State of California
Community Development Block Grant
Disaster Recovery 2023/2024
Action Plan Amendment #1

For submission to the U.S. Department of Housing and Urban Development to fulfill requirements related to Community Development Block Grant (CDBG-DR) Funds in Response to 2023 and 2024 Disasters (FEMA DR-4699, 4758 and 4707)

Table of Contents

Table of Figures

ACTION PLAN AMENDMENT TABLE

Amendment	Substantial or Non-Substantial	HUD Review/Approval	Summary of Changes
No. 1	Non-substantial		• Language change to the Single-Family Rehabilitation and Reconstruction Program • Clerical language change to the Insurance Resilience Planning Program. • Correct a typo to the Infrastructure and Mitigation programs. • Minor changes to the Homebuyer Assistance Program.

SUMMARY OF CHANGES

Action Plan Amendment 1 (APA 1) Non- Substantial will address changes in the following items:

1. **ReCover CA Single Family Rehabilitation and Reconstruction (SFRR):**

- **a.** Updated language to the Eligibility Criteria section for Owner-Occupant applicants to add owners cannot own any other real property at the time of application to the Program.
- **b.** Update to the Landlord applicant section to add landlord cannot apply to the Program for their Primary Residence.
- **c.** Updated language on the Eligible Costs for Owner Occupied Applicant language to clarify that owner-occupied applicants who have completed rehabilitation work on their primary residences in accordance with local and state building codes and received building permits when required or otherwise completed work as determined by the Program's initial inspection.
- **d.** Updated language on the Program Definition of Second Home/Eligibility section to state that the program will accept one application from a Landlord for one rental property.
- **e.** Update to language on the Maximum Amount of Assistance Per Beneficiary section to state Reconstruction is permissible for a rehabilitation applicant for eligible properties whose Program damage assessment and estimated cost to repair exceeds 75% of the Fair Market Value of the home and/or the rehabilitation cap.

2. ReCoverCA Homebuyer Assistance Program

- **a.** Updated language to the Program Tieback to Disaster/Unmet Needs section to state the HBA Program will meet the needs of LMI renters whose primary residence at the time of the qualifying 2023 or 2024 disasters was in a HUD-designated MID area.
- b. Updated language to the Applicant Eligibility (Per HBA Property) section to state that for applicants occupied a home as their primary residence at the time of the 2023 or 2024 disasters The home must have been located in a HUD-defined MID area and the home must have been a legal dwelling (conventional build, mobile home or manufactured home). Priority may be given to households who were directly impacted by the qualifying disaster.

Executive Summary

The U.S. Department of Housing and Urban Development (HUD) announced that the State of California $416,597,000 in funding to support long-term recovery efforts following the 2023 and 2024 Severe Winter Storms, Flooding, landslides and Mudslides (FEMA Disaster Numbers 4699, 4707, and 4758). The State of California will administer the funds through the California Department of Housing and Community Development (HCD). Community Development Block Grant-Disaster Recovery (CDBG-DR) funding is designed to address needs that remain after all other assistance has been exhausted. This plan details how funds will be used to address remaining unmet need in the State of California.

To meet disaster recovery needs, the statutes making CDBG-DR funds available have imposed requirements and authorized HUD to modify the rules that apply to the annual CDBG program to enhance flexibility and facilitate a quicker recovery. HUD has allocated $416,597,000 in CDBG-DR funds to the State of California in response to FEMA DR: 4699, 4707, and 4758, through the publication of the Federal Register (FR-6512-N-01). This allocation was made available through the Disaster Relief Supplemental Appropriations Act, 2025 (Pub. L. 118-158).

HCD is the lead and responsible agency for administering the CDBG-DR funds allocated to the State of California. HCD strives to ensure that every Californian has a safe, stable, and affordable home. However, California is in a housing crisis a half century in the making. After decades of underproduction, housing supply is far behind need leading to soaring housing prices and rents. Disaster exacerbates California's already unaffordable housing market. HCD intends to spend 100 Percent of the funds in Most Impacted Distressed areas identified for this allocation through housing, infrastructure and planning programs. Nearly 2/3 of disaster tieback funding is allocated to housing as the largest unmet recovery need for DRs 4699, 4707 and 4758. HCD’s proposed housing, infrastructure and planning programs will help meet CDBG-DR’s overall benefit requirement.

The information provided in this action plan reflects a significant amount of outreach and engagement to all eligible counties, cities, and tribal governments, as well local non-governmental organizations engaged in disaster response and recovery.

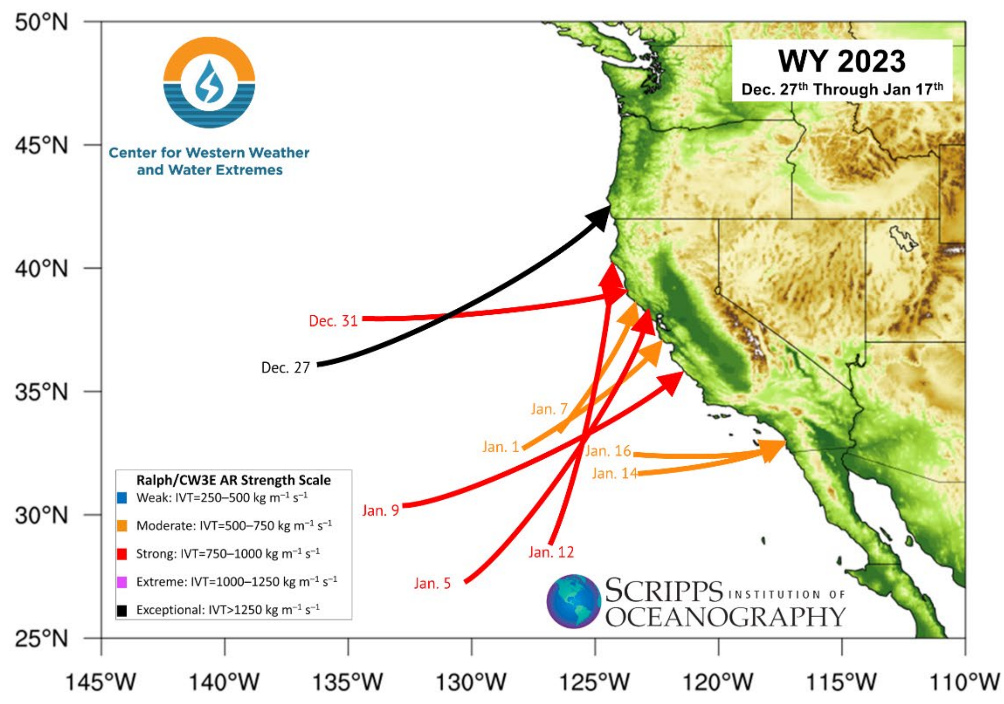
Disaster-Specific Overview

2023

The 2023 water year began with continuation of the dry conditions that had characterized the three prior drought years, but a pattern shift occurred in late December with the arrival of an exceptionally strong atmospheric river storm. The period from late December 2022 through the first half of January 2023, and then again from late February through March, brought historic precipitation and snowpack conditions to parts of California and Nevada. Many of the storm systems were characterized by cool temperatures and low snow levels, brought on by numerous moist and strong low-pressure systems, including over a dozen Atmospheric Rivers and three bomb cyclones (a rapidly developing area of low pressure where the atmospheric pressure drops at least 24 millibars over a 24-hour period) during the period from December 2022 through March 2023.[1]

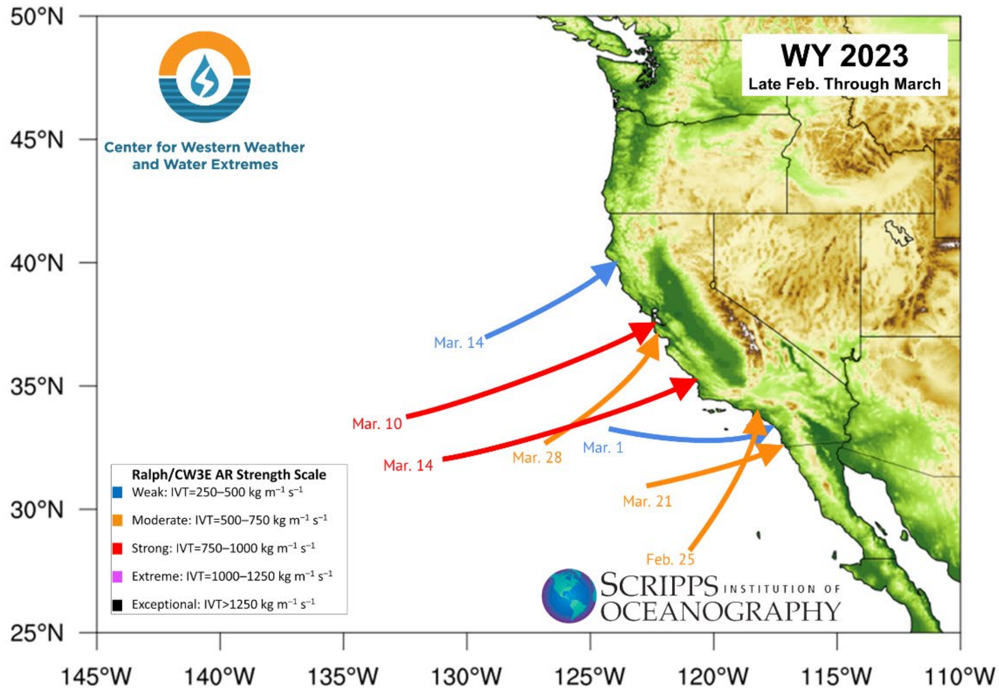
The remainder of the wet season was characterized by an abundance of atmospheric river storms in stark contrast to their relative paucity in the prior dry years. California received about half of its average annual precipitation between December and March. Multiple state emergency proclamations were issued in March in response to the winter storms, resulting in most of the state's counties being covered by an emergency proclamation by the end of the month. The wet season's storm tracks favored the central and southern Sierra, resulting in 237 percent and 300 percent, respectively, of average snowpacks there. Some of the most significant flood damages also occurred in the middle part of the state.

Figure 1: California 2023 Water Year: December 27th, 2022, through January 17th, 2023



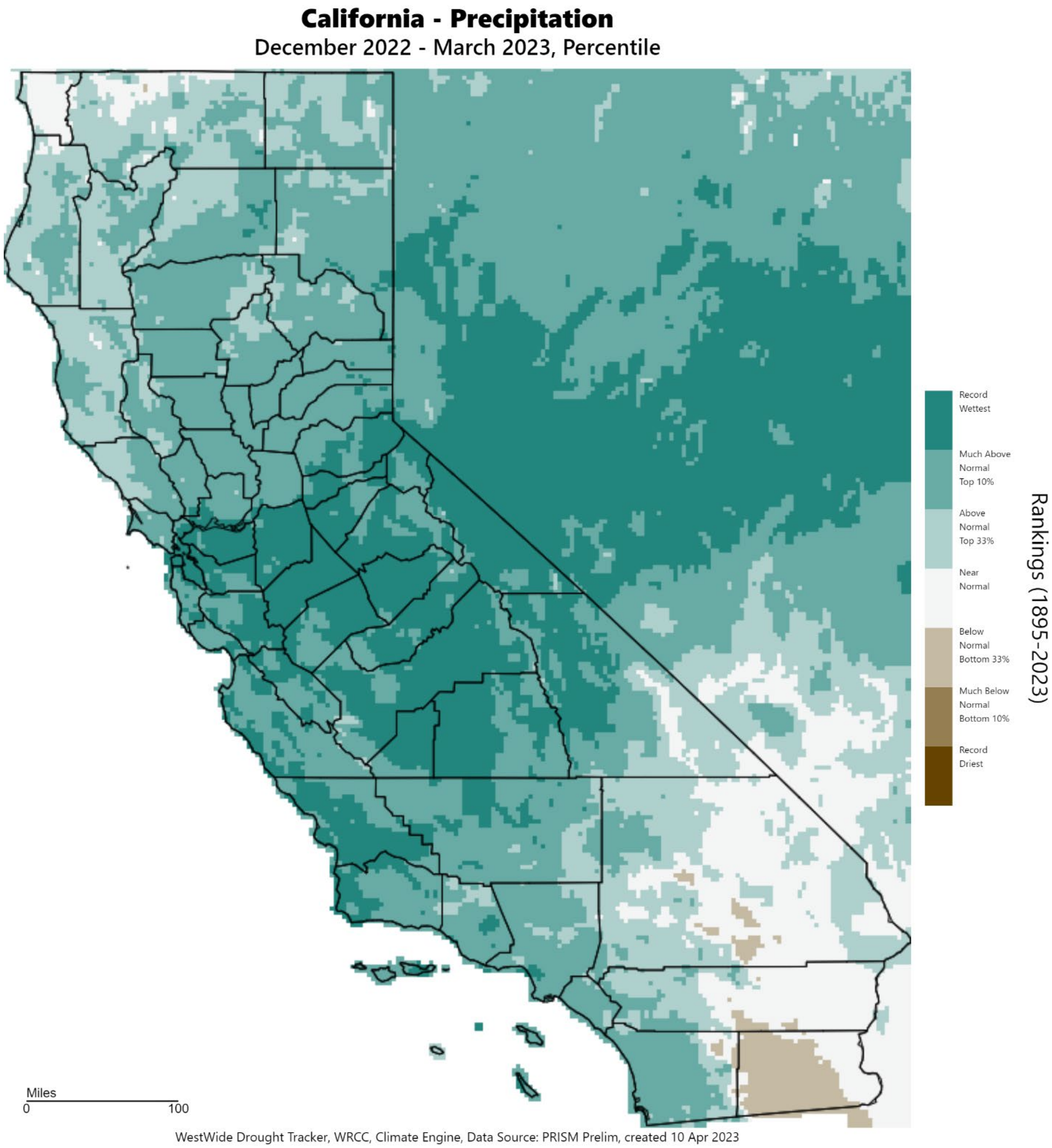
[1] https://www.cnrfc.noaa.gov/storm_summaries/dec2022Jan2023storms.php#summary

Figure 2: California 2023 Water Year: February 25th through March 31st, 2023



From December 2022 through March 2023, almost all of California and Nevada saw above-normal precipitation, with the most abnormal amounts primarily falling across central California into central Nevada.

Figure 3: California Precipitation 12/2022 - 03/2023, Percentile



FEMA DR-4699: Sever Winter Storms, Straight-line Winds, Flooding, Landslides and Mudslides, February 21 – July 10, 2023. Presidential Major Disaster Declaration, April 3, 2023.

Parts of the central California coast were inundated with 1 to 1.25 inches of rainfall per hour, which triggered significant flooding, mudslides, debris flows and closed roadways.[2] The wet season's storm tracks favored the central and southern Sierra, resulting in 237 percent and 300 percent, respectively, of average snowpacks there. Some of the most significant flood damages also occurred in the middle part of the state, including extensive inundation in the community of Pajaro (Monterey County) exacerbated by the breach of the adjacent levee. Multiple state emergency proclamations were issued in March in response to the winter storms, resulting in most of the state's counties being covered by an emergency proclamation by the end of the month.[3]

Additionally, Researchers at UC Merced's Community and Labor Center analyzed data from a community survey of 236 households in Planada, California (Merced County) impacted by the January 2023 storms. This flooding event took place only two months before DRs 4699 and 4707 and covers many of the same type of communities and geographies. Researchers estimated more than 700 Planada households – about 83 percent of the town – experienced some type of economic loss from flooding on January 8, 2023.

Some key takeaways from the study include:

- Only 17 percent of Planada households emerged unharmed without losing property or missing work.
- 41 percent of households had no property loss, but had at least one worker missing work because of flooding. The median number of days of lost work per household was 21 days.
- Among households that lost work, 57 percent had no one eligible for unemployment insurance.
- Half the households are renters and 94 percent of them did not have flood insurance.
- An estimated 211 households lost at least one car, 95 lost a heating system and 108 lost a cooling system.
- About 56 percent of households with property damage said they now have issues with mold.
- More than one-quarter of renters said landlords increased their rent or threatened to evict them.
- About 43 percent of households that lost work or experienced property damage also reported falling behind on bills, such as rent or mortgage payments, utilities, or both. Unpaid bills averaged $1,448 per household.[4]

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[2] Water Year 2023 wrap up brochure_01.pdf
[3] Water Year 2023 wrap up brochure_01.pdf
[4] https://calmatters.org/california-divide/2023/06/california-flooding-3/

Figure 4: Pajaro, Monterey County, February 2023

DR-4707: Hoopa Valley Tribe. Severe Winter Storms and Mudslides February 14 to March 5, 2023. 2023 Presidential Major Disaster Declaration April 26, 2023.

The Hoopa Valley Tribe in Northern California experienced unprecedented challenges during the winter storms. Devastating flooding, mudslides, and widespread road closures coupled with damaged homes, disruptions to health services and compromise of critical infrastructure.

Figure 5: Hoopa Valley Flooding 2023

2024

FEMA DR-4758. Sever Storm and Flooding January 21-23, 2024. 2024 Presidential Major Disaster Declaration February 19, 2024.

