



California Department of Housing and Community Development

**Community Development Block Grant-
Disaster Recovery**

2020/2021 Action Plan – Amendment 7



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Background and Summary of Changes

On February 3, 2022, the U.S. Department of Housing and Urban Development (HUD) allocated \$231,203,000 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-4558 and DR-4569 through the publication of the Federal Register, Vol. 87, No. 23, February 3, 2022 (87 FR 6364). This allocation was made available through Public Law 117-43.

Additionally, under the authority of Public Law 117-43, HUD announced on May 24, 2022, through Federal Register publication 87 FR 31636, California would be receiving \$14,761,000 in CDBG-DR funding for the 2021 disaster, FEMA DR-4610. Then, subsequently, on November 30, 2022, HUD announced through a press release: HUD Announces \$1.447 Billion for 2021 Disaster Recovery and Mitigation | HUD.gov / U.S. Department of Housing and Urban Development (HUD), that California would be receiving an additional \$9,647,000 in CDBG-DR funding for DR-4610, for a total allocation of \$24,408,000. This additional funding is officially authorized through the January 18, 2023, Federal Register publication 88 FR 3198.

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 2020 and 2021 disasters (“2020 and 2021 DR-Action Plan”).

Action Plan Amendment 7

In this substantial amendment for Action Plan Amendment 7 (APA 7), specific to DR-4610 (Plumas County), the State of California proposes the following changes:

- Reallocate \$12,157,895 in unspent funds from the Single-Family Reconstruction Program into a 2021 Multifamily Housing Program and a 2021 Infrastructure Program. Reallocate \$12,157,895 in unspent funds from the Single-Family Reconstruction Program into a 2021 Multifamily Housing Program and a 2021 DR Infrastructure Program:
- \$9,671,053 for a Multifamily Housing Program through a developer agreement, which will produce scattered site affordable rental housing in Plumas County
- \$2,486,842 for a DR-Infrastructure Program. HCD will provide a direct award to the eligible HUD-identified MID applicant Plumas County based on the infrastructure of unmet needs.

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HCD has added these funds to a new DR-Infrastructure program described below and has also provided further information about the infrastructure program, program requirements and program objectives including the program distribution of funds. Through extensive technical assistance by HCD's Disaster Recovery team for the County Planning and Public Works Departments, County Board of Supervisors, the Dixie Fire Collaborative long-term recovery group, the disaster case management provider Plumas Rural Services, and local architects and housing developers, HCD has identified two feasible pathways for these critical resources.

2021 Budget Changes for APA 7

Program	APA 5 Budget ("Before")	APA 7 Changes	Proposed APA 7 Budget ("After")
Administration	\$1,220,400	\$1,220,400	\$1,220,400
HMGP	\$725,350	\$0	\$725,350
Infrastructure	\$0	\$2,486,842	\$2,486,842
Multifamily Housing	\$0	\$9,671,053	\$9,671,053
Single Family Reconstruction (SFR)	\$20,162,800	(\$12,157,895)	\$8,004,905
Single Family Mitigation (SFM)	\$2,299,450	\$0	\$2,299,450
Total	\$24,408,000	\$24,408,000	\$24,408,000

1. Executive Summary

Remove (page 22)

FIGURE 6: UNMET NEED AND PROPOSED ALLOCATION – 2021

Category	Remaining Unmet Need	% of Unmet Need	Program Allocation Amount	% of Program Allocation
Administration	\$0	0%	\$1,220,400	5%
Planning	\$0	0%	\$0	0%
Housing	\$262,732,924.90	92%	\$20,162,800	83%
Economic Revitalization	\$11,598,571.62	4%	\$0	0%
Infrastructure	\$11,758,981.64	4%	\$0	0%
Mitigation	0	0	\$3,024,800	12%

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Total	\$286,090,478.16	100%	\$24,408,000	100%
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Replace (page 22)

FIGURE 6: UNMET NEED AND PROPOSED ALLOCATION – 2021

Category	Remaining Unmet Need	% of Unmet Need	Program Allocation Amount	% of Program Allocation
Administration	0	0	\$1,220,400	5%
Planning	0	0	0	0
Housing	\$262,732,925	92%	\$17,675,958	73%
Economic Revitalization	\$11,598,571	4%	0	0
Infrastructure	\$11,758,982	4%	\$2,486,842	10%
Mitigation	0	0	\$3,024,800	12%
Total	\$286,090,478	100%	\$24,408,000	100%

2. Unmet Needs Assessment

Add (page 30):

Based on HUD Verified Losses, there were 176 rental households and 154 homeowner households with unmet recovery needs. Because owner occupied recovery programs must have a direct tie-back to the disaster affected households, many wildfire survivors have relocated by the time CDBG-DR funding is available and can be difficult to reach. Furthermore, many homeowners received substantial legal settlements from the power utility, which was found liable for the damage caused by the qualifying disaster. With that settlement money, many homeowners did not apply to the Single-Family Reconstruction Program. Additionally, much of the housing stock destroyed in the Dixie Fire were naturally occurring affordable single-family rentals. Four years after the disaster, HCD and Plumas County have identified rental housing to be the most pressing housing recovery need.

