallocate the remaining DR-MHP activity delivery funds to a project in the County of Nevada to support the oversight and implementation of the current projects and support subrecipients in the MID

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area with projects that have already been underwritten by DR-MHP and conditionally approved, as follows:

Figure 104: 2017 Multifamily Housing Recovery by Jurisdiction (Updated in APA 6)

Allocation Summary	APA 5 Total Allocation	Allocation to MID	Percent to MID	APA 6 Total Allocation to MID	Allocation Outside of MID	Percent outside of MID
County of Sonoma	\$4,698,809	\$4,698,809	100%		\$0	0%
City of Santa Rosa	\$38,469,772	\$38,469,772	100%		\$0	0%
County of Ventura	\$2,756,047	\$2,756,047	100%		\$0	0%
City of Ventura	\$4,601,064	\$4,601,064	100%		\$0	0%
County of Mendocino	\$6,591,778	\$6,591,778	100%		\$0	0%
County of Yuba	\$1,666,091	\$1,666,091	100%		\$0	0%
City of Napa	\$3,309,868	\$3,309,868	100%		\$0	3%
City of Clearlake	\$11,157,983	\$11,157,983	100%		\$0	0%
County of Santa Barbara	\$1,436,515	\$1,436,515	10%		\$531,476	90%
County of Butte	\$679,013	\$0	0%		\$679,013	100%
County of Los Angeles	\$590,987	\$0	0%		\$590,987	100%
County of Nevada	\$424,028	\$0	0%	\$7,023,372	\$7,447,400	100%
Total	\$76,381,955	\$67,133,079	87.89%	\$7,023,372	\$9,248,876	12.11%

Also, this section was modified to reflect the correct allocation amounts and provide additional information.

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Remove:

2017 Multifamily Housing Recovery by Impacted Jurisdiction (Updated in APA 4)

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%
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%

Action Plan Amendment Number 4: 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.

Original Action Plan: 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 below 120 percent area median income with a FEMA verified loss (FML) greater than \$0 with a major high, major low, or severe damage designation. 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. Allocations have been updated based on local conditions, including the following:

- Due to jurisdictional boundaries, the City of Santa Barbara has requested that up to 100 percent of the allocation may be spent outside the MID and that the entire allocation be deferred to the County of Santa Barbara. HCD supports this request.
- Due to the location of the MID area, Lake County has requested that the entire allocation be deferred to the City of Clearlake. HCD supports this request.
- Due to lack of housing experience and capacity, the County of Napa has requested the entire allocation be deferred to the City of Napa. HCD supports this request.
- Due to the modest allocation and the high cost of operating a multifamily housing program, the County of San Diego has declined their entire allocation. HCD supports

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this request.

Replace:

Figure 105: 2017 Multifamily Housing Recovery by Jurisdiction (Updated in APA 4)

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	100%		\$0	0%
Yuba County	\$1,666,091	\$1,622,677	100%		\$0	0%
City of Napa	\$3,309,868	\$2,851,517	10%		\$0	0%
City of Clearlake	\$1,157,983	\$1,157,983	100%	\$10,000,000	\$0	0%
Santa Barbara County	\$588,504	\$57,028	0%		\$588,504	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%
Total	\$66,381,955	\$62,044,783	93.47%	\$10,000,000	\$4,337,172	6.53%

Action Plan Amendment Number 4: 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.

Original Action Plan: 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 below 120 percent area median income with a FEMA verified loss (FML) greater than \$0 with a major high, major low, or severe damage designation. 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. Allocations have been updated based on local conditions, including the following:

- Due to lack of housing experience and capacity, the County of Nevada has requested that the entire allocation be deferred to the City of Napa. HCD supports this request.
- Due to jurisdictional boundaries, the City of Santa Barbara has requested that up to 100 percent of the allocation may be spent outside the MID and that the entire allocation be deferred to the County of Santa Barbara. HCD supports this request.
- Due to the location of the MID area, Lake County has requested that the entire allocation be deferred to the City of Clearlake. HCD supports this request.
- Due to the modest allocation and the high cost of operating a multifamily housing program, the County of San Diego has declined their entire award. HCD supports this request.

c. Homebuyer Assistance Program (Page 160)

This section was modified to describe the reallocation of the remaining DR-MHP activity delivery funds to support projects in areas with an ongoing unmet need for single family housing.

Remove:

2. Allocation Amount: \$10,150,000

Replace:

2. Allocation Amount: \$9,808,207

VII. Administration and Planning

3. Program Budget (Page 180)

Also, this section was modified to reflect the new allocation amounts.

Remove:

FIGURE 3: CDBG-DR FUNDING SUMMARY

Total CDBG-DR Funds	\$ 124,155,000
Administration	\$ 6,207,750
Program Allocations	\$ 117,947,250
Housing Programs	\$ 114,415,447
Owner-Occupied Rehab and Recon Program	\$ 47,627,647
Multifamily Housing Program	\$ 66,787,800
FEMA PA Match Program	\$ 3,531,803

Replace:

FIGURE 4: CDBG-DR FUNDING SUMMARY

Total CDBG-DR Funds	\$ 124,155,000
Administration	\$ 6,207,750
Program Allocations	\$ 117,947,250
Housing Programs	\$ 117,947,251
Owner-Occupied Rehab and Recon Program	\$ 22,270,320
Multifamily Housing Program	\$ 85,868,724
Homebuyer Assistance Program	\$ 9,808,207
FEMA PA Match Program	\$0