On January 22, 2024, San Diego County experienced a weak atmospheric river that moved across southern California and into Arizona. Broad light to moderate rain accompanied the atmospheric river, bringing notable rainfall amounts to the southwest portions of the state. An area of heavy rain developed offshore from San Diego and persisted for a few hours across the region. San Diego recorded 2.73 inches of rain, which set a new daily record (previous record was 1.57" in 1963). This ranks as the 4th highest daily rainfall amount on record (since 1850).[5]

South of the downtown San Diego area reported flooding as a cell of precipitation moved over the area, causing multiple streets and Interstate 15, to be effectively shuttered. The storm's impact extended across the region, with Mission Valley experiencing impassable roads and Ocean Beach witnessing flooding. In the north end of San Diego County, State Route 78 was closed east of the city of Oceanside due to lanes buried in floodwaters.

[5] https://cw3e.ucsd.edu/cw3e-event-summary-22-january-2024/

Figure 6: Atmospheric Rivers for Water Year 2024

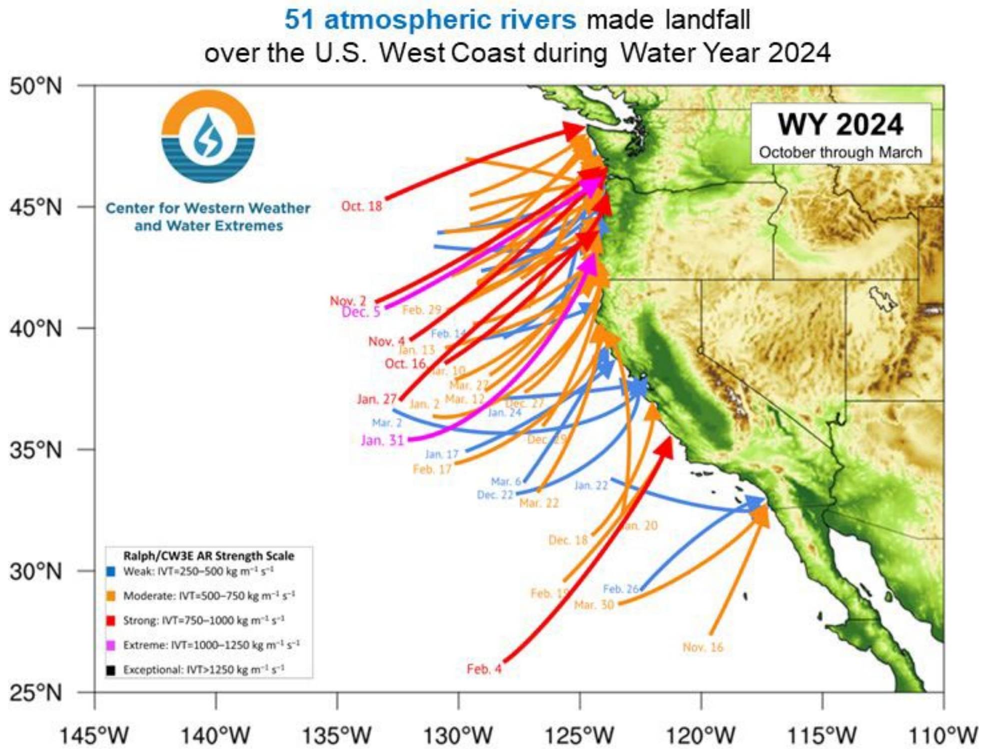
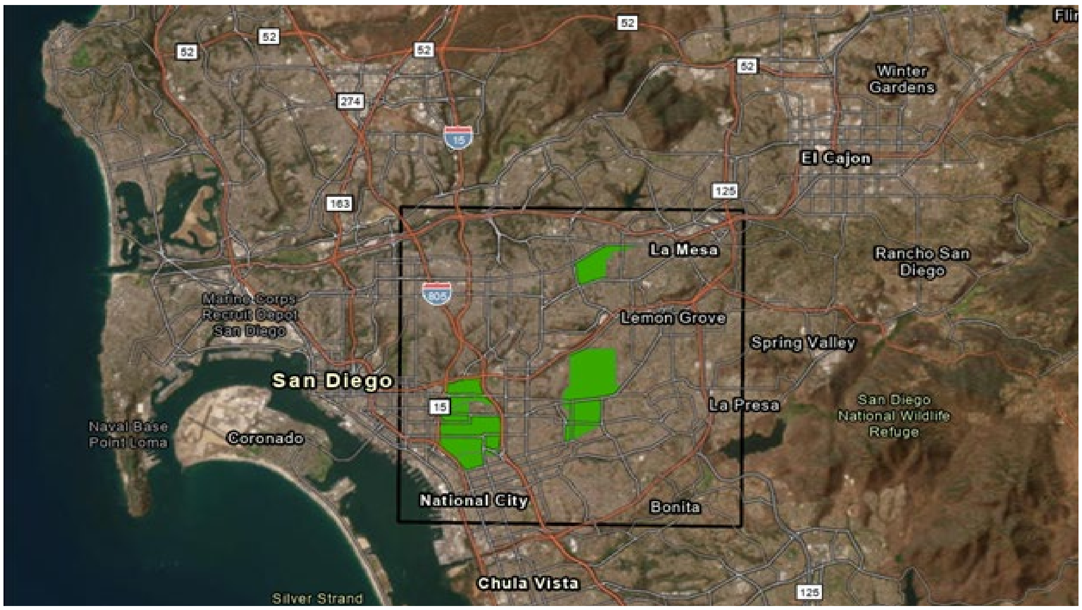


Figure 7: Damage to the Orange Line light rail in the Encanto neighborhood

The storm overwhelmed the city's drainage systems including the Chollas View Storm Channel, with floodwaters rising rapidly to depths of 5 feet in some areas. The flooding was most severe in the neighborhoods of Encanto, Rolando, Mountain View, Mount Hope, Shelltown, and Southcrest all located within the San Diego Metropolitan Area.[6]

Figure 8: San Diego Flood Impacted Neighborhoods [7]



Most Impacted and Distressed Areas

The impacts from both the Winter 2023 and 2024 storms further exacerbated the existing housing crisis in California. Communities impacted by both winter storms had near zero housing vacancies prior to disasters, limiting options for disaster survivors for either temporary or more long-term housing options. High housing costs resulted in rent-burdened households and many who live precariously close to homelessness.

The Federal Register Notice provided clarification that, where HUD has identified an entire zip code as a MID area for the purposes of allocating funds, a grantee may expand program operations to the whole county or counties that overlap with that zip code. HUD allows for grantees to use up to 20 percent of the allocation to address unmet disaster needs or mitigation in grantee identified MID areas. The grantee identified MID areas are limited to an area that received a Presidential major disaster declaration. HCD proposes to expand eligibility to the county level for San Benito and Tuolumne zip codes. This means that the zip code designation remains for Hoopa Valley reservation (zip code 95546).

[6] https://storymaps.arcgis.com/stories/709500ddbf59422bba7d9b7a6d5faad4
[7] https://storymaps.arcgis.com/stories/709500ddbf59422bba7d9b7a6d5faad4

HUD requires that at least 80 percent of CDBG-DR funding be spent within areas designated by HUD as Most Impacted and Distressed (MID areas). HUD determines MID areas using the following factors:

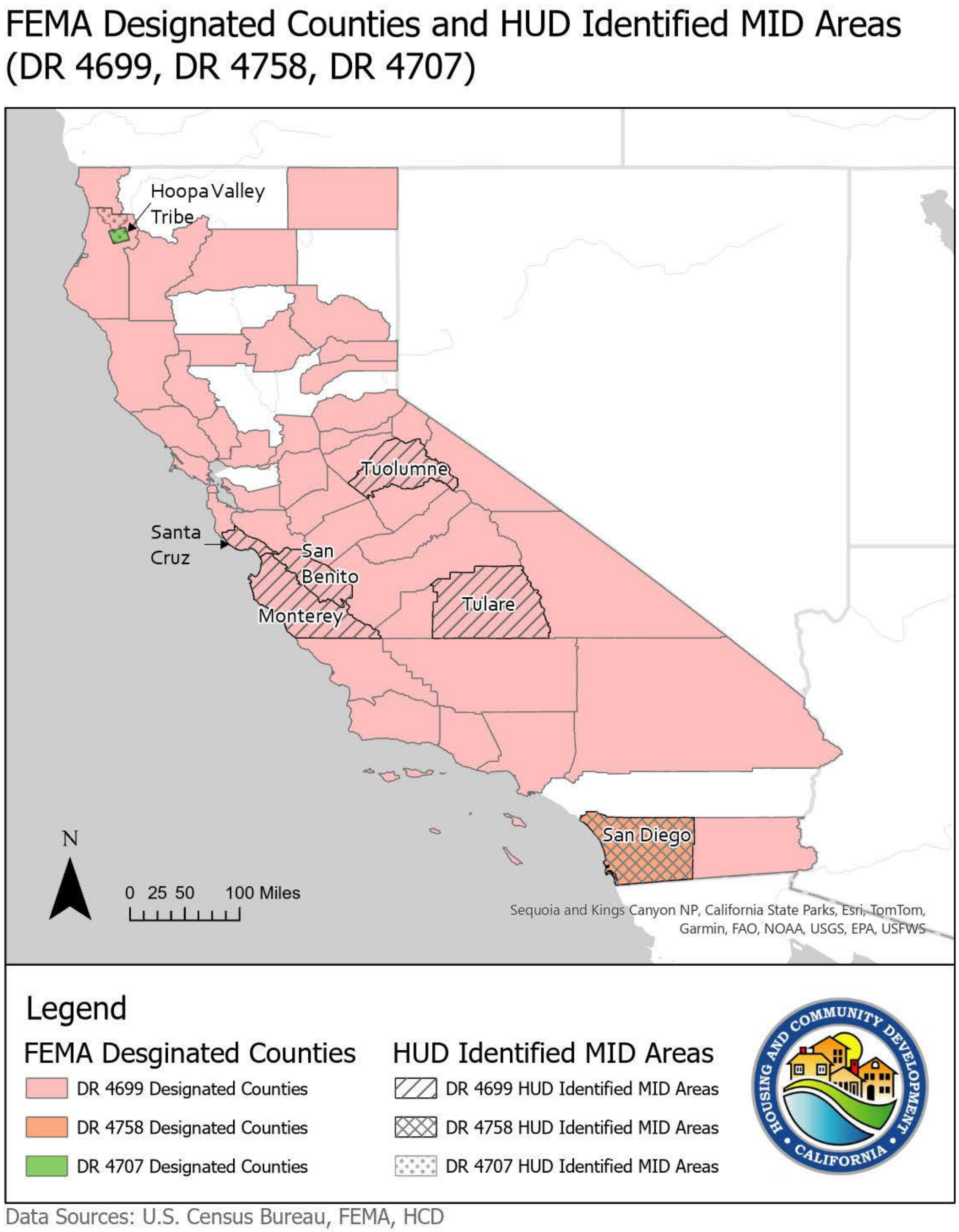
- Areas where FEMA has determined the damage was sufficient to declare the disaster are eligible to receive Individual and Households Program (IHP) funding.
- Areas with concentrated damage are identified as the most impacted areas and are defined as:
  - Counties exceeding $10 million in serious unmet housing needs and most impacted zip codes.

Zip codes with $2 million or more of serious unmet housing needs. **HUD Identified MID Areas**

Table 1: HUD Identified MID Areas (Counties)

	HUD Identified MID Areas	
Year	**Qualifying Disaster**	**HUD-identified MID Areas:**
2023	DR-4707	Hoopa Valley Tribe (95546)
	DR-4699	Monterey County, San Benito (95023), Santa Cruz County, Tulare County, Tuolumne (95370)
2024	DR-4758	San Diego County

Figure 9: FEMA Designated Counties and HUD Identified MID Areas



Overview of the Impacts of the Qualifying Disaster

The scope and severity of the damage from both the 2023 and 2024 severe winter storms is historically significant across the impacted counties across the state. The storms not only claimed lives but severely damaged several thousand structures, ranging from rural and agricultural areas to dense urban centers of California. This prompted dozens of disaster declarations and forced the evacuation and displacement of residents.

All of these impacts further exacerbated the existing housing crisis in California. Communities impacted by the storms and subsequent flooding had near zero housing vacancies prior to disasters, limiting options for disaster survivors for either temporary or more long-term housing options. High housing costs resulted in rent-burdened households and many who live precariously close to homelessness.

Given the profound destruction and disruption wrought by storms on the State of California, unmet needs in the state's Most Impacted and Distressed areas (MID) remain significant. HCD is committed to addressing these needs via pursuing additional resources and leveraging other resources to support the statewide recovery effort. In addition, HCD continues to coordinate closely with local, state, and federal partners to collect and analyze data, identify resources, and understand how jurisdictions' unmet needs evolve over time.

Table 2: Disaster Overview

Disaster Summary	
Qualifying Disaster:	DR-4699; DR-4758; DR-4707
HUD-identified MID Areas (County):	Monterey, San Benito, San Diego, Santa Cruz, Tulare, Tuolumne, Hoopa Valley Tribe (zip code 95546)

Table 3: CDBG-DR Allocation Overview

CDBG-DR Allocation Overview	
CDBG-DR Allocation:	$362,258,000
CDBG-DR Mitigation Set Aside:	$54,339,000
Total Allocation:	$416,597,000

Disaster Recovery Unmet and Mitigation Needs Assessments Summary

Table 4: Unmet Needs and Proposed Allocations

Eligible Cost Category	CDBG-DR Allocation Amount	% of CDBG-DR Allocation	Estimated % to CDBG-DR Mitigation Set-aside	Estimated % to HUD identified MID Areas	Estimated % of LMI to Total Grant
Administration	$20,829,850	5%			
Planning	$22,576,000	6%	n/a		
Housing	$223,196,505	62%	n/a	100%	56%
Infrastructure	$95,655,645	26%	n/a	100%	10%
Economic Revitalization	$0	0%	n/a	0%	0%
Public Services	$0	0%	n/a	100%	1%
Exempt Public Services	$0	0%	n/a	0%	0%
CDBG-DR Mitigation Set-Aside	$54,339,000	15% [8]	100%	100%	6%
Total	$416,597,000	n/a	15%	100%	73%
% of Total	100%	87%	13%[9]	100%[10]	73%[11]

Unmet Needs Assessment

The State of California completed the following needs assessment to identify the effects, long- term needs, and priorities for CDBG-DR funding allocated as a result of the 2023 and 2024 disasters. The three presidentially declared disasters covered by this needs assessment include the FEMA declarations DR-4699, DR-4758, and DR-4707.

The needs assessment includes specific details about unmet needs within the eligible and Most Impacted and Distressed communities. This includes details for housing,

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[8] At a minimum, grantees are required to spend 15% of their unmet needs on CDBG-DR Mitigation activities. HUD assumes that grantees will spend well over this amount as they integrate mitigation measures into their recovery activities. Grantees may elect to use the 15% CDBG-DR Mitigation Set-Aside as a cap for the mitigation activities a grantee does not have the ability to demonstrate a tieback to the disaster.
[9] The CDBG-DR Mitigation Set-Aside is 13% of the total grant allocation, but 15% of the unmet need.
[10] Grantees are required to spend a minimum of 80% of their funds in the HUD identified MID areas.
[11] Grantees are required to spend a minimum of 70% of their funds on LMI beneficiaries.

infrastructure, and economic revitalization. This assessment takes into consideration pre-disaster baseline conditions to appropriately capture the scale and scope of unmet recovery needs resulting from both 2023 and 2024 disasters in California. It discusses additional types of assistance that may be available to affected communities and individuals, such as insurance, other federal assistance, or other possible funding sources.

HCD understands that additional information may become available, and anticipates that if additional funds are allocated, there may be a different methodology for the distribution of funds. Adjustments to the Action Plan may be needed as a result of additional data or modified distribution methods; HCD will amend this assessment, and the Action Plan as needed in the future.