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Add (page 98):

DR-4610-impacted counties reported \$19,507,662 in total impact for FEMA PA Categories C-G, with \$17,507,662 in total resources and \$1,950,966 in unmet need. Including unmet HMGP needs included in the APA #5 update, unmet infrastructure needs total \$11,758,982. The DR-4610 most impacted and distressed (MID) area, Plumas County, also provided three road infrastructure projects damaged by the disasters, totaling over \$10 million. These infrastructure repair projects in a small, rural jurisdiction exceed their local fiscal capacity. Not repairing roads in a rural, mountainous area with limited other routes hinders additional housing reconstruction and economic recovery. Furthermore, these roads represent points of egress for evacuations in high wildfire hazard communities, supporting community preparedness to future wildfires.

4. Program Budget

Add (page 185):

For 2021 funds, the DR-Infrastructure Program provides CDBG-DR funds to critical infrastructure activities inclusive of stand-alone or federal match projects.

Remove (page 186)

Program Category	Program	Budget	HUD Identified MID Budget	Grantee Identified MID Budget	% of Allocation	Maximum Award	National Objective	Program Category
Housing	Rehab	\$20,162,800	\$20,162,800	\$0	83%	\$0	LMI	Housing
	Buyout	0	0	\$0	0	\$0	Not applicable	
	New Construction	0	0	\$0	0	\$0	Not applicable	
	Other	0	0	\$0	0	\$0	Not applicable	
Economic Revitalization	Workforce Training	0	0	\$0	0	\$0	Not applicable	Economic Revitalization
	Business Grants	0	0	\$0	0	\$0	Not applicable	
	Other	0	0	\$0	0	\$0	Not applicable	
Infrastructure	Water/sewer Improvements	0	0	\$0	0	\$0	Not applicable	Infrastructure
	Health Facilities	0	0	\$0	0	\$0	Not applicable	
	Other	0	0	\$0	0	\$0	Not applicable	
Public Services	Legal Services	0	0	\$0	0	\$0	Not applicable	Public Services
	Housing Counseling	0	0	\$0	0	\$0	Not applicable	
	Other	0	0	\$0	0	\$0	Not applicable	
Mitigation	Mitigation	\$3,024,800	\$3,024,800	\$0	12%	\$0	LMI	Mitigation
Admin	Admin	\$1,220,400	\$1,220,400	\$0	5%	\$0	Not applicable	Admin
Planning	Planning	0	0	\$0	0	\$0	Not applicable	Planning
Total	\$24,408,000	\$24,408,000	\$24,408,000	\$0	100%	\$0		Total

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Replace (page 186)

FIGURE 148: PROGRAM BUDGET – 2021

Program Category	Program	APA 6 Budget	APA 7 Budget	HUD Identified MID Budget	Grantee Identified MID Budget	% of Allocation	Maximum Award	National Objective
Housing	Rehab	\$20,162,800	\$8,004,905	\$8,004,905	\$0	33%	\$0	LMI
	Buyout	\$0	\$0	\$0	\$0	0	\$0	
	New Construction	\$0	\$9,671,053	\$9,671,053	\$0	40%	\$0	LMI
	Other	\$0	\$0	\$0	\$0	0	\$0	
Economic Revitalization	Workforce Training	\$0	\$0	\$0	\$0	0	\$0	
	Business Grants	\$0	\$0	\$0	\$0	0	\$0	.
	Other	\$0	\$0	\$0	\$0	0	\$0	
Infrastructure	Construction/Reconstruction of water lift stations; public facilities; water/sewer lines or systems	\$0	\$0	\$0	\$0	0	\$0	
	Acquisition, Construction, Reconstruction of public facilities	\$0	\$0	\$0	\$0	0	\$0	.
	Construction/Reconstruction of Streets	\$0	\$2,486,842	\$2,486,842	\$0	10%	\$0	LMI or Urgent Need
Public Services	Legal Services	\$0	\$0	\$0	\$0	0	\$0	
	Housing Counseling	\$0	\$0	\$0	\$0	0	\$0	
	Other	\$0	\$0	\$0	\$0	0	\$0	
Mitigation	Mitigation	\$3,024,800	\$3,024,800	\$3,024,800	\$0	12%	\$0	LMI
Admin	Admin	\$1,220,400	\$1,220,400	\$1,220,400	\$0	5%	\$0	
Planning	Planning	\$0	\$0	\$0	\$0	0	\$0	
Total	\$24,408,000	\$24,408,000	\$24,408,000	\$24,408,000	\$0	100%		