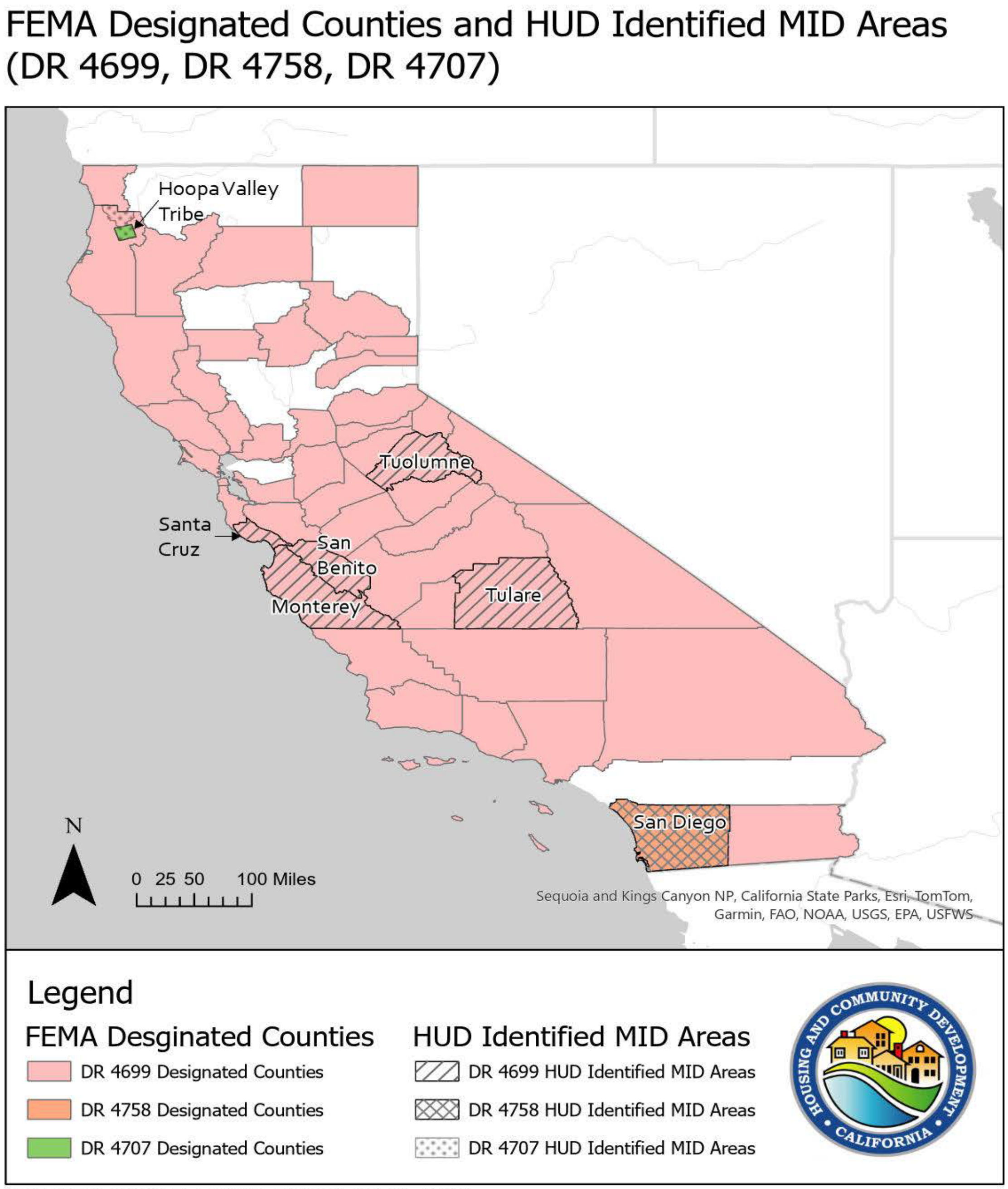
The table below lists the counties that FEMA designated for FEMA IA following the flooding across the three disaster declarations. FEMA IA designation allows the individuals and households in these counties to apply for financial and direct services after a federally declared disaster. These jurisdictions are also referred to as ‘disaster-impacted counties.

Table 5: FEMA IA Declared Counties

DR-4699	DR-4758	DR-4707
Butte (County) Kern (County) Madera (County) Mariposa (County) Mendocino (County) Mono (County) Monterey (County) Nevada (County) San Benito (County) San Bernardino (County) San Luis Obispo (County) Santa Cruz (County) Tulare (County) Tuolumne (County)	San Diego (County)	Hoopa Valley Tribe

From this list of disaster impacted communities, HUD requires that 80 percent of CDBG-DR funding be spent within areas designated as Most Impacted and Distressed (MID areas). HUD designated the following counties as the MID: Monterey, San Benito, San Diego, Santa Cruz, Tulare, Tuolumne, Hoopa Valley Tribe zip code 95546.

Figure 10: FEMA Designated Counties and HUD Identified MID Areas



Data Sources: U.S. Census Bureau, FEMA, HCD

Figure 11: FEMA DR-4707 Disaster Declaration Areas

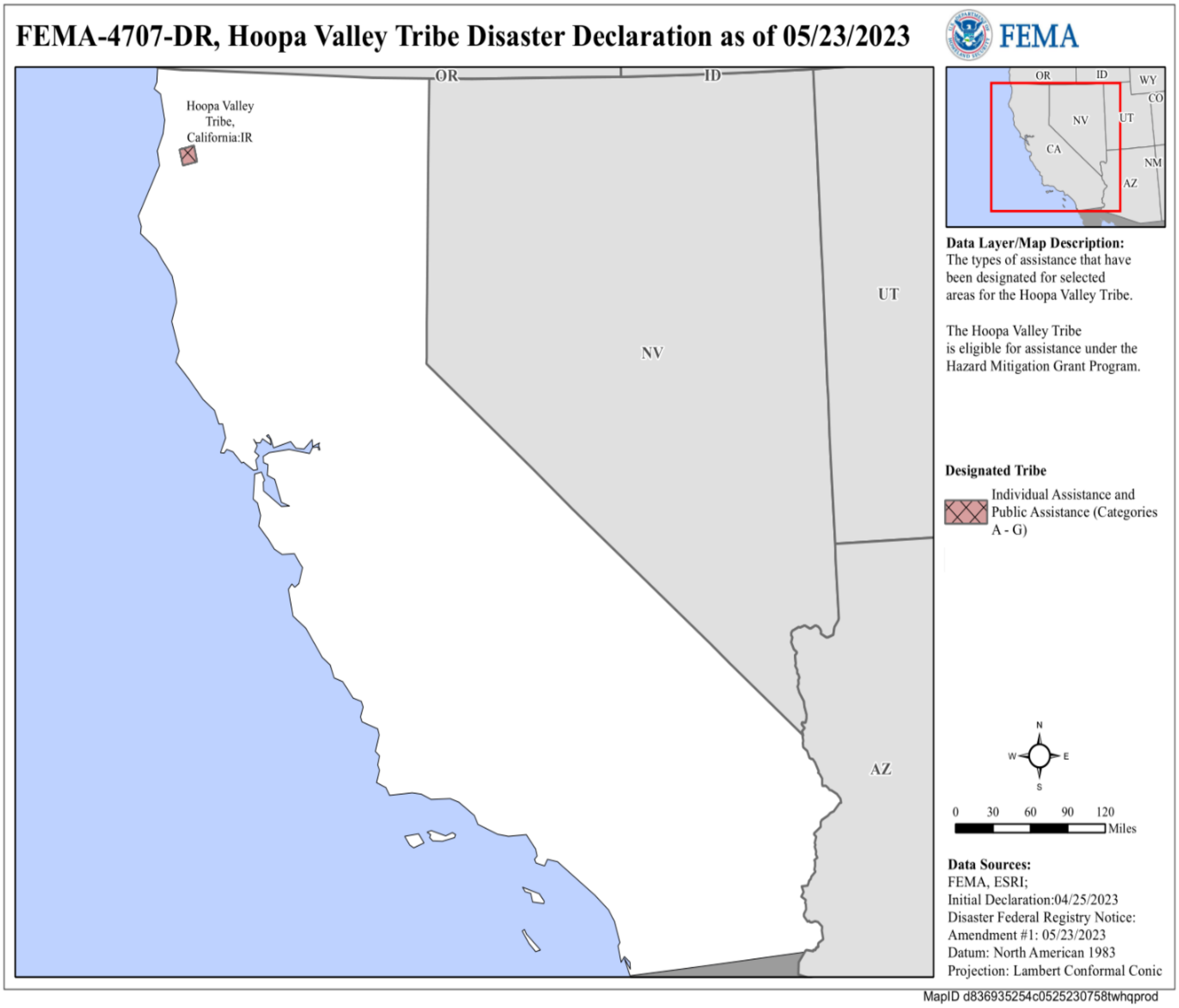


Figure 12: FEMA DR 4758 Disaster Declaration Areas

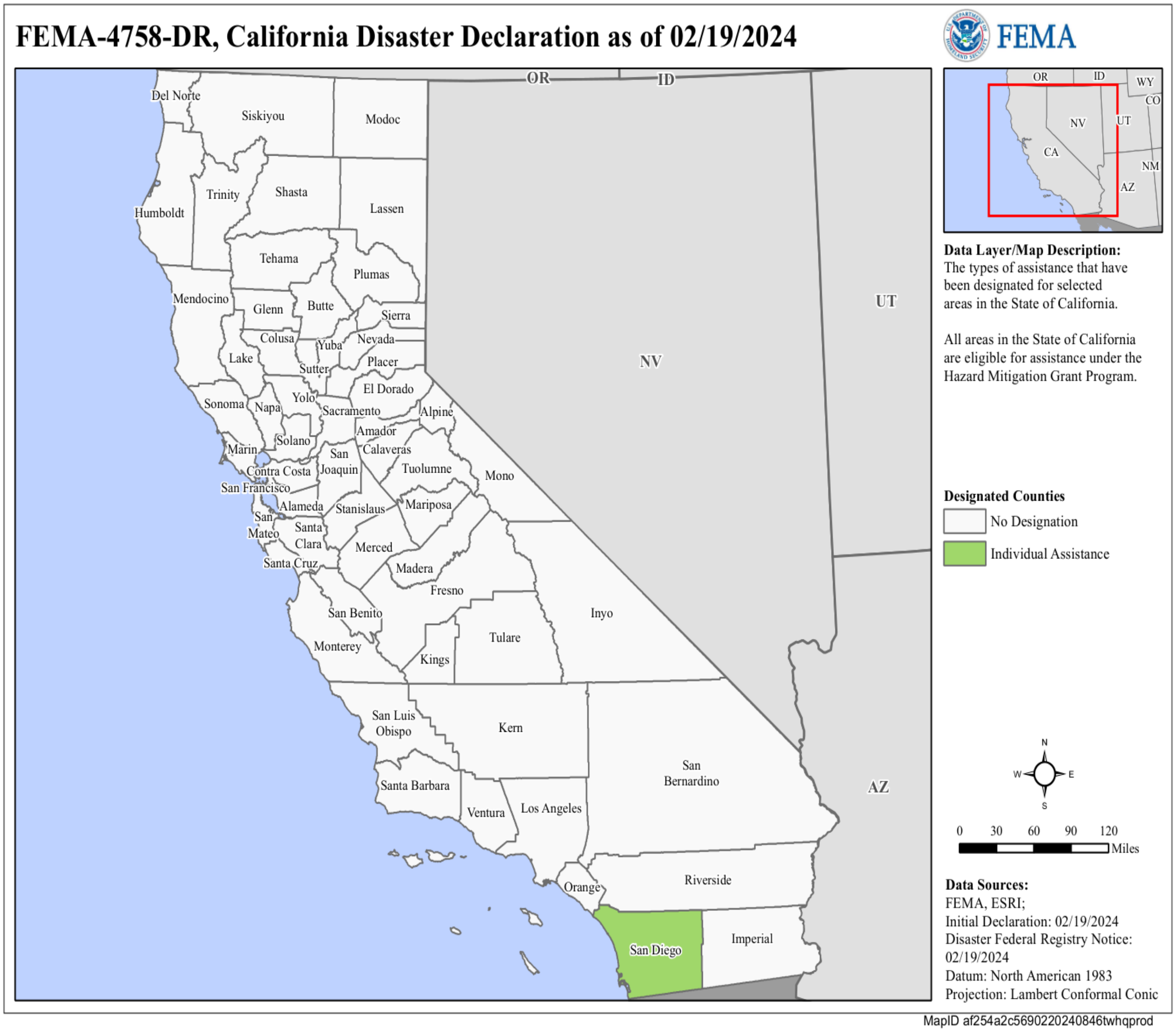
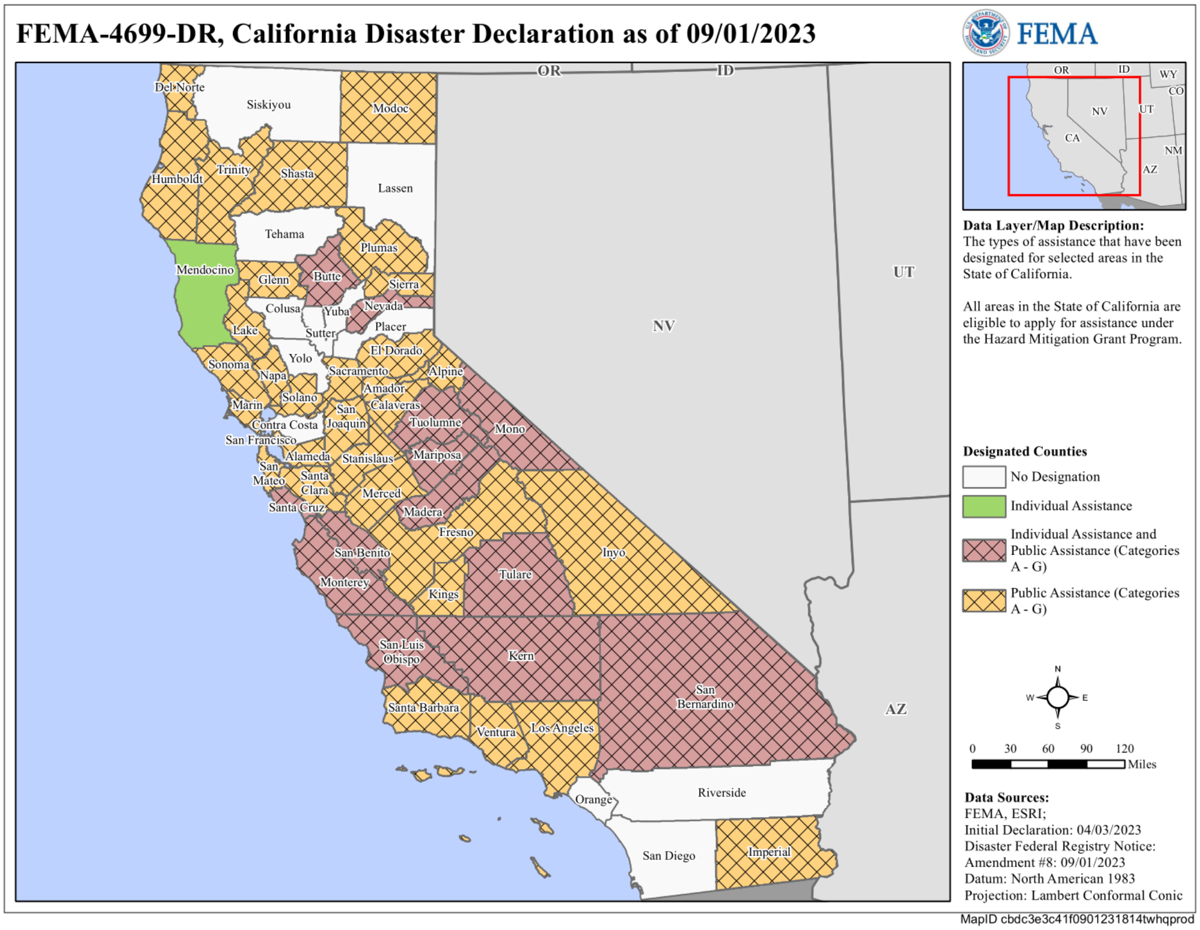


Figure 13: FEMA DR-4699 Disaster Declaration Areas



Impacts of the Three Core Aspects of Recovery

Housing

Pre-Disaster Housing Need

All three disaster declarations led to significant damages to housing in impacted areas. The geographic spread of the disasters across the State of California also presents challenges for identifying consistent data to understand housing unmet needs. This section examines the data available to understand impacts to housing across the disaster area.

HUD describes households that spend more than 30 percent of their gross monthly income on housing costs as "cost burdened." Cost-burdened households usually experience greater struggles with other living costs like healthcare, food, transportation, and childcare, and often lack adequate savings to spend on evacuation, shelter, or recovery from disaster scenarios. Due to financial insecurity, these households are often less able to recover or bounce back quickly after a disaster.

The impacts from the disasters further exacerbated the existing housing crisis in California. Communities impacted by the 2023 and 2024 declarations had near zero housing vacancies prior to disasters, limiting options for disaster survivors for either temporary or more long-term housing options. High housing costs resulted in rent-burdened households and many who live precariously close to homelessness with increased out-migration of survivor households who were displaced. Compared to homeowners, renters begin their housing recovery at a deficit having less social and political capital to withstand disaster impacts.[12] Furthermore, and in particular to severe flood disasters, are the loss of public housing units therefore prolonging the housing recovery timeline and increasing tenant-paid rents.[13]

This section of the housing unmet needs assessment accounts for pre-disaster housing data for both homeowners and renters across the MID counties. Profiling the existing needs prior to a disaster is critical to aligning the specific unmet need after the disaster.

Housing Tenure

A Harvard University study entitled “America’s Rental Housing 2024” revealed that renters are uniquely impacted by flood disasters, because renters receive less assistance after disasters than homeowners. The study cited a 2019 HUD analysis of CDBG-DR-funded recovery examples, which showed that only an eighth of housing activities funding went to affordable rental construction or rental assistance. They also found that renter households often lack the “financial resources to evacuate, information about disaster risks, and adequate insurance cover.[14]

Each county impacted by the disasters are an owner-occupied majority county. Renter-occupied housing is significant in most counties with larger populated counties such as San Diego, Monterey and Tulare consisting of more than half the total occupied units.

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[12] Lee, Jee Y., and Shannon Van Zandt. 2019. “Housing Tenure and Social Vulnerability to Disasters: A Review of the Evidence,” Journal of Planning Literature 34 (2): 156–170. https://www.researchgate.net/publication/328959020_Housing_Tenure_and_Social_Vulnerability_to_Disasters_A_Review_of_the_Evidence

[13] Davlasheridze, Meri, and Qing Miao. 2021. “Natural Disasters, Public Housing, and the Role of Disaster Aid,” Journal of Regional Science 61 (5): 1113–1135. https://doi.org/10.1111/jors.12534

[14] Joint Center for Housing Studies of Harvard University. “America’s Rental Housing”, 2024, https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2024.pdf

Table 6: Housing Tenure by County

County	Owner-Occupied Housing Units #	Owner-Occupied Housing Units %	Renter-Occupied Housing Units #	Renter-Occupied Housing Units %
DR- 4699 MID				
Monterey (County)	69,033	52.3%	63,013	47.7%
San Benito (County)	13,613	67.40%	6,575	32.6%
Santa Cruz (County)	58,102	60.0%	38,771	40.0%
Tulare (County)	83,253	58.6%	58,773	41.4%
Tuolumne (County)	16,912	74.1%	5,897	25.9%
DR-4707				
Hoopa Valley Indian Reservation (zip=95546)	528	76.9%	159	23.1%
DR-4758				
San Diego (County)	632,194	54.5%	527,628	45.5%

Source: U.S. Census Bureau 2019-2023 American Community Survey, 5 Year Estimates.

Figure 14: Renter Occupied Housing Units and LMI DR-4699

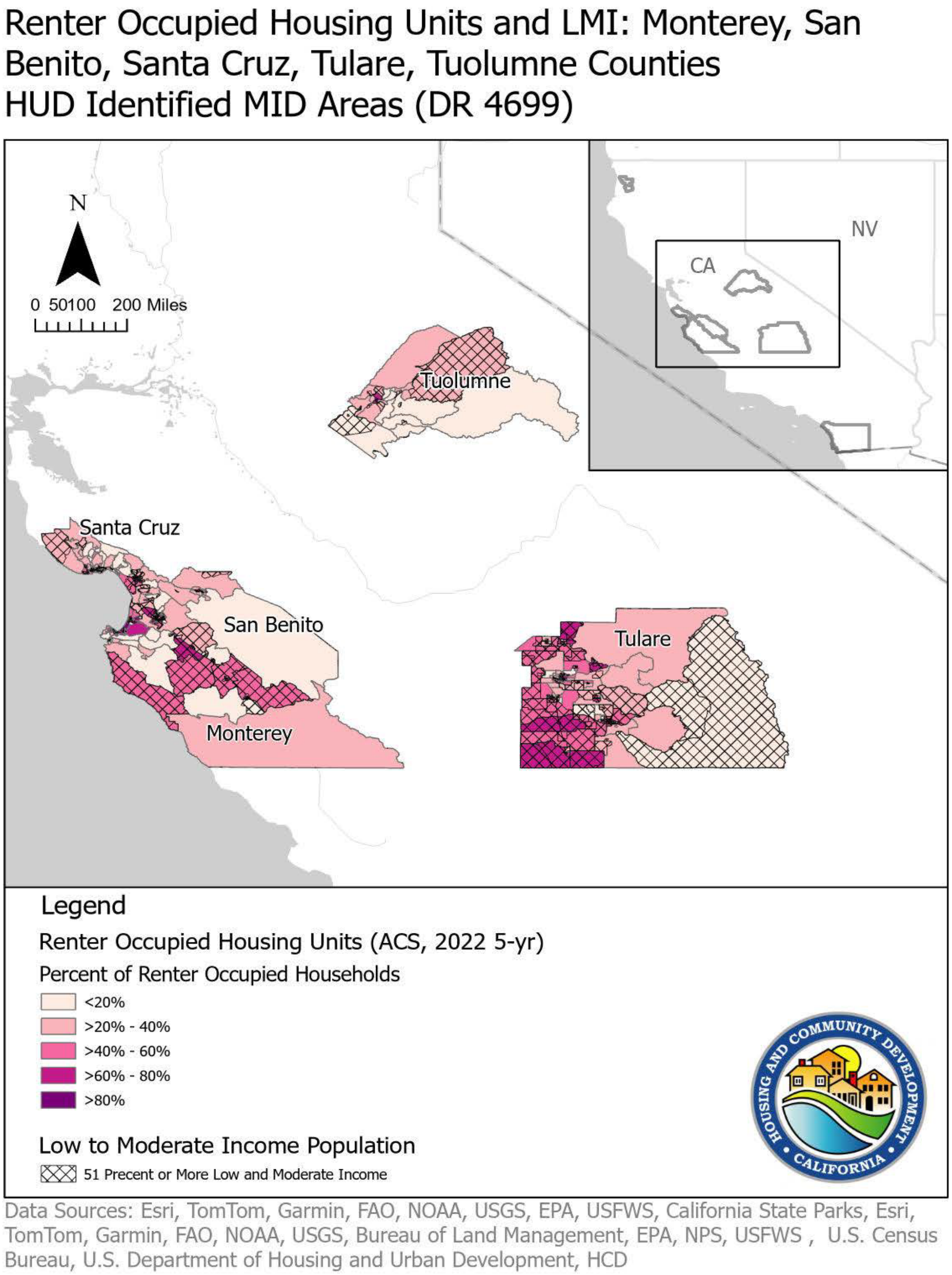


Figure 15: Renter Occupied Housing Units and LMI DR-4707

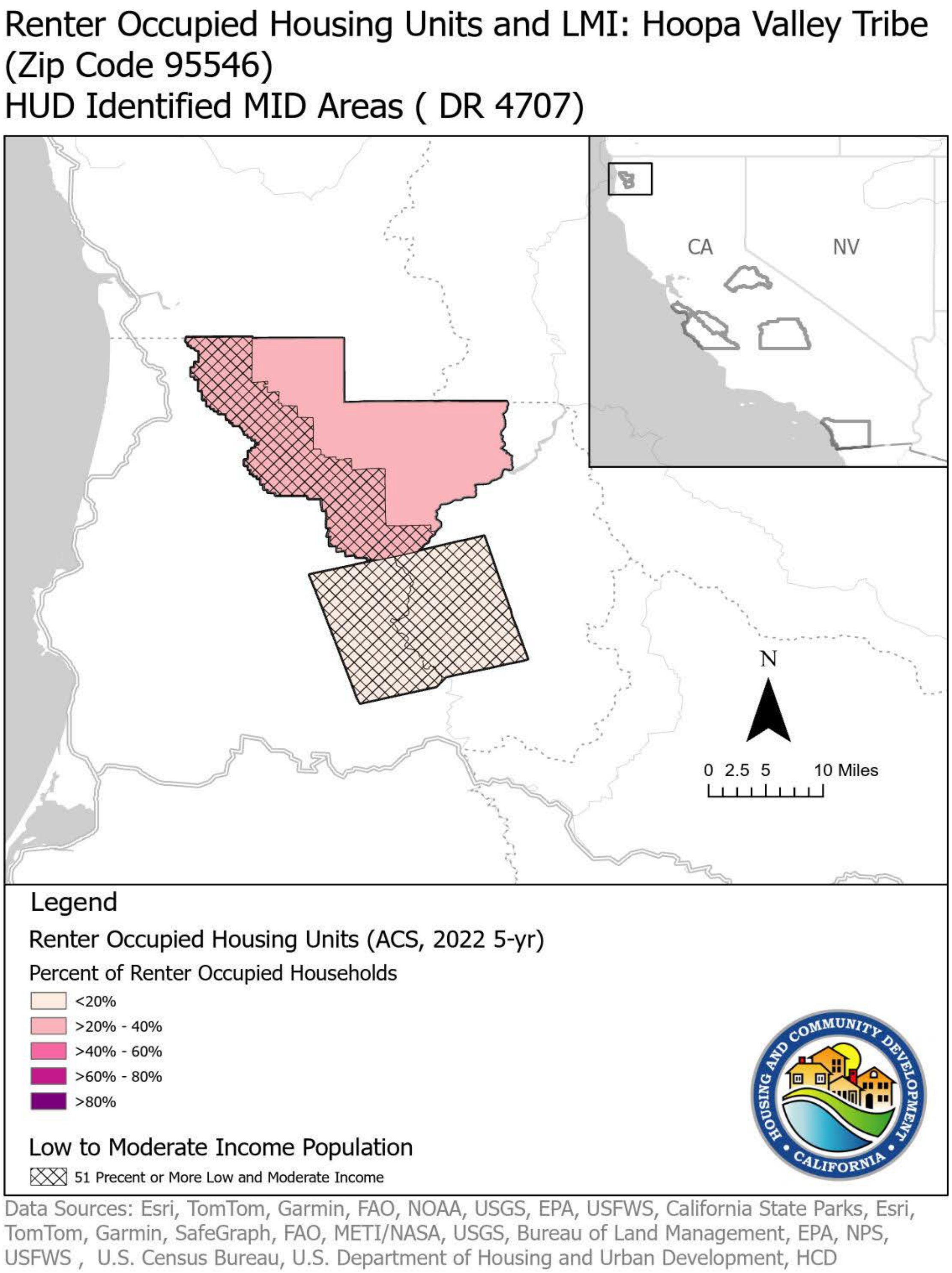
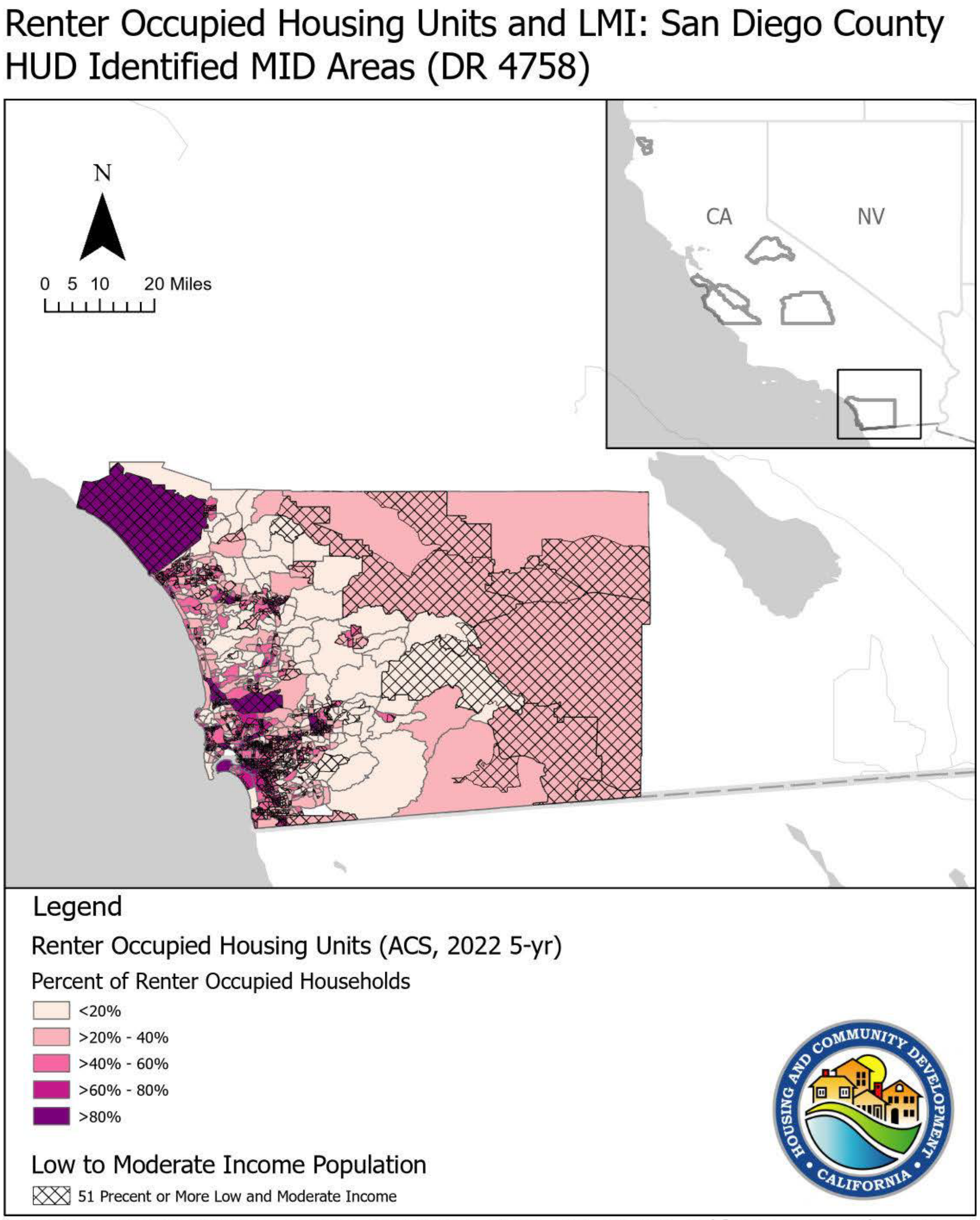


Figure 16: Renter Occupied Housing Units and LMI DR-4758



Data Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, EPA, USFWS, California State Parks, Esri, TomTom, Garmin, FAO, NOAA, USGS, Bureau of Land Management, EPA, NPS, USFWS , U.S. Census Bureau, U.S. Department of Housing and Urban Development, HCD

Median House Value

After disasters, areas that were affected by or adjacent to disaster incidents often experience a statistically significant decline in housing value. The table below establishes the median housing values in impacted counties before the disaster events of 2023 and 2024. The pre-2023 median house values for disaster-impacted counties range from around $250,000 to $406,200 (Hoopa Valley, Tulare, Tuolumne), to a high range of $723,100 to $1,015,200 (Monterey, San Benito, San Diego, and Santa Cruz).

Table 7: Median House Value – Owner-occupied Housing

County	Median Value ($)
DR- 4699 MID	
Monterey (County)	723,100
San Benito (County)	751,500
Santa Cruz (County)	1,015,200
Tulare (County)	303,000
Tuolumne (County)	406,200
DR-4707	
Hoopa Valley Indian Reservation (zip-95546)	250,000
DR-4758	
San Diego (County)	791,600

Source: U.S. Census Bureau 2019-2023 American Community Survey, 5 Year Estimates

Median Gross Rent

The median gross rent below is for pre-disaster households across the MID areas. However, because in a post-disaster area there is a lack of available rental units, demand for the limited available units increases rent and, in many cases, also increases cost burden and overcrowding of units. On average rents have increased over time regardless of being a disaster area.

Table 8: Median Gross Rent

County	Median Gross Rent ($)
DR- 4699 MID	
Monterey (County)	1,995
San Benito (County)	1,922
Santa Cruz (County)	2,172
Tulare (County)	1,206
Tuolumne (County)	1,247
DR-4707	
Hoopa Valley Indian Reservation (zip-95546)	841
DR-4758	
San Diego (County)	2,154

Source: U.S. Census Bureau 2019-2023 American Community Survey, 5 Year Estimates

Low-to-Moderate Income (LMI) Households

California's ongoing affordable housing crisis continues to be exacerbated by annual disasters. LMI households are acutely impacted by disaster given their pre-disaster income status. Coupled with low vacancy rates across the state and a mismatch between housing costs and income make way for communities to be more vulnerable to disasters. The listed MID counties faced significant amounts of rent burden and overcrowding.

Table 9: 2024 HUD Income Limits for the State of California (MID counties)

Household Size	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
Extremely Low Income (30%)	$23,400	$26,750	$30,100	$33,400	$36,100	$38,750	$41,450	$44,100
Very Low Income (50%)	$39,000	$44,550	$50,100	$55,650	$60,150	$64,600	$69,050	$73,500
Low Income (80%)	$62,350	$71,250	$80,150	$89,050	$96,200	$103,300	$110,450	$117,550

Source: 2024 HUD Income Limits for State of California.

Table 10: Income Limits for Extremely Low Income (30%) (MID counties)

County	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons	8 persons
DR- 4699 MID								
Monterey (County)	27,800	31,800	35,750	39,700	42,900	46,100	49,250	52,720
San Benito (County)	25,700	29,400	33,050	36,700	39,650	42,600	47,340	52,720
Santa Cruz (County)	38,050	43,500	48,950	54,350	58,700	63,050	67,400	71,750
Tulare (County)	18,450	21,100	25,820	31,200	36,580	41,960	47,340	52,720
Tuolumne (County)	20,350	23,250	26,150	31,200	36,580	41,960	47,340	52,720
DR-4707								
Hoopa Valley Indian Reservation (zip-95546)	18,550	21,200	25,820	31,200	36,580	41,960	47,340	52,720
DR-4758								
San Diego (County)	31,850	36,400	40,950	45,450	49,100	52,750	56,400	60,000

Source: 2024 HUD Income Limits

Grantee Demographics and Disaster Impacted Populations

An assessment of the key demographics of each impacted county is examined to better understand the impacts on the community. The following tables provide a snapshot of the subsections of the population and what percentage were impacted by the disasters.