Data Source(s): 2021 Unmet Needs Analysis

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Remove (page 189)

FIGURE 150: 2021 EXPENDITURE PROJECTIONS

Program	Budget	2023	2024			
		Q4	Q1	Q2	Q3	Q4
Administration	\$1,220,400	0	0	0	\$122,040	\$122,040
2021 Single Family Reconstruction	\$20,162,800	0	0	0	\$2,016,280	\$2,016,280
2021 Single Family Mitigation	\$3,024,800	0	0	0	\$302,480	\$302,480
TOTAL	\$24,408,000	0	0	0	\$2,440,800	\$2,440,800

Program	2025			
	Q1	Q2	Q3	Q4
Administration	\$122,040	\$122,040	\$122,040	\$122,040
2021 Single Family Reconstruction	\$2,016,280	\$2,016,280	\$2,016,280	\$2,016,280
2021 Single Family Mitigation	\$302,480	\$302,480	\$302,480	\$302,480
TOTAL	\$2,440,800	\$2,440,800	\$2,440,800	\$2,440,800

Program	2026			
	Q1	Q2	Q3	Q4
Administration	\$122,040	\$122,040	\$122,040	\$122,040
2021 Single Family Reconstruction	\$2,016,280	\$2,016,280	\$2,016,280	\$2,016,280
2021 Single Family Mitigation	\$302,480	\$302,480	\$302,480	\$302,480
TOTAL	\$2,440,800	\$2,440,800	\$2,440,800	\$2,440,800

Program	2027			
	Q1	Q2	Q3	Q4
Administration	0	0	0	0
2021 Single Family Reconstruction	0	0	0	0
2021 Single Family Mitigation	0	0	0	0
TOTAL	0	0	0	0
Program	2028			
	Q1	Q2	Q3	Q4
Administration	0	0	0	0
2021 Single Family Reconstruction	0	0	0	0

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2021 Single Family Mitigation	0	0	0	0
TOTAL	0	0	0	0

	2029			
Program	Q1	Q2	Q3	Q4
Administration	0	0	0	0
2021 Single Family Reconstruction	0	0	0	0
2021 Single Family Mitigation	0	0	0	0
TOTAL	0	0	0	0

Replace (page 189)

FIGURE 150: 2021 EXPENDITURE PROJECTIONS

Program	Budget	Actuals to 9/15/2025	2025 Q4
2021 Administration	\$1,220,400	\$9,905	\$10,000
2021 Hazard Mitigation Grant (HMGP)	\$725,350	\$7,703	\$7,254
2021 DR Infrastructure	\$2,486,842	\$0	\$0
2021 Multifamily Housing (MHP)	\$9,671,053	\$0	\$24,178
2021 Single Family Reconstruction (SFR)	\$8,004,905	\$1,402,001	\$160,098
2021 Single Family Mitigation (SFM)	\$2,465,800	\$297,449	\$49,316
TOTAL	\$24,408,000	\$1,718,260	\$249,182

	2026			
Program	Q1	Q2	Q3	Q4
2021 Administration	\$10,000	\$10,000	\$10,000	\$10,000
2021 Hazard Mitigation Grant (HMGP)	\$14,507	\$14,507	\$14,507	\$14,507
2021 DR Infrastructure	\$9,325	\$9,325	\$9,325	\$9,325
2021 Multifamily Housing (MHP)	\$241,776	\$241,776	\$241,776	\$241,776
2021 Single Family Reconstruction (SFR)	\$700,429	\$700,429	\$700,429	\$700,429
2021 Single Family Mitigation (SFM)	\$246,580	\$246,580	\$246,580	\$246,580
TOTAL	\$1,219,290	\$1,219,290	\$1,219,290	\$1,219,290