Table 11: Grantee Demographics and Disaster Impacted Populations

Demographic	Area-Wide Estimate (CA)	Area-Wide Percent	Disaster Declaration Estimate	Disaster Declaration Percent	MID Estimates	MID Percent
Total Population	39,356,104	100%	4,583,627	11.6	4,583,627	11.6
Under 5 years	2,258,308	5.7%	270,205	11.9	270,205	11.9
65 years and over	5,865,300	14.9%	674,774	11.5	674,774	11.5
Population with a Disability	4,275,158	11.0%	483,754	11.3	483,754	11.3
White or Caucasian	18,943,660	48.1%	3,115,269	16.4	3,115,269	16.4
Black or African American	2,202,587	5.6%	251,504	11.4	251,504	11.4
American Indian and Alaska Native	394,188	1.0%	123,681	31.3	123,681	31.3
Asian	5,949,136	15.1%	591,381	9.9	591,381	9.9
Native Hawaiian and Other Pacific Islander	150,531	0.4%	41,314	27.4	41,314	27.4
Other	6,388,999	16.2%	1,330,984	20.8	1,330,984	20.8

Data Source(s): U.S. Census Bureau, 2019-2023 American Community Survey, 5-Year Estimates Demographic Characteristics, U.S. Census Bureau, 2015-2019 American Community Survey

Income Demographics

Assessing the overall impact on low-income populations across the impacted areas is a key factor to understanding a household's social vulnerability as they are more susceptible to negative impacts from natural disasters. The identified low-income communities of each MID county may face greater challenges rebuilding due to limited financial resources to repair damaged homes and replace lost belongings.

Table 12: Income Demographics for MID Counties

Income/Economic Demographics	Median Household Income	Per Capita Income
DR- 4699 MID		
Monterey (County)	$94,486	$39,523
San Benito (County)	$108,289	$43,524
Santa Cruz (County)	$109,266	455,717
Tulare (County)	$69,489	$27,550
Tuolumne (County)	$72,259	$41,372
DR-4707		
Hoopa Valley Indian Reservation (zip-95546)	$54,306	$22,923
DR-4758		
San Diego (County)	$102,285	$49,891

Data Source(s): U.S. Census Bureau, 2019-2023 American Community Survey, 5-Year Estimates s1901 income in the past 12 months

Table 13: Income Demographics – Low Income for MID Counties

Income/Economic Demographics	% of Households with Income in the past 12 months below poverty level
DR- 4699 MID	
Monterey (County)	9.2%
San Benito (County)	5.8%
Santa Cruz (County)	5.8%
Tulare (County)	14.7%
Tuolumne (County)	7.2%
DR-4707	
Hoopa Valley Indian Reservation (zip-95546)	17.7%
DR-4758	
San Diego (County)	6.9%

Data Source(s): U.S. Census Bureau, 2019-2023 American Community Survey, 5-Year Estimates S1901 Income in the past 12 months (in 2020 inflation-adjusted dollars)

LMI Analysis

This data examines the population affected by the disasters across the impacted areas demonstrating the population size that are low-to-moderate income. Close to half of each MID counties' LMI population were impacted by the disasters.

Table 14: LMI Analysis – Area Wide

Area	Total LMI Persons	Total Population	Percent LMI
Area wide (California)	18,749,881.00	38,521,055.00	48.67%
MID Area (DR-4699) Monterey, San Benito, Santa Cruz, Tulare, and Tuolumne Counties	616,774	1,246,020	49.49%
MID Area (DR-4707) Humboldt County	65,225.00	132,010.00	49.41%
MID Area (DR-4758) San Diego County	1,567,605.00	3,232,730.00	48.49%

Data Source(s): HUD LMI Data (2016-2020 ACS)

Table 15: LMI Population Data by County

County	Total 2016-2020 LMI Persons	Total 2016-2020 Population	2016-2020 Percentage Low-to-Moderate Income Estimate
DR- 4699 MID			
Monterey (County)	206,065.00	415,660.00	49.58%
San Benito (County)	24,130.00	61,260.00	39.39%
Santa Cruz (County)	127,934.00	260,010.00	49.20%
Tulare (County)	239,870.00	458,355.00	52.33%
Tuolumne (County)	18,775.00	50,735.00	37.01%
DR-4707			
Hoopa Valley Indian Reservation (Humboldt) (zip-95546)	65,225.00	132,010.00	49.41%
DR-4758			
San Diego (County)	1,567,605.00	3,232,730.00	48.49%

Data Source(s): HUD LMI Data (2016-2020 ACS)

Poverty Rate

People in poverty are more likely to be exposed to disasters due to a higher likelihood of living in riskier areas. Disaster risk alone makes homes in riskier areas more accessible and less expensive for people in poverty.

Of the MID counties impacted by the disasters, the Hoopa Valley and Tulare County have the highest poverty rate at more than 14 percent of the population living below poverty level.

Table 16: Poverty Rate by MID County

County	Total Household	Below poverty level	Percent below poverty level
DR- 4699 MID			
Monterey (County)	132,046	12,148.232	9.2%
San Benito (County)	20,188	1,170.904	5.8%
Santa Cruz (County)	96,873	5,618.634	5.8%
Tulare (County)	142,026	20,877.822	14.7%
Tuolumne (County)	22,809	1,642.248	7.2%
DR-4707			
Hoopa Valley Indian Reservation (zip-95546)	687	121.6	17.7%
DR-4758			
San Diego (County)	1,159,822	80,027.718	6.9%

Source: U.S. Census Bureau, 2019-2023 American Community Survey, 5-Year Estimates

Overpayment (Cost Burdened) Households

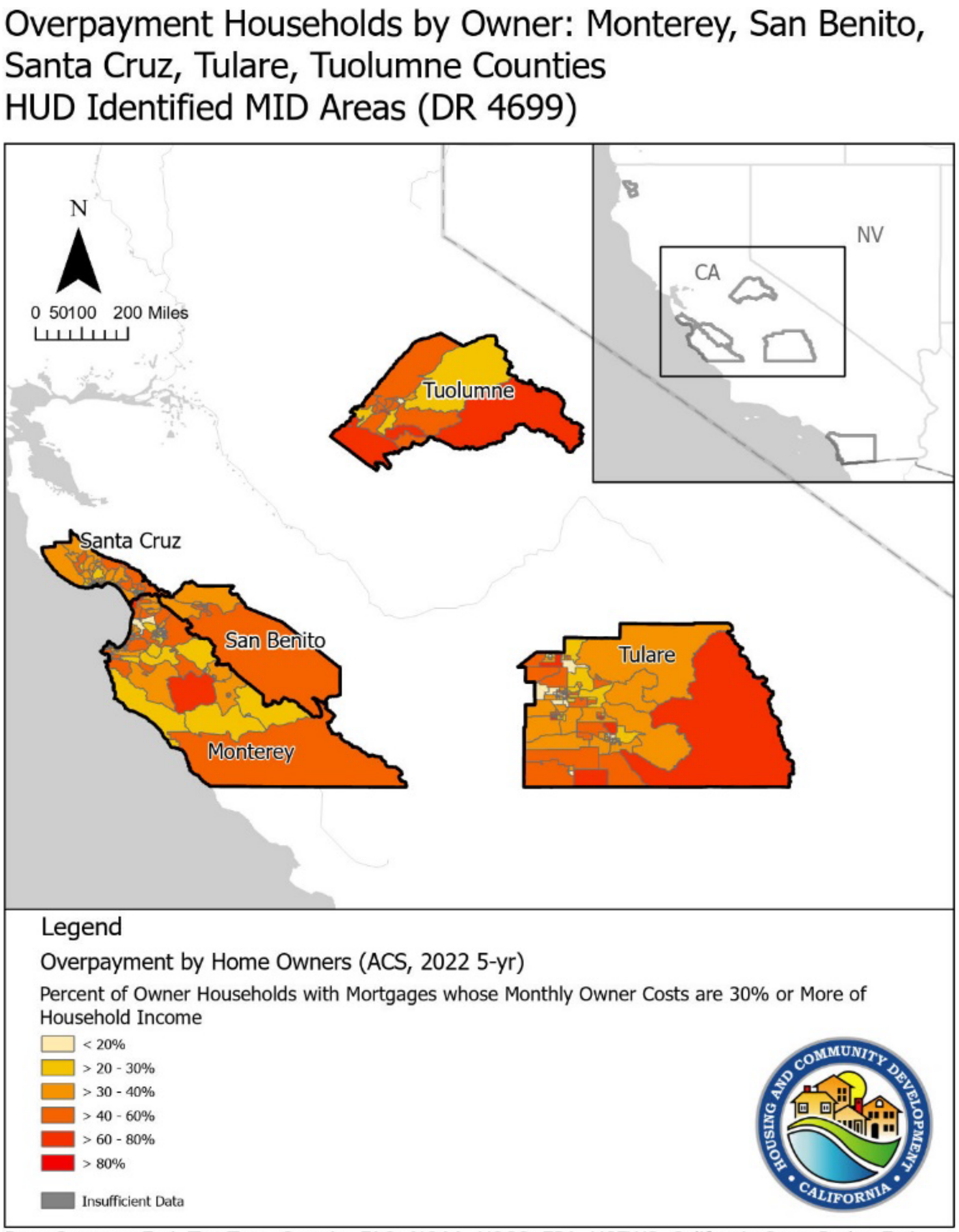
Overpayment of cost burdened households between renter and owner is significant for the identified MID counties. Current standards measure housing cost in relation to gross household income: households spending more than 30 percent of their income, including utilities, are generally considered to be overpaying or “cost burdened.” Severe overpaying occurs when households pay 50 percent or more of their gross income for housing. The impact of cost burden is exacerbated by disaster and affects the low-income households, especially renters. This cost-burden is brought on by the historic lack of affordable housing in the impacted areas of the disaster. These renter low-income households that are cost-burdened are not resilient to withstanding disaster recovery as they have insufficient resources to seek new housing and are at high risk for displacement.

Table 17: Housing Cost Burden in MID Counties

	Monterey	San Benito	Santa Cruz	Tulare	Tuolumne	San Diego County	City of San Diego	Hoopa Valley Indian Reservation
Total:	132,046	20,188	96,873	142,026	22,809	1,159,822	522,146	54,878
Owner-occupied housing units:	69,033	13,613	58,102	83,253	16,912	632,194	248,395	30,879
Less than $20,000:	2,942	518	2,803	5,386	1,265	27,627	10,108	2,554
30 percent or more	2,766	336	2,514	4,301	1,135	25,167	9,135	1,984
$20,000 to $34,999:	3,811	499	3,053	6,744	1,299	32,033	11,713	2,885
30 percent or more	2,572	375	2,338	4,318	1,091	23,376	8,940	1,808
$35,000 to $49,999:	4,153	729	3,270	8,102	1,465	34,767	13,005	3,317
30 percent or more	2,131	399	1,740	4,342	886	21,039	7,674	1,654
$50,000 to $74,999:	7,537	1,402	5,598	14,372	3,142	62,239	22,726	4,615
30 percent or more	3,405	886	2,800	5,392	1,364	34,317	12,184	1,613
$75,000 or more:	50,055	10,388	43,005	47,942	9,615	470,187	188,670	17,071
30 percent or more	9,049	2,778	8,443	4,253	1,628	97,512	37,688	1,823
Zero or negative income	535	77	373	707	126	5,341	2,173	437

Renter-occupied housing units:	63,013	6,575	38,771	58,773	5,897	527,628	273,751	23,999
Less than $20,000:	5,185	654	4,633	9,142	1,275	52,398	26,754	4,796
30 percent or more	4,750	510	4,101	8,661	1,088	48,837	24,582	4,448
$20,000 to $34,999:	6,968	504	4,032	9,021	734	53,941	25,060	4,191
30 percent or more	6,492	474	3,273	7,652	655	50,994	23,617	3,640
$35,000 to $49,999:	7,817	630	3,714	9,672	1,000	53,398	24,443	3,422
30 percent or more	6,932	483	3,234	6,294	849	49,992	22,821	2,684
$50,000 to $74,999:	10,889	1,165	5,076	10,747	892	87,646	41,845	4,315
30 percent or more	8,092	877	3,776	3,294	449	70,966	33,699	2,151
$75,000 or more:	29,326	3,236	19,194	15,810	1,482	257,860	145,220	5,445
30 percent or more	7,424	740	4,427	1,195	174	69,312	38,497	370
Zero or negative income	823	69	288	711	0	9,054	4,759	628

Figure 17: Overpayment Households by Owner DR-4699



Data Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, EPA, USFWS, California State Parks, Esri, TomTom, Garmin, FAO, NOAA, USGS, Bureau of Land Management, EPA, NPS, USFWS , U.S. Census Bureau, HCD