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2027				
Program	Q1	Q2	Q3	Q4
2021 Administration	\$10,000	\$10,000	\$10,000	\$10,000
2021 Hazard Mitigation Grant (HMGP)	\$87,042	\$87,042	\$87,042	\$87,042
2021 DR Infrastructure	\$217,599	\$217,599	\$217,599	\$217,599
2021 Multifamily Housing (MHP)	\$483,553	\$483,553	\$483,553	\$483,553
2021 Single Family Reconstruction (SFR)	\$700,429	\$700,429	\$700,429	\$700,429
2021 Single Family Mitigation (SFM)	\$215,758	\$215,758	\$215,758	\$215,758
TOTAL	\$1,694,419	\$1,694,419	\$1,694,419	\$1,694,419

2028				
Program	Q1	Q2	Q3	Q4
2021 Administration	\$10,000	\$10,000	\$10,000	\$10,000
2021 Hazard Mitigation Grant (HMGP)	\$72,535	\$72,535	\$72,535	\$72,535
2021 DR Infrastructure	\$310,855	\$310,855	\$310,855	\$310,855
2021 Multifamily Housing (MHP)	\$1,450,658	\$1,450,658	\$1,450,658	\$1,450,658
2021 Single Family Reconstruction (SFR)	\$120,070	\$120,070	\$120,070	\$120,070
2021 Single Family Mitigation (SFM)	\$36,987	\$36,987	\$36,987	\$36,987
TOTAL	\$1,984,470	\$1,984,470	\$1,984,470	\$1,984,470

2029					
Program	Q1	Q2	Q3	Q4	Total
2021 Administration	\$500,000	\$500,000	\$50,000	\$32,495	\$1,220,400
2021 Hazard Mitigation Grant (HMGP)	\$3,627	\$3,627	\$3,627	\$1,791	\$559,000
2021 DR Infrastructure	\$89,931	\$89,931	\$89,931	\$65,933	\$2,486,842
2021 Multifamily Housing (MHP)	\$241,776	\$241,776	\$241,776	\$217,599	\$9,671,053
2021 Single Family Reconstruction (SFR)	\$89,774	\$89,774	\$89,774	\$89,772	\$8,004,905
2021 Single Family Mitigation (SFM)	\$30,823	\$30,823	\$30,823	\$29,266	\$2,465,800
TOTAL	\$955,099	\$955,099	\$504,099	\$435,545	

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Remove (page 192)

FIGURE 152: 2021 EXPENDITURE OUTCOMES

		2023	2024			
Program	Accomplishments	Q4	Q1	Q2	Q3	Q4
2021 Single Family Reconstruction	#single family units completed (32)	0	0	0	0	0
2021 Single Family Mitigation	# single family units retrofitted (36)	0	0	0	0	0
TOTAL	68	0	0	0	0	0

2025				
Program	Q1	Q2	Q3	Q4
2021 Single Family Reconstruction	0	2	5	5
2021 Single Family Mitigation	0	5	6	5
TOTAL	0	7	11	10

2026				
Program	Q1	Q2	Q3	Q4
2021 Single Family Reconstruction	5	5	5	5
2021 Single Family Mitigation	5	5	5	5
TOTAL	10	10	10	10

2027				
Program	Q1	Q2	Q3	Q4
2021 Single Family Reconstruction	0	0	0	0
2021 Single Family Mitigation	0	0	0	0
TOTAL	0	0	0	0

2028				
Program	Q1	Q2	Q3	Q4
2021 Single Family Reconstruction	0	0	0	0
2021 Single Family Mitigation	0	0	0	0
TOTAL	0	0	0	0

2029					Total
Program	Q1	Q2	Q3	Q4	
2021 Single Family Reconstruction	0	0	0	0	32
2021 Single Family Mitigation	0	0	0	0	36

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TOTAL	0	0	0	0	
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Replace (page 192)

FIGURE 152: 2021 EXPENDITURE OUTCOMES

Program	Accomplishments	Projected Total	Actuals to Date (8/31/2025)
2021 Hazard Mitigation Grant (HMGP)	# of structures harden against future flood events	14	0
2021 DR Infrastructure	# of Linear feet of Public Improvement	TBD	0
2021 Multifamily Housing (MHP)	# of Multifamily Units Completed	18	0
2021 Single Family Reconstruction (SFR)	#single family units completed	8	0
2021 Single Family Mitigation (SFM)	# single family units retrofitted	19	1
TOTAL		?	1

	2026			
Program	Q1	Q2	Q3	Q4
2021 Hazard Mitigation Grant (HMGP)	0	0	0	0
2021 DR Infrastructure	0	0	0	0
2021 Multifamily Housing (MHP)	0	0	0	0
2021 Single Family Reconstruction (SFR)	1	0	0	1
2021 Single Family Mitigation (SFM)	6	0	0	1
TOTAL	0	0	0	0

	2027			
Program	Q1	Q2	Q3	Q4
2021 Hazard Mitigation Grant (HMGP)	0	2	2	3
2021 DR Infrastructure	0	0	0	0
2021 Multifamily Housing (MHP)	0	0	0	0

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2021 Single Family Reconstruction (SFR)	1	2	1	2
2021 Single Family Mitigation (SFM)	3	3	3	0
TOTAL	0	0	0	0

	2028			
Program	Q1	Q2	Q3	Q4
2021 Hazard Mitigation Grant (HMGP)	3	2	1	1
2021 DR Infrastructure	0	0	0	0
2021 Multifamily Housing (MHP)	0	0	0	0
2021 Single Family Reconstruction (SFR)	0	0	0	0
2021 Single Family Mitigation (SFM)	0	1	0	1
TOTAL	0	0	0	0

	2029				
Program	Q1	Q2	Q3	Q4	Total All Years
2021 Hazard Mitigation Grant (HMGP)	0	0	0	0	14
2021 DR Infrastructure	0	0	0	0	0
2021 Multifamily Housing (MHP)	0	0	0	0	18
2021 Single Family Reconstruction (SFR)	0	0	0	0	8
2021 Single Family Mitigation (SFM)	0	0	0	0	19
TOTAL	0	0	0	0	0

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5. Program Details

Remove (page 266)

FIGURE 167: 2021 SINGLE FAMILY RECONSTRUCTION

Grant Number	Proposed Budget	Proposed MID Threshold Budget HUD Identified	Proposed MID Threshold Budget Grantee Identified
B-21-DF-06- 0001	\$12,193,250	\$12,193,250	\$0
B-22-DF-06- 0001	\$7,969,550	\$7,969,550	\$0

Replace (page 266)

FIGURE 167: 2021 SINGLE FAMILY RECONSTRUCTION

Grant Number	Proposed Budget	Proposed MID Threshold Budget HUD Identified	Proposed MID Threshold Budget Grantee Identified
B-21-DF-06- 0001	\$3,167,699	\$3,167,699	\$3,167,699
B-22-DF-06- 0001	\$4,837,206	\$4,837,206	\$4,837,206

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Add (pages 281-289)

5.10 2021 Multifamily Housing Program

Grant Number	Proposed Budget	Proposed MID Threshold Budget HUD Identified	Proposed MID Threshold Budget Grantee Identified
B21DF060001	\$9,671,053	\$9,671,053	\$9,671,053

Program Description

The 2021 Multifamily Housing Program (MHP) for FEMA DR-4610 in Plumas County will consist of new development of rental housing through implementation of one scattered-site project designed to address the unmet rental housing need, including the long-term recovery needs of individuals displaced from rental mobile homes, single family and multifamily rental units, individuals made homeless because of the wildfire disaster, and Housing Choice Voucher holders. A scattered-site project is a development with five (5) or more units under common ownership and management located on one or more contiguous or non-contiguous sites. The selected project will not only address the need for additional rental housing units in the community but will also mitigate potential future damage through hardening measures incorporated into the construction scope of work for newly constructed structures and by creating defensible space zones at each site.

Siting of new rental housing will keep the established community in mind to mitigate potential displacement of families. The selected project sponsor will be required to commit to an affordability period of at least 55 years. If other funds requiring a longer affordability period are committed to the project, the longest affordability period will prevail. The project sponsor will be required to follow the state's Residential Anti-Displacement and Relocation Assistance Plan (RARAP) to minimize displacement.

Program Tieback to Disaster/Unmet Needs

HUD requires that 80 percent of CDBG-DR funding be spent within areas designated as Most Impacted and Distressed (MID areas). HCD will spend 100 percent of the 2021 DR Allocation in the HUD MID areas. The DR-4610 MID area for MHP consists of Plumas County. Data sources related to this MID county are incorporated into the Unmet Needs Assessment section of this Action Plan.

Prioritization Criteria

HCD will select one scattered-site project to receive MHP funds and contract directly with the selected project sponsor. The project sponsor and their corresponding scattered-site project proposal will be selected based on demonstrated project

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sponsor capacity, project sponsor proximity to the MID, and project viability indicators such as site control, plans to address any National Environmental Policy Act mitigation measures required, a clear plan to secure local entitlements, development and construction cost reasonableness, construction schedule, management plan, and the reasonableness of the proposed operating budget. Both the project sponsor and the proposed scattered-site project shall receive a letter of support from the local governing body.