Figure 18: Overpayment Households by Owner DR-4758

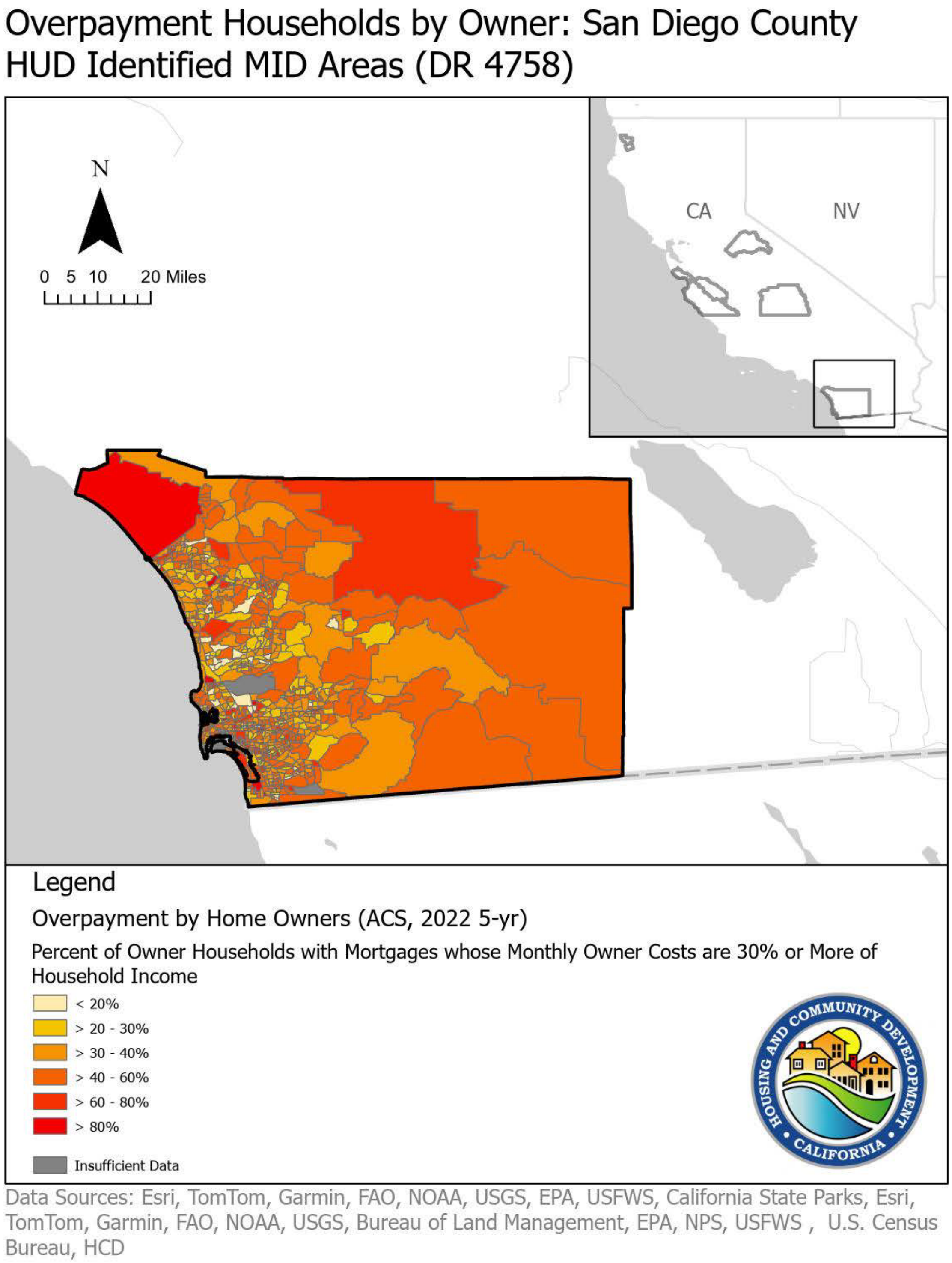


Figure 19: Overpayment Households by Owner DR-4707

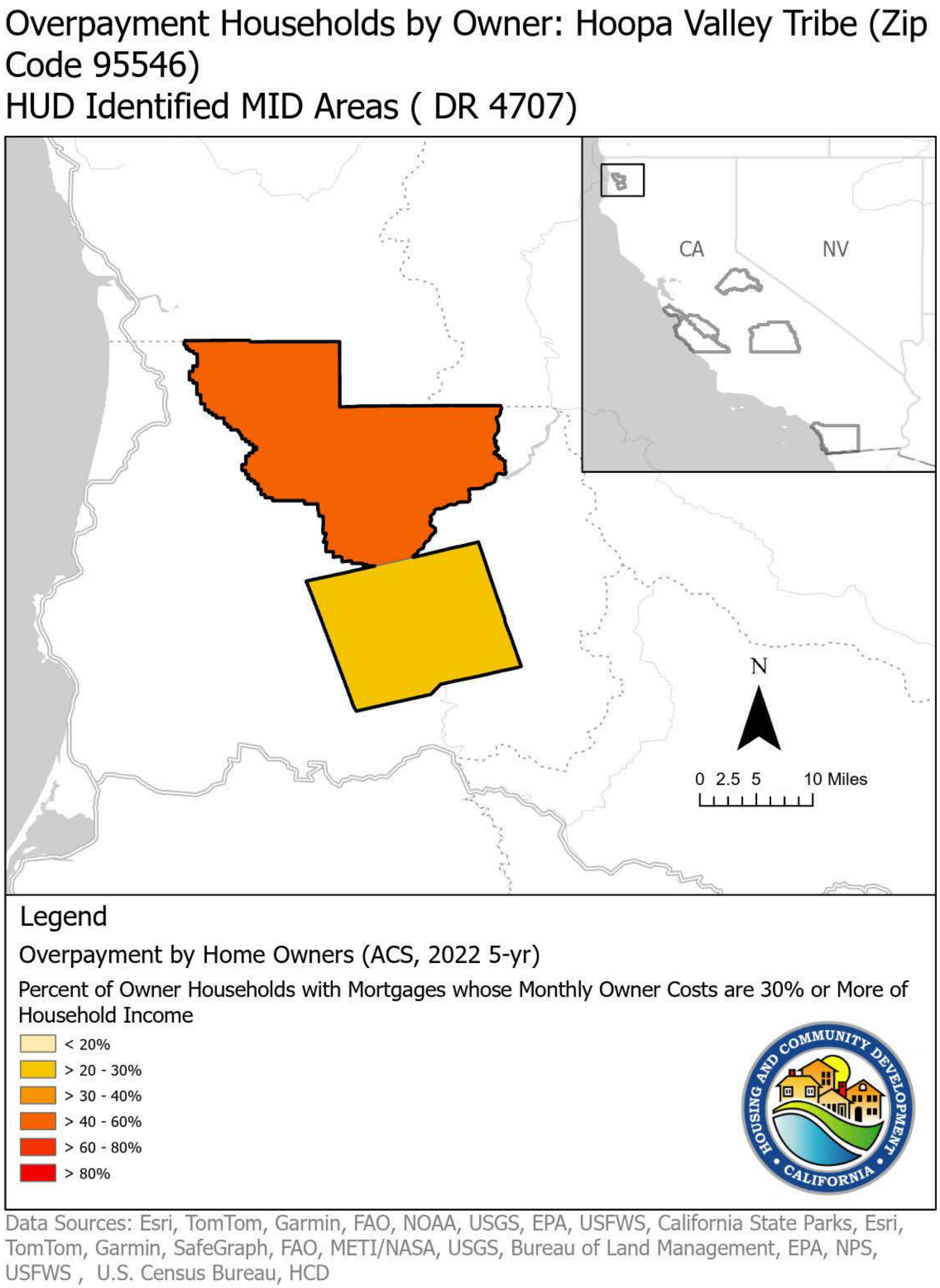


Figure 20: Overpayment Households by Renter DR-4758

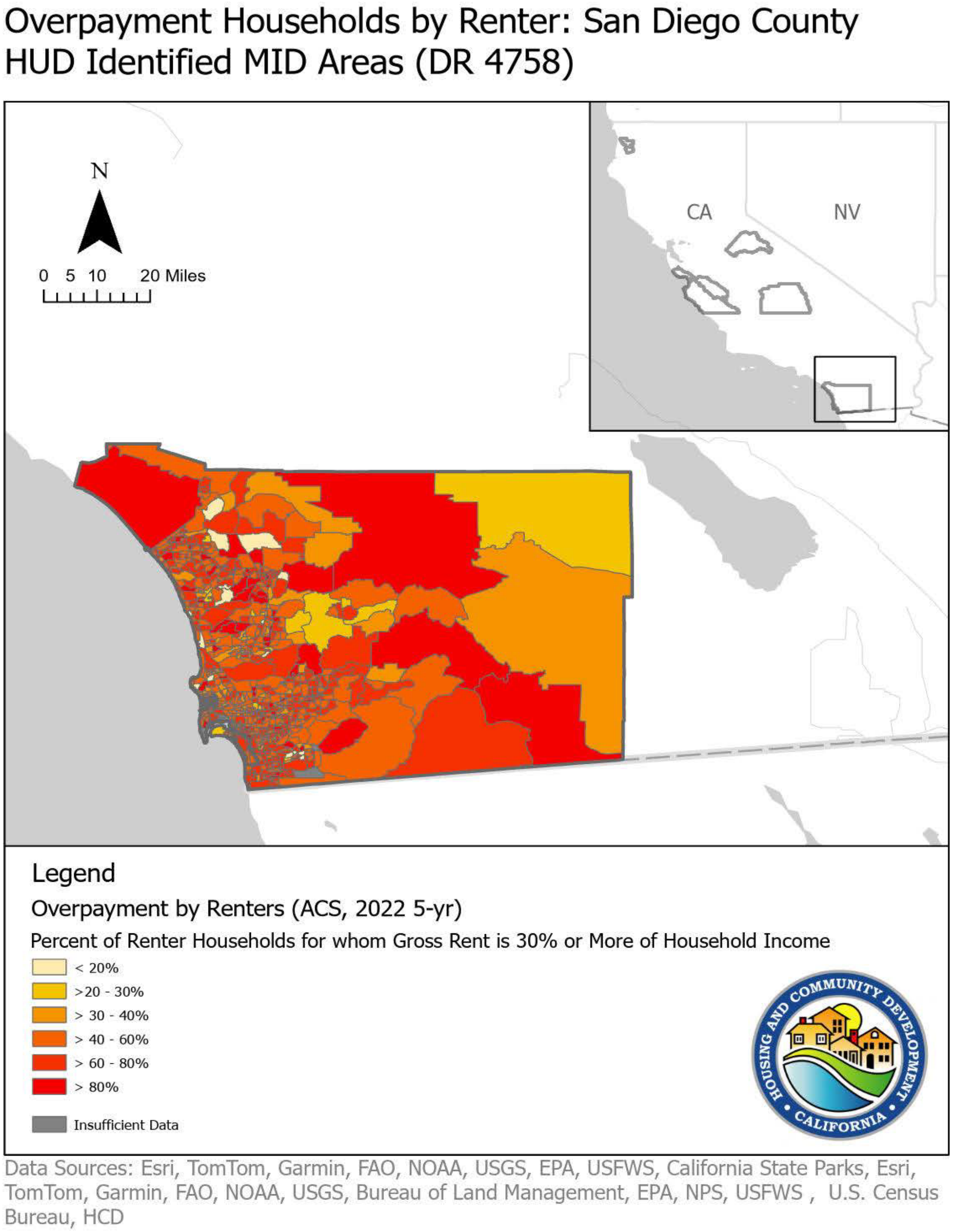


Figure 21: Overpayment Households by Renter DR-4707

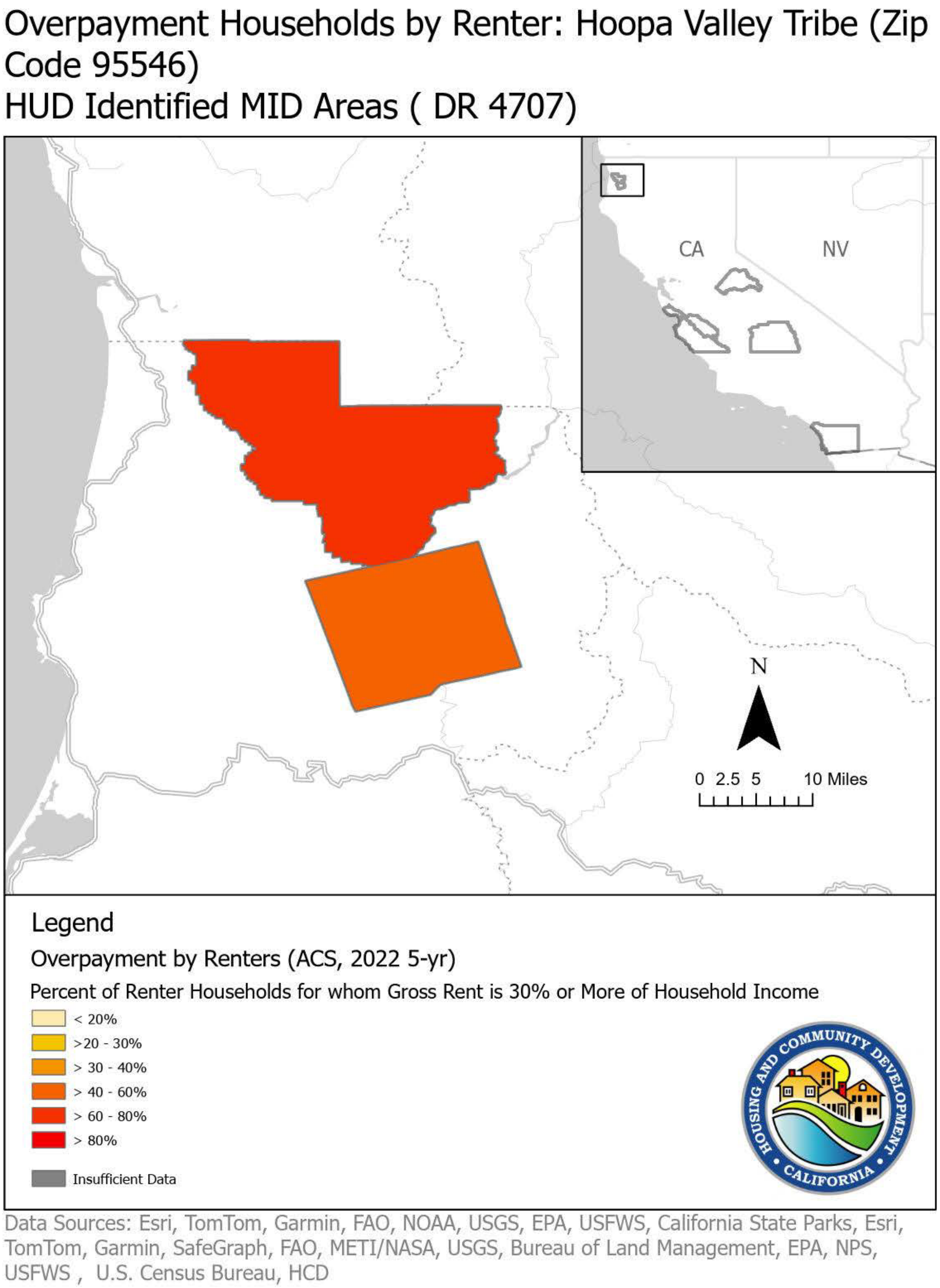
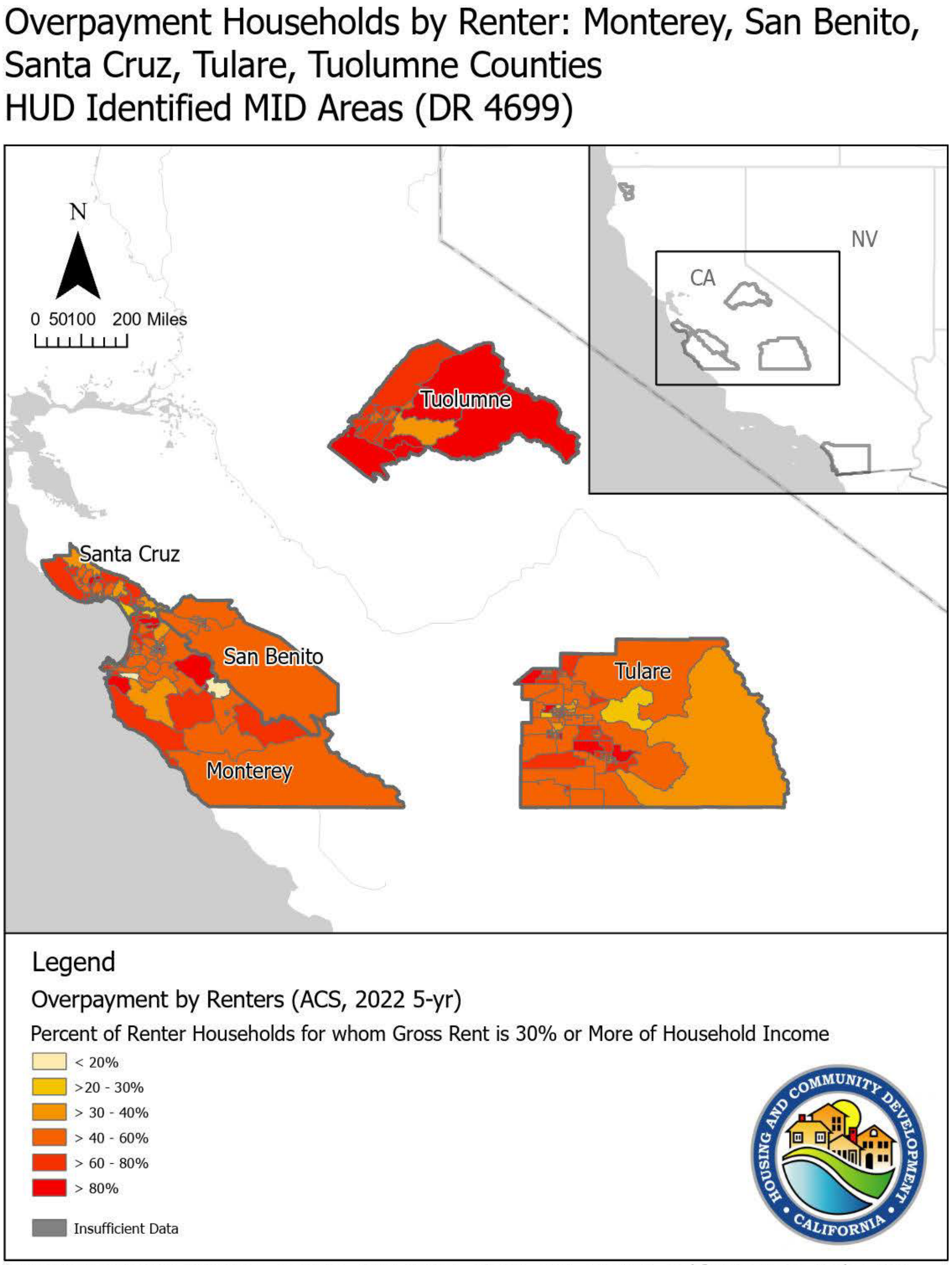


Figure 22: Overpayment Households by Renter DR-4699



Data Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, EPA, USFWS, California State Parks, Esri, TomTom, Garmin, FAO, NOAA, USGS, Bureau of Land Management, EPA, NPS, USFWS , U.S. Census Bureau, HCD

Overcrowding

Overcrowding is defined as a unit occupied by 1.01 persons or more per room (excluding bathrooms and kitchens) and units with severely overcrowded units are occupied by more than 1.5 persons per room. Overcrowding is directly related to the lack of availability of affordable housing stock in disaster impacted areas. As previously demonstrated, the direct relation of housing income and cost burden are tied to overcrowded households whereby low-income households struggle with cost burdens are households that tend to be overcrowded, in particular, renter households impacted by disaster. Overcrowded is most prevalent in San Diego City and County across renter and owners followed by Monterey. The highest overcrowded by renters occupied households is Monterey, Santa Cruz and Tulare.

Table 18: Overcrowded Households in MID Counties

	Monterey	San Benito	Santa Cruz	Tulare	Tuolumne	San Diego County	City of San Diego	Hoopa Valley Indian Reservation
Total:	132,046	20,188	96,873	142,026	22,809	1,159,822	522,146	680
Owner occupied:	69,033	13,613	58,102	83,253	16,912	632,194	248,395	521
0.50 or less occupants per room	43,969	8,896	40,795	47,180	13,515	439,755	176,753	228
0.51 to 1.00 occupants per room	19,705	4,105	15,601	30,744	3,280	170,489	63,136	210
1.01 to 1.50 occupants per room	3,963	479	1,374	3,960	75	16,683	6,142	0
1.51 to 2.00 occupants per room	1,009	82	217	979	42	3,908	1,755	83
2.01 or more occupants per room	387	51	115	390	0	1,359	609	0
Renter occupied:	63,013	6,575	38,771	58,773	5,897	527,628	273,751	159
0.50 or less occupants per room	24,420	2,652	17,458	22,918	3,672	253,321	138,925	38
0.51 to 1.00 occupants per room	25,462	3,253	16,476	27,567	1,915	218,614	110,907	93
1.01 to 1.50 occupants per room	8,189	437	2,476	6,424	190	33,881	13,051	16
1.51 to 2.00 occupants per room	3,595	186	1,608	1,231	81	16,766	8,735	12
2.01 or more occupants per room	1,347	47	753	633	39	5,046	2,133	0

Source: U.S. Census Bureau. "Tenure by Occupants per Room." American Community Survey, ACS 1-Year Estimates Detailed Tables, Table B25014, 2023

Post-Disaster Housing Unmet Needs – HUD Methodology

Based on HUD guidance in the Universal Notice, the following figure compares Major/Severe FEMA IA properties with a Verified Loss to SBA home loan verified losses to determine an SBA ratio and a total basis for reconstruction. Reconstruction cost is well below the cost of a full reconstruction or developing a new unit for either an owner-occupied or renter-occupied unit in the disaster impacted areas but will serve as the base figure for the HUD-required housing unmet need methodology below.

Public Housing

HCD did not receive any impacted damage data to Public Housing Authority units from the outreach to MID counties. The list of Public Housing Authorities is shown below.

Table 19: Public Housing Authorities Damaged

County/Municipality	Total # PHAs	Total PHAs Damaged	# of Units Damaged
DR- 4699 MID			
Monterey (County)	1	0	0
San Benito (County)	1	0	0
Santa Cruz (County)	1	0	0
Tulare (County)	1	0	0
Tuolumne (County)	1	0	0
DR-4707			
Hoopa Valley Indian Reservation (zip-95546) Humboldt	1	0	0
DR-4758			
San Diego (County)	6	0	0
San Diego City	4	0	0
Total	16	0	0

Data Sources: HUD Public Housing Authorities, Total Public Housing Dwelling Units.
Data Source: County and City Outreach by HCD in January 2025. No Damage Data reported from DR 4699, 4707, and 4758 MID Counties and Area.

Manufactured Housing Units Impacted by Disaster

The following table separates impacted MHU from overall count and is based on data received from consultation with MID counties and other state partners.

Table 20: Manufactured Housing Units Impacted by Disaster

County/Municipality	Number of Units Damaged/Destroyed	% of Total Units in County/Municipality
DR- 4699 MID		
Monterey (County)	485	4.4%
San Benito (County)	4	3.6%
Santa Cruz (County)	32	6.3%
Tulare (County)	0	6.7%
Tuolumne (County)	290	8.0%
DR-4707		
Hoopa Valley Indian Reservation (zip-95546)	0	7.7%
DR-4758		
San Diego (County)	14	3.4%
San Diego City		1.1%
Total	825	41.2%

Data Sources: U.S. Census Bureau, 2018-2022 American Community Survey 5-Year Estimates, Table DP04
Damage Data Source: Catholic Charities - Disaster Case Management data reported for DR 4699, 4707, and 4758 MID Counties and Area on 1/29/25.
Data Source: Monterey County Data and Pajaro Disaster Long Term Recovery Alliance 2/6/25

Assisted Housing Impacted by Disaster

Information on damages to Assisted Housing was requested as part of the data request HCD sent to each jurisdiction in the disaster impacted areas. There was no reported damage to assisted housing units based on HCD consultation with state and local partners.

Table 21: Assisted Housing Impacted by Disaster

County	Total Housing Choice Voucher	Total Impacted Housing Choice Voucher Units	Total LIHTC Units	Total Impacted LIHTC units	Total Public Housing Dwelling Units	Total Impacted Public Housing Dwelling Units
DR- 4699 MID						
Monterey (County)	3,769	0	5,310	0	0	0
San Benito (County)	350	0	375	0	0	0
Santa Cruz (County)	4,614	0	2,762	0	0	0
Tulare (County)	2,505	0	4,623	0	710	0
Tuolumne (County)	166	0	584	0	0	0
DR-4707						
Hoopa Valley Tribe (zip 95546)	1,026	0	843	0	0	0
DR-4758						
San Diego (County)	29,415	0	28,748	0	310	0
San Diego City	27,188	0	15,069	0	310	0
Total	69,033	0	58,314	0	1,330	0

Data Source(s): Housing Choice Vouchers (https://arcg.is/1GizuG2 - Accessed 1/30/25) - HCV Public; Total Public Housing Dwelling Units – (Total_Dwelling_Units; Low Income Housing Tax Credit Units. Data Source: County, City, and Tribal Outreach by HCD. No Data reported from DR 4699, 4707, and 4758 MID Counties and Area.

Emergency Shelters

Information on damages to emergency shelters and transitional housing was requested as part of the data request HCD sent to each jurisdiction in the disaster impacted areas. There were no major reports of damages to shelters or transitional housing; therefore, HCD has not allocated funding to address the rehabilitation, reconstruction, or replacement of emergency shelters and transitional housing. However, HCD was notified of minor damage to the Safe Sleeping Shelter operated by the city of San Diego. Their clients were relocated due to the flooding of the shelter.

FEMA Individual Assistance

The Federal Emergency Management Agency (FEMA) Individual Assistance Programs (IA) are the primary basis for establishing housing unmet recovery need. Under the FEMA IA programs, the IHP provides the best FEMA data regarding housing impacts. However, there are limitations to this data in that, residents must voluntarily register with FEMA for assistance, which leaves a gap between the true disaster impacts and the households that register for assistance. Despite these limitations, the following section provides an overview of the housing impacts for FEMA Disasters 4699, 4707 and 4758. Across these disasters, a total of 17,720 households registered for FEMA IA assistance, including 7,771 owner-occupied households and 9,848 renter households. The Universal Notice and Allocation Announcement Notice posted in the FRN outlines the following damage categories by owner-occupied and rental units.

The data HUD uses to calculate unmet needs for 2023 and 2024 qualifying disasters come from the FEMA IHP data on housing-unit damage as of December 2024 and reflect disasters occurring in 2023 and declared on or before November 1, 2024.

The core data on housing damage for both the unmet housing needs calculation and the concentrated damage are based on home inspection data for FEMA's IHP and SBA's disaster loan program. HUD calculates “unmet housing needs” as the number of housing units with unmet needs times the estimated cost to repair those units less repair funds estimated to be provided by FEMA, SBA, and insurance.

Each of the FEMA IHP inspected owner units are categorized by HUD into one of five categories:

- Minor-Low: Less than $3,000 of FEMA inspected real property damage.
- Minor-High: $3,000 to $7,999 of FEMA inspected real property damage.
- Major-Low: $8,000 to $14,999 of FEMA inspected real property damage and/or 1 to 3.9 feet of flooding on the first floor.
- Major-High: $15,000 to $28,800 of FEMA inspected real property damage and/or 4 to 5.9 feet of flooding on the first floor.
- Severe: Greater than $28,800 of FEMA inspected real property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

When owner-occupied properties also have a personal property inspection or only have a personal property inspection, HUD reviews the personal property damage amounts such that if the personal property damage places the home into a higher need category over the real property assessment, the personal property amount is used. The personal property-based need categories for owner-occupied units are defined as follows:

- Minor-Low: Less than $2,500 of FEMA inspected personal property damage.
- Minor-High: $2,500 to $3,499 of FEMA inspected personal property damage.
- Major-Low: $3,500 to $4,999 of FEMA inspected personal property damage or 1 to 3.9 feet of flooding on the first floor.
- Major-High: $5,000 to $9,000 of FEMA inspected personal property damage or 4 to 5.9 feet of flooding on the first floor.
- Severe: Greater than $9,000 of FEMA inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

To meet the statutory requirement of “most impacted” in this legislative language, homes are determined to have a high level of damage if they have damage of “major-low” or higher. That is, they have a FEMA inspected real property damage of $8,000 or above, personal property damage $3,500 or above, or flooding 1 foot or above on the first floor.

Furthermore, a homeowner with flooding outside the 1 percent risk flood hazard area is determined to have unmet needs if they reported damage and no flood insurance to cover that damage. For homeowners inside the 1 percent risk flood hazard area, homeowners without flood insurance with flood damage below the greater of national median or 120 percent of Area Median Income are determined to have unmet needs. For non-flood damage, homeowners without hazard insurance with incomes below the greater of national median or 120 percent of Area Median Income are included as having unmet needs. The unmet need categories for these types of homeowners are defined as above for real and personal property damage.

FEMA IHP does not inspect rental units for real property damage so personal property damage is used as a proxy for unit damage. Each of the FEMA-inspected renter units are categorized by HUD into one of five categories:

- Minor-Low: Less than $1,000 of FEMA inspected personal property damage.
- Minor-High: $1,000 to $1,999 of FEMA inspected personal property damage or determination of “Moderate” damage by the FEMA inspector.
- Major-Low: $2,000 to $3,499 of FEMA inspected personal property damage or 1 to 3.9 feet of flooding on the first floor or determination of “Major” damage by the FEMA inspector.
- Major-High: $3,500 to $7,500 of FEMA inspected personal property damage or 4 to 5.9 feet of flooding on the first floor.
- Severe: Greater than $7,500 of FEMA inspected personal property damage or determined destroyed and/or 6 or more feet of flooding on the first floor or determination of “Destroyed” by the FEMA inspector.

To meet the statutory requirement of “most impacted” for rental properties, homes are determined to have a high level of damage if they have damage of “major-low” or higher.

That is, they have a FEMA personal property damage assessment of $2,000 or greater or flooding 1 foot or above on the first floor.

Table 22: Total FEMA IA Registration by Disaster

Disaster (MID)	Owner	Renter	Unknown	Grand Total
DR- 4699	3954	5530	52	9536
DR-4758	3354	4252	45	7651
DR-4707	463	66	4	533

Source(s): 12.05.2023 FEMA 4699, 01.30.2025 FEMA 4707, 9.4.2024 FEMA 4758

While total registrations show the scale and scope of the disaster impacts, FEMA Verified Loss provides a more accurate understanding of households that not only registered for FEMA but also inspected by FEMA for a documented loss related to the disaster, a FEMA Verified Loss. The following figure provides an overview of the number of FEMA Verified Losses over $0 for both owner-occupied and renter-occupied units.

Table 23: FEMA Individual Assistance by Renter and Owner (Real Property)

Disaster Declaration	Owner	Renter	Unknown	Total
DR- 4699 MID				
Monterey (County)	612	2634	10	3256
San Benito (County)	121	144	2	267
Santa Cruz (County)	893	1533	13	2439
Tulare (County)	1143	996	17	2156
Tuolumne (County)	1185	223	10	1418
DR-4758				
San Diego (County)	1626	1317	18	2961
San Diego (City)	1728	2935	27	4690
DR-4707				
Hoopa Valley Tribe (zip-95546)	123	2	0	124

Source(s): 12.05.2023 FEMA 4699, 01.30.2025 FEMA 4707, 9.4.2024 FEMA 4758

Table 24: FEMA IA Assistance by Renter and Owner (Real Property)

Disaster Declaration	Owner	Renter	Unknown	Total
DR- 4699 MID	3960	0	0	3960
Monterey (County)	619	0	0	619
San Benito (County)	121	0	0	121
Santa Cruz (County)	894	0	0	894
Tulare (County)	1141	0	0	1141
Tuolumne (County)	1185	0	0	1185
San Diego (County)	1434	0	0	1434
DR – 4707 Hoopa Valley Tribe (zip-95546)	277	0	0	277

Source(s): 12.05.2023 FEMA 4699, 01.30.2025 FEMA 4707, 9.4.2024 FEMA 4758

The previous figure provides an overview of the total count of FEMA IA Verified Losses, but to understand the costs measured through data collected by FEMA, the following provides an overview of average FEMA Verified Losses for properties with over $0 in losses. This figure includes both Personal Property (Renter) and Real Property (Owner) damages. These numbers do not reflect the total cost needed for reconstruction of owner-occupied or renter-occupied households.

Table 25: Average FEMA IA Verified Loss – Over $0

Disaster Declaration	Owner	Renter	Total
DR-4699 MID	$24,284,391.00	$2,521,303.00	$26,805,694.00
DR-4707	$1,606,583.00	$2,913.00	$1,609,496.00
DR-4758	$37,163,011.00	$5,104,633.00	$42,267,644.00

Source(s): 12.05.2023 FEMA 4699, 01.30.2025 FEMA 4707, 9.4.2024 FEMA 4758

Through FEMA IA, renters are eligible to apply for monthly rental assistance and for funding to replace damaged or destroyed personal property. FEMA does not inspect rental properties for real property damage, so the following table only includes personal property damage. The following figure shows the number of renters who registered for FEMA IA that have a Verified Loss over $0 of personal property damage. The table shows the number of renter-occupied households by County and HUD-defined damage category.

Table 26: FEMA Owner Real Property Damage Count

Disaster Declaration	Minor Low	Minor High	Major Low	Major High	Severe	Grand Total
DR-4699 MID						
Monterey	46	23	8	24	70	171
San Benito	3	6	2	14	31	56
Santa Cruz	64	38	37	55	177	371
Tulare	143	88	57	67	218	573
Tuolumne	97	47	73	106	244	567
DR-4699 Total:	353	202	177	266	740	1738
DR-4707						
Hoopa Valley Tribe (Zip-95546)	234	117	57	5	1	414
DR-4758						
San Diego County	381	129	104	207	911	1732
All Totals:	968	448	338	478	1652	3884

Source(s): 12.05.2023 FEMA 4699, 01.30.2025 FEMA 4707, 9.4.2024 FEMA 4758

Table 27: FEMA Owner Personal Property Damage Count

Disaster Declaration	Minor Low	Minor High	Major Low	Major High	Severe	Grant Total
DR-4699 MID						
Monterey	49	1	0	1	19	70
San Benito	9	1	7	0	0	17
Santa Cruz	10	4	0	1	4	19
Tulare	142	3	14	5	36	200
Tuolumne	96	2	3	0	3	104
DR-4699 Total:	306	11	24	7	62	410
DR-4707						
Hoopa Valley Tribe (zip-95546}	80	1	1	0	0	82
DR-4758						
San Diego County	583	51	49	61	312	1056
All Totals:	969	63	74	68	374	1548

Source(s): 12.05.2023 FEMA 4699, 01.30.2025 FEMA 4707, 9.4.2024 FEMA 4758

Table 28: Renter Personal Property Damage Count

Disaster Declaration	Minor Low	Minor High	Major Low	Major High	Severe	Grant Total
DR-4699 MID						
Monterey	217	87	78	108	20	510
San Benito	17	4	8	8	10	47
Santa Cruz	0	5	15	68	304	392
Tulare	89	39	29	17	106	280
Tuolumne	37	8	8	3	7	63
DR-4699 Total:	360	143	138	204	447	1292
DR-4707						
Hoopa Valley Tribe (zip-95546)	0	2	0	0	0	2
DR-4758						
San Diego County	220	168	134	121	635	1278
All Totals:	580	313	272	325	1082	2572

Source(s): 12.05.2023 FEMA 4699, 01.30.2025 FEMA 4707, 9.4.2024 FEMA 4758

Table 29: IHP Owner – Real Property Damage

DR-4699	IHP Owner - Real Property					
County	**Minor-Low**	**Minor-High**	**Major-Low**	**Major-High**	**Severe**	**Grand Total**
Monterey	$37,689.00	$113,328.00	$88,978.00	$432,638.00	$1,441,389.00	$2,114,022.00
San Benito	$5,071.00	$26,316.00	$21,037.00	$118,434.00	$253,116.00	$423,974.00
Santa Cruz	$74,662.00	$208,477.00	$290,134.00	$716,690.00	$5,477,620.00	$6,767,583.00
Tulare	$149,784.00	$357,159.00	$435,227.00	$1,007,460.00	$5,216,062.00	$7,165,692.00
Tuolumne	$117,720.00	$230,375.00	$607,313.00	$1,324,107.00	$4,076,370.00	$6,355,885.00
Total	$384,926.00	$935,655.00	$1,442,689.00	$3,599,329.00	$16,464,557.00	$22,827,156.00
DR-4758						
San Diego (County)	$341,662.00	$658,866.00	$919,055.00	$3,383,739.00	$29,152,877.00	$34,456,199.00
DR-4707						
Hoopa Valley Tribe (zip-95546)	$165,300.00	$617,645.00	$590,675.00	$89,504.00	$34,639.00	$1,497,763.00
All Totals	$891,888.00	$2,212,166.00	$2,952,419.00	$7,072,572.00	$45,652,073.00	$58,781,118.00

Source(s): 12.05.2023 FEMA 4699, 01.30.2025 FEMA 4707, 9.4.2024 FEMA 4758

Table 30: Verified Flood Loss Owners Private Property

DR-4699	Verified Flood Loses Owners Private Property					
County	Minor-Low	Minor-High	Major-Low	Major-High	Severe	Grand Total
Monterey	$38,945.00	$2,862.00	$0.00	$8,216.00	$86,682.00	$136,705.00
San Benito	$11,230.00	$2,536.00	$13,989.00	$0.00	$0.00	$27,755.00
Santa Cruz	$6,195.00	$8,950.00	$0.00	$5,578.00	$21,838.00	$42,561.00
Tulare	$88,519.00	$8,926.00	$39,748.00	$34,581.00	$241,879.00	$413,653.00
Tuolumne	$55,770.00	$6,016.00	$4,282.00	$0.00	$9,175.00	$75,243.00
Total:	$200,659.00	$29,290.00	$58,019.00	$48,375.00	$359,574.00	$695,917.00
DR-4758						
San Diego (County)	$447,882.00	$77,230.00	$101,260.00	$166,578.00	$1,847,862.00	$2,640,812.00
DR-4707						
Hoopa Valley Tribe (zip 95546)	$102,246.00	$2,808.00	$3,765.00	$0.00	$0.00	$108,819.00
All Total	$750,787.00	$109,328.00	$163,044.00	$214,953.00	$2,207,436.00	$3,445,548.00

Source(s): 12.05.2023 FEMA 4699, 01.30.2025 FEMA 4707, 9.4.2024 FEMA 4758

Table 31: Verified Flood Losses for Renters Private Property

DR-4699	Verified Flood Losses Renters Private Property					
County	Minor-Low	Minor-High	Major-Low	Major-High	Severe	Grand Total
Monterey	$120,771.00	$63,738.00	$86,239.00	$104,060.00	$987,095.00	$1,361,903.00
San Benito	$7,586.00	$3,859.00	$8,958.00	$9,320.00	$43,200.00	$72,923.00
Santa Cruz	$0.00	$3,320.00	$9,922.00	$52,179.00	$316,462.00	$381,883.00
Tulare	$51,519.00	$39,039.00	$59,986.00	$50,728.00	$422,942.00	$624,214.00
Tuolumne	$15,608.00	$8,176.00	$10,374.00	$5,502.00	$35,608.00	$75,268.00
Total:	$195,484.00	$118,132.00	$175,479.00	$221,789.00	$1,805,307.00	$2,516,191.00
DR-4758						
San Diego (County)	$125,014.00	$210,095.00	$239,403.00	$349,574.00	$4,180,547.00	$5,104,633.00
DR-4707						
Hoopa Valley Tribe (zip- 95546)	$0.00	$2,912.00	$0.00	$0.00	$0.00	$2,912.00
All Total	$320,498.00	$331,139.00	$414,882.00	$571,363.00	$5,985,854.00	$7,623,736.00

Source(s): 12.05.2023 FEMA 4699, 01.30.2025 FEMA 4707, 9.4.2024 FEMA 4758

Insurance

Standard homeowner's insurance may cover losses from wildfire or floods however, many policies do not provide enough funding to replace the entire home. More so, high rates of underinsured property owners prioritize disaster recovery and rebuilding needs. The gap between residential insurance claim payout and the actual cost to rebuild while meeting updated building codes further exacerbate homeowners as well. In most instances, insurance proceeds do not cover the financial gap burdened by homeowners to build back better with more resilient construction standards.