AB 1010 Waivers for Tribal Entities

AB 1010 (HSC 50406(p)) allows HCD to modify state financing requirements to ensure program compatibility when provisions of tribal law, tribal governance, tribal charter, or differences in tribal entity or agency legal structure would cause a violation or not satisfy the requirements of any state financing. AB 1010 also allows HCD to waive state financing requirements to avoid an unnecessary administrative burden when provisions of tribal law, tribal governance, tribal charter, or difference in tribal entity legal structure or agency create minor inconsistencies with state financing requirements. Tribal Entities are encouraged to submit AB 1010 requests if provisions of tribal law, tribal governance, tribal charter, or differences in tribal entity or agency legal structure would cause the Tribal Entity to fail to satisfy any of the requirements of MHP.

Program Affordability Period

The newly constructed scattered-site rental housing shall be deed-restricted by a Regulatory Agreement recorded against fee title for a minimum affordability period of 55 years (50 years if the project sponsor is a tribal entity). In the event the project fails to meet the requirements of the 55-year Regulatory Agreement, including failure to meet the affordability requirements for the full 55-year term, the project sponsor or any subsequent owner(s) may be required to repay all, or a portion of the MHP funds invested in the project.

Program Eligibility

Eligibility of the scattered-site project will be assessed by HCD. Specific eligibility criteria include:

- The proposed project must be located in the Most Impacted and Distressed area, DR-4610.
- The proposed scattered-site project must have a minimum of five total units under common ownership and management.
- Each unit receiving MHP funds covered by the Regulatory Agreement shall be occupied by a household earning less than 70 percent of the Area Median income at an affordable rent. unit.
- Maximum Affordable Rents: The maximum affordable rent shall not exceed the annual [Multifamily Tax Subsidy Projects \(MTSP\) Regular Income Rent Limit](#) for Plumas County.

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- All sources of funding required to complete the scattered-site project must be identified and secured or readily accessible.
- The proposed scattered-site 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 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 number of units in the scattered-site project that will be leased to tenants with an income of up to 70 percent of the AMI based on regulatory and program requirements.
- The affordable rent will be the Multifamily Tax Subsidy Projects (MTSP) Regular Income Rent Limit published annually by HCD for Plumas County.
- Each parcel included in the project shall be deed-restricted by a Regulatory Agreement for a minimum affordability period of 55 years. The HCD Regulatory Agreement shall be recorded in first position above any other lien or encumbrance.

Program Responsible Entity

The MHP is administered and monitored by HCD. HCD will ensure compliance with the regulatory requirements and ensure conformance to broader recovery goals. HCD is responsible for overseeing the program, selecting the scattered-site project and sponsor, reviewing project sponsor experience and qualifications, and reviewing and underwriting the proposed scattered-site project development.

HCD will provide technical assistance to the project sponsor to ensure compliance with CDBG-DR requirements and consistency with the program policies and procedures. In addition, periodic risk-based monitoring of the project will be conducted to test compliance and ensure timely project completion.

HCD is solely responsible for making awards to the selected scattered-site project, facilitating execution of appropriate agreements, including regulatory agreements, to restrict MHP units within the project for a period of not less than 55 years.

Once HCD selects the scattered-site project and announces the award, the form of agreement with successful applicant developers will be a Standard Agreement, which will define each party's obligations, commit funding to the project, establish timelines and milestones, and reiterate relevant compliance requirements. At an appropriate time specified in the Standard Agreement, a Regulatory Agreement shall be recorded in first position above all other liens or encumbrances.

HCD's role includes determining the capacity and experience of the project sponsor and/or construction contractors, completion of the NEPA environmental review, project oversight, and ensuring compliance with the accessibility requirements of both the Federal Fair Housing Act and Section 504 of the Rehabilitation Act of 1973

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during construction and at initial occupancy. HCD will be responsible for monitoring developer or contractor compliance with construction advertisement and notification to minority and women-owned businesses of contracting opportunities available for the federally assisted project. HCD will monitor labor standards compliance and compliance with HUD's Section 3 quantitative and qualitative benchmarks during construction and will ensure long-term compliance with affordability requirements and fair housing laws throughout the affordability period.

Program Maximum Assistance

The selected scattered-site project will be funded in whole or in part with available CDBG-DR funds for MHP in the form of a below-market interest rate residual receipts loan to be disbursed on a reimbursement basis via a Standard Agreement between HCD and the project sponsor to ensure that proper financial controls and safeguards are in place to protect CDBG-DR funds. Specific payment terms and conditions are outlined in the Standard Agreement and associated loan documents. The Standard Agreement defines financial and property management requirements as well as remedies for correcting deficiencies and non-compliance.

The Standard Agreement, Regulatory Agreement(s), and loan documents will also contain CDBG-DR recapture provisions for non-performance or breach of developer responsibility.

Program Estimated Begin and End Date

The MHP will begin following HUD's approval of the Action Plan Amendment. HCD anticipates selecting a scattered-site project and its project sponsor by the second quarter of 2026 and entering into a Standard Agreement by the third quarter of 2026, subject to completion of the required National Environmental Policy Act review for the project, which must account for project aggregation such that each of the sites included in the project is evaluated in compliance with 24 CFR Part 58. Construction is expected to commence within 180 days of the Standard Agreement Execution, with completion and full lease-up anticipated before the end of the grant term.

Other Program Details

Eligible Activity

42 U.S.C. 5305(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 the Consolidated Notice, 87 FR 6370, which requires HCD to address unmet housing recovery needs with CDBG-DR funds. New housing construction is eligible as established in the Consolidated Notice, 87 FR 6371, paragraph B.1 of Section II.

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Through the FRN, 87 FR 6370, HUD adopts alternative requirements to activities eligible under HCDA Section 105(a), which allows California to carry out modified activities to comply with the requirements in the FRN to incorporate mitigation measures as a construction standard.

New housing construction is also eligible, as established in the Universal Notice, 90 FR 1754, Section III.D.5.

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 86 FR 6364. The selected scattered-site project will be funded through completion in accordance with its financing needs. HCD 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.

Eligible scattered-site project costs include:

- Activity delivery costs for HCD to administer and monitor the MHP program, including allocable direct and indirect staff costs and consultant costs;
- Property acquisition costs;
- Architectural, appraisal, design, engineering, environmental, legal, and other consulting costs, and fees, which are directly related to the planning and execution of the project, and which are incurred through third-party contracts;
- Escrow, title insurance, recording, and other related costs;
- Building permits, and state and local fees;
- Local development impact fees;
- Developer fees;
- Mobilization, site prep, and clean up;
- Residential construction costs;
- Hazard mitigation costs; and
- On-site improvements related to the project.

Ineligible costs include:

- Costs incurred between the date of application and environmental clearance (e.g., Authority to Use Grant Funds) that constitute an adverse environmental impact or that limit the choice of reasonable alternatives pursuant to 24 CFR 58.22(a);
- Application development costs;
- Advances of any type, including construction;
- Interest and financing costs;
- Facility operating or maintenance expenses;
- Reserves and contingencies;
- Furnishings;
- Offsite improvements, except where the improvement is contiguously

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- adjacent to the Project parcel and serves the housing;
- Construction or any other costs related to any non-residential component of the Project; and
- Reimbursement of Sponsor's capital investment or prepaid expenses.

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.

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. CDBG-DR funds will only be applied to the affordable units restricted for occupancy by low-to-moderate-income households.

Incorporation of Mitigation Measures

HCD will ensure that reasonable hazard mitigation measures are incorporated into the project to reduce the future impacts of recurring natural disasters. The State of California building code, which incorporates mitigation measures, applies to HCD's CDBG-DR projects. All residential construction projects must comply with the current published housing construction codes for the State of California. Housing construction codes for building in California follow federal and state laws, regulations, and adaptations for the construction of single-family and multifamily units.

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

Construction standards for HCD's housing projects can be referenced online at: <https://www.hcd.ca.gov/building-standards-hcd>.

Specific code compliance to achieve hazard mitigation, such as Wildland-Urban Interface (WUI area building codes, is implemented where applicable according to local code and the unique needs of impacted communities.

WUI area building codes are designed to mitigate the risks from wildfire to life and property. The standards within a WUI area code vary according to the scope that a community is willing to adopt and enforce. WUI area codes may include the following topics:

Structure density and location: number of structures allowed in areas at risk from wildfire, plus setbacks (distance between structures and distance between other features such as slopes).

Building materials and construction: roof assembly and covering, eaves, vents, gutters, exterior walls, windows, non-combustible building materials, and non-combustible surface.

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Vegetation management: tree thinning, spacing, limbing, and trimming; removal of any vegetation growing under tree canopies (typically referred to as “ladder fuels”), surface vegetation removal, and brush clearance; vegetation conversion, fuel modifications, and landscaping.

Emergency vehicle access: driveways, turnarounds, emergency access roads, marking of roads, and property address markers.

Water supply: approved water sources and adequate water supply.

Fire protection: automatic sprinkler system, spark arresters, and propane tank storage.

HCD and the project sponsor will take into account the costs and benefits of incorporating hazard mitigation measures to protect against the specific identified impacts of future disasters.

Broadband Infrastructure

Projects involving reconstruction, or new construction of a building with more than four rental units must include the installation of broadband infrastructure. More specific information for this requirement will be included in the MHP program policy and procedures.

Program Competitive Applications

Not applicable.

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5.11 2021 DR-Infrastructure Program

Grant Number	Proposed Budget	Proposed MID Threshold Budget HUD Identified	Proposed MID Threshold Budget Grantee Identified	Local Assistance Award Budget
B22DF060001	\$2,486,842	\$2,486,842	\$2,486,842	\$2,250,000

Program Description

The 2021 DR-Infrastructure Program is in alignment with the unmet needs assessment by supporting long-term recovery needs by funding infrastructure projects crucial to the overall housing recovery of the region.

HCD will provide a direct award to the eligible HUD-identified MID applicant, Plumas County, based on unmet infrastructure needs. The direct award amount is provided in the figure above under the Local Assistance Award budget. HCD will review projects for the use of funds and provide technical assistance and oversight to ensure that the eligible applicant executes their infrastructure recovery effectively. All funded projects will be reviewed for compliance with CDBG requirements, and if compliant, approved by HCD before funds are provided to the eligible applicant. Eligible project types will include stand-alone or federal match projects.

Activities

Eligible infrastructure related activities under this program include the following activity types: HCDA Section 105(a)(1) – Acquisition of Real Property; HCDA Section 105(a)(2) – Public Facilities and Improvements; HCDA Section 105(a)(3) - Code Enforcement; HCDA Section 105(a)(4) – Clearance, Rehabilitation, Reconstruction, and Construction of Buildings (Including Housing); HCDA Section 105(a)(5) – Removal of Barriers; HCDA Section 105(a)(9) – Payment of Non-Federal Share; and HCDA Section 105(a)(11) – Relocation.

Program Tieback to Disaster/Unmet Needs

Applications from the eligible jurisdiction must identify unmet infrastructure needs with a direct or indirect tie to the DR-4610 disaster.

How the Program Will Advance Long-Term Resilience

HCD will coordinate with the eligible applicant to ensure that the proposed project(s) advance long-term resilience and incorporate mitigation measures consistent with CDBG-DR requirements. HCD will ensure that mitigation measures and strategies to reduce natural hazard risks will be integrated into the infrastructure activities. The eligible applicant will be required to achieve objectives outlined in

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regionally or locally established plans and policies that are designed to reduce future risk to the jurisdiction.

Program National Objectives

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 objectives. Infrastructure funding requires a case-by-case analysis of each project to meet these requirements. It is the responsibility of the applicant to substantiate the national objective as part of its proposal to HCD.

Program Responsible Entity

HCD will provide technical assistance and coordinate closely with eligible applicants during the application phase. Once proposals are reviewed, HCD will award funds to the subrecipient for their projects in accordance with a subrecipient agreement. 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.

Program Eligibility

The following one HUD-identified MID county is eligible for the DR-Infrastructure Program: Plumas County.

Program Maximum Assistance

There will be no project-based award cap for the DR-Infrastructure Program.

Program Estimated Begin and End Date

The DR-Infrastructure program application portal will be opened in the quarter following HUD approval of this Action Plan and the Implementation and Capacity document. Technical assistance will be provided until sufficient applications are received and approved to extend the entire allocation of DR-Infrastructure Program funds. Individual project completion timeframes will be determined on a case-by-case basis with the subrecipient, in accordance with their agreement.

Other Program Details

HCD will distribute grant funding using a subrecipient administered approach. Thus, subrecipients will assume the authority for the decision making and completion of the environmental review per 24 CFR 58.4. As a result, HCD will provide technical assistance and monitor subrecipients to ensure they exercise HUD's environmental review responsibilities and follow the requirements per 24 CFR 58.4(b)(2) and 24 CFR 58.18.

Broadband Infrastructure

Projects involving the repair and new construction of roads must include the installation of broadband

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infrastructure. More specific information for this requirement will be included in the Program policy and procedures.

Program Method of Distribution

Eligible applicants will receive a direct award. The following direct awards will be made available to the following applicants: Plumas County: \$2,486,842. Eligible applicants may apply their direct award towards one or more projects up to their award amount.