The California Department of Insurance (CDI) is the State of California's branch of a national system of insurance regulators and monitors. CDI's main function is to protect consumers by overseeing insurance companies, performing financial review and examining insurers doing business in California. CDI enforces insurance laws and has authority over how insurers and licenses conduct business in California.

HCD will continue to collect and analyze residential insurance claims for all three disaster declarations to examine the count of residential claims filed and calculate total losses incurred for an overall estimate of residential insurance unmet need.

In California, despite record-breaking floods across the state, the number of NFIP policies between December 2023 and December 2024 dropped from 192,701 to 183,498. Nearly 10,000 fewer houses have flood insurance than they did a year ago.[15] [16]

Furthermore, HCD understands the financial burden that insurance places on homeowners particularly as they recover from a disaster. It is estimated that the NFIP payment adds an additional $1,000 annually to homeowners housing cost. Given the housing costs in California, these increased costs may move homeowners into cost burdened housing. To ease the burden of the recovery and support the federal investments made in the single-family housing programs, HCD is proposing to provide NFIP premium subsidy payments for owner-occupant participants in the Single-Family Reconstruction Program for the required occupancy period. Based on NFIP premiums, this need is estimated at about $150,000. While this need is small, the impact it will have on the homeowners recovering is huge, allowing them to fucus their needs on their recovery.

Small Business Association and Residential Damage

Small Business Administration Housing (SBA) loans are the basic form of federal disaster assistance for homeowners with a good credit history and income, and whose private property sustained damage that is not fully covered by insurance. Homeowners and renters whose property was damaged by a presidentially declared disaster are eligible to apply for an SBA low interest loan. Interest rates on these loans are

[15] | Flood Insurance Data and Analytics
[16] nfip_pif-history-rolling-12-months_20241231.xlsx

determined by law and are assigned on a case by-case basis. The figures below give an overview of total applications, approvals, and total SBA Verified Losses by county.

Landlords are presumed to have adequate insurance coverage unless the unit is occupied by a renter with income less than the greater of the Federal poverty level or 50 percent of the area median income. Units occupied by a tenant with income less than the greater of the poverty level or 50 percent of the area median income are used to calculate likely unmet needs for affordable rental housing.

The average cost to fully repair a home for a specific disaster to code within each of the damage categories noted above is calculated using the median real property damage repair costs determined by the SBA for its disaster loan program based on a match comparing FEMA and SBA inspections by each of the FEMA damage categories described above.

If there is a match of 20 or more SBA inspections to FEMA inspections for any damage category, the median damage estimate for the SBA properties is used less the estimated average FEMA IHP repair grant and average SBA disaster loan grant weighted on take-up rates, which are generally high for IHP and low and for SBA. Except that no matched multiplier can be less than the 25th percentile for all IHP eligible disasters combined in eligible disaster years at the time of the allocation calculation or more than the 75th percentile for all IHP eligible disasters combined with data available as of the allocation.

If there is a match of fewer than 20 SBA inspections to FEMA inspections within individual damage categories for an individual disaster, these multipliers are used which are based on the 2020/2021 disaster years:

Table 32: SBA Multiplier by Disaster type

Disaster Type	Multipliers by Disaster type		
	Major-low	Major-high	Severe
Dam/levee Break	$33,007	$47,078	$47,078
Earthquake	27,141	33,714	134,503
Fire	22,971	82,582	134,503
Flood	47,074	57,856	64,513
Hurricane	36,800	45,952	45,952
Sever Ice Storm	33,528	33,714	36,592
Sever Storm(s)	229,971	37,299	37,299
Tornado	52,961	82,582	134,503

A separate multiplier is applied to mobile homes for all disaster types. The mobile home multipliers are $77,058 for major-low, $98,463 for major-high, and $134,834 for severe. The total verified loss for real estate for DR-4699 was $10, 585,613.

Table 33: SBA Home Loan Applications and Verified Loss (DR-4699)

County	Total SBA Applications Submitted	Total SBA Loans Approved	SBA Total Verified Loss
DR- 4699 MID			
Monterey (County)	314	35	$1,249,623
San Benito (County)	32	10	$607,674
Santa Cruz (County)	491	112	$7,220,235
Tulare (County)	269	53	$3,698,969
Tuolumne (County)	300	120	$5,021,892
Total	1404	330	$10,585,613

Source: Small Business Administration, 11/19/23 (4699)

Alternate Methodology – Housing Unmet Need

There are a limited number of FEMA IA registrations with verified losses with emphasis on stick-built homes that do not capture the impacts to all populations impacted by a natural disaster. Disaster impacted renters often occupy existing rental units in their communities; therefore, a meaningful recovery for renters should also include costs to construct new housing units. An alternative methodology is required for capturing an accurate portrait of unmet post disaster housing recovery needs for both renters and owner populations in eligible counties for this grant.

Given the data challenges presented in the housing unmet needs section, including the limited FEMA IA and SBA home loan registrations, HCD proposes the following Alternative Methodology for a more realistic portrait of unmet recovery needs. HCD believes this shows a more accurate portrait of total housing impacts from the disasters.

The unmet needs analysis reliance on FEMA and SBA data as required by the Universal Notice creates two significant issues. First, the prescribed Universal Notice methodology over counts homeowners and under counts the impacts to renters. Secondly, the ongoing housing crisis in California is most prevalent for renter households therefore relying on statewide data to better assess housing unmet need is required. Lastly, due to the nature of flood events like the severe storms there were ongoing need across flooding and mitigation needs as seen in the mitigation needs assessment. These alternate unmet needs assessment reflects state priorities to address recovery for all populations and is the basis for how the funds are proposed to be allocated across its programs.

Rent Increases

The table below demonstrates the percent increase of rents in the MID counties. Post-disaster increases in rents are often caused by the limited supply of units prior to a disaster. Tenants, especially renters, are most at risk of facing increasing housing cost due to the availability of units' post-disaster. This scenario of having a limited supply of units and a rising housing cost more often lead to overcrowding of units in the disaster impacted areas. The following table summarizes rent increases over the past three years for the disaster impacted areas.

Table 34: Observed Rent Increase for MID Counties

DR-4699, 4758,4707 MID Counties	Zillow Observed Rent Index 12/31/2021	Zillow Observed Rent Index 12/31/2022	Zillow Observed Rent Index 12/31/2023	Since 12/31/21	Since 12/31/22	Percent Change Since 12/31/21	Percent Change Since 12/31/22
Monterey	$ 2,317.56	$ 2,498.88	$ 2,572.85	$ 255.30	$ 73.97	11.02%	2.96%
San Benito*	$ 1,622.00	$ 1,609.00	$ 1,985.00	$ 363.00	$ 376.00	22.38%	23.37%
San Diego	$ 2,593.76	$ 2,840.69	$ 2,922.73	$ 328.97	$ 82.04	12.68%	2.89%
Santa Cruz	$ 2,969.02	$ 3,195.89	$ 3,228.75	$ 259.73	$ 32.86	8.75%	1.03%
Tulare	$ 1,599.97	$ 1,648.86	$ 1,709.97	$ 109.99	$ 61.10	6.87%	3.71%
Tuolumne	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: Zillow Observed Rent Index, ACS 1-Year Data*

Multifamily Housing Units – Regional Housing Needs Allocation (RHNA)

Disasters greatly impact the existing housing stock of multifamily housing, especially for LMI communities and households. HCD's RHNA demonstrates the projected housing need and therefore highlights the ongoing gaps in housing stock needed for LMI households. The table below clearly indicates the continued housing gaps and that CDBG-DR resources allocated for this purpose will not be supplanting any other resources.

Table 35: Multifamily Housing RHNA for MID Counties

MID Counties	Total Units RHNA VLI and LI	Total Fundings needed for VLI and LI	Resources Available per NOFAs	Unmet Need (Totals RHNA less Resources	% of Unmet Need
Monterey	1770	$400,456,229	$213,186,312	$151,869,216	13%
San Benito	444	$106,347,516	$8,017,328	$98,330,188	9%
Santa Cruz	2468	$508,380,224	$159,076,156	$349,304,068	31%
Tulare	2526	$534,625,706	$77,662,965	$456,962,741	41%
Tuolumne	218	$37,957,924	$6,001,249	$31,956,675	3%
San Diego County	2826	$489,334,224	$450,267,229	$39,066,995	3%
Total:				$1,127,489,883	100%

Source: HCD RHNA 6th Cycle, HCD Multifamily Awards

The following maps illustrate the RHNA count for the MID counties.

Figure 23: HCD 6th Cycle RHNA LMI Units DR-4758

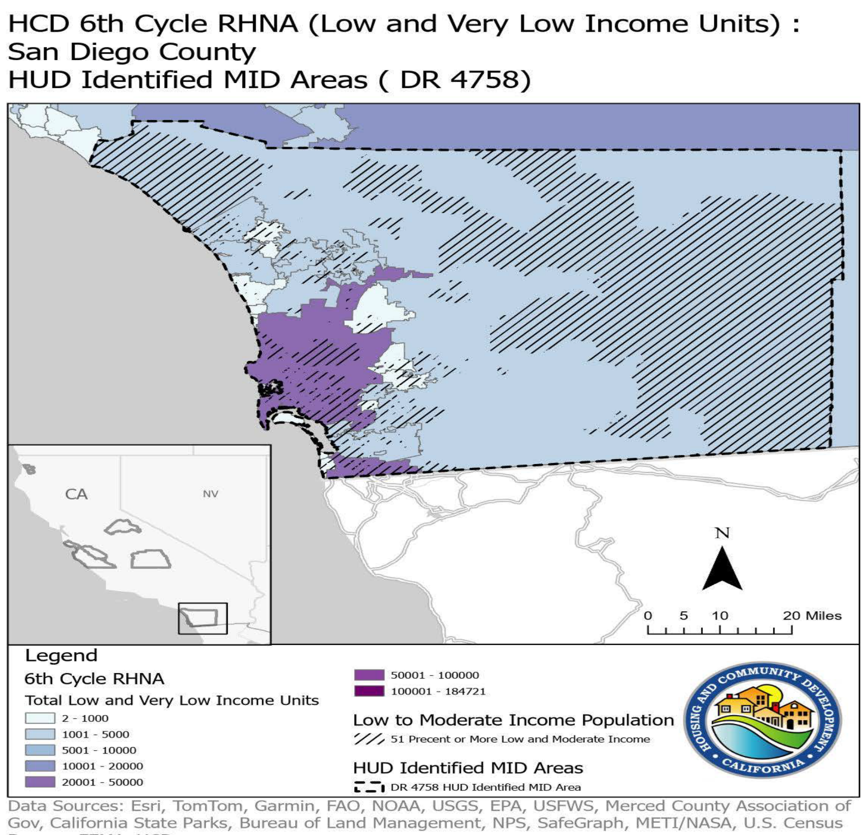


Figure 24: HCD 6th Cycle RHNA LMI Units DR-4699

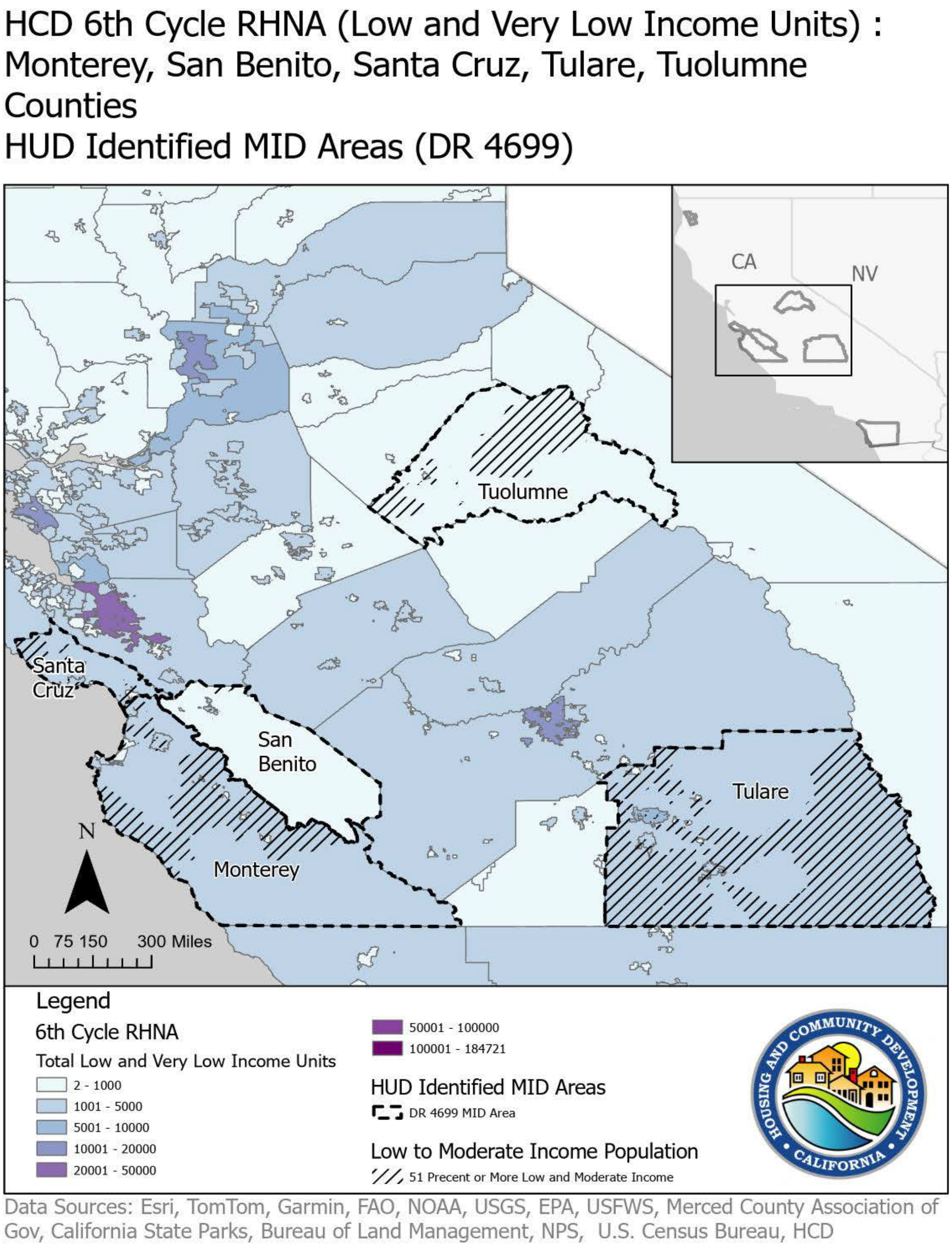


Figure 25: HCD 6th Cycle RHNA LMI Units DR-4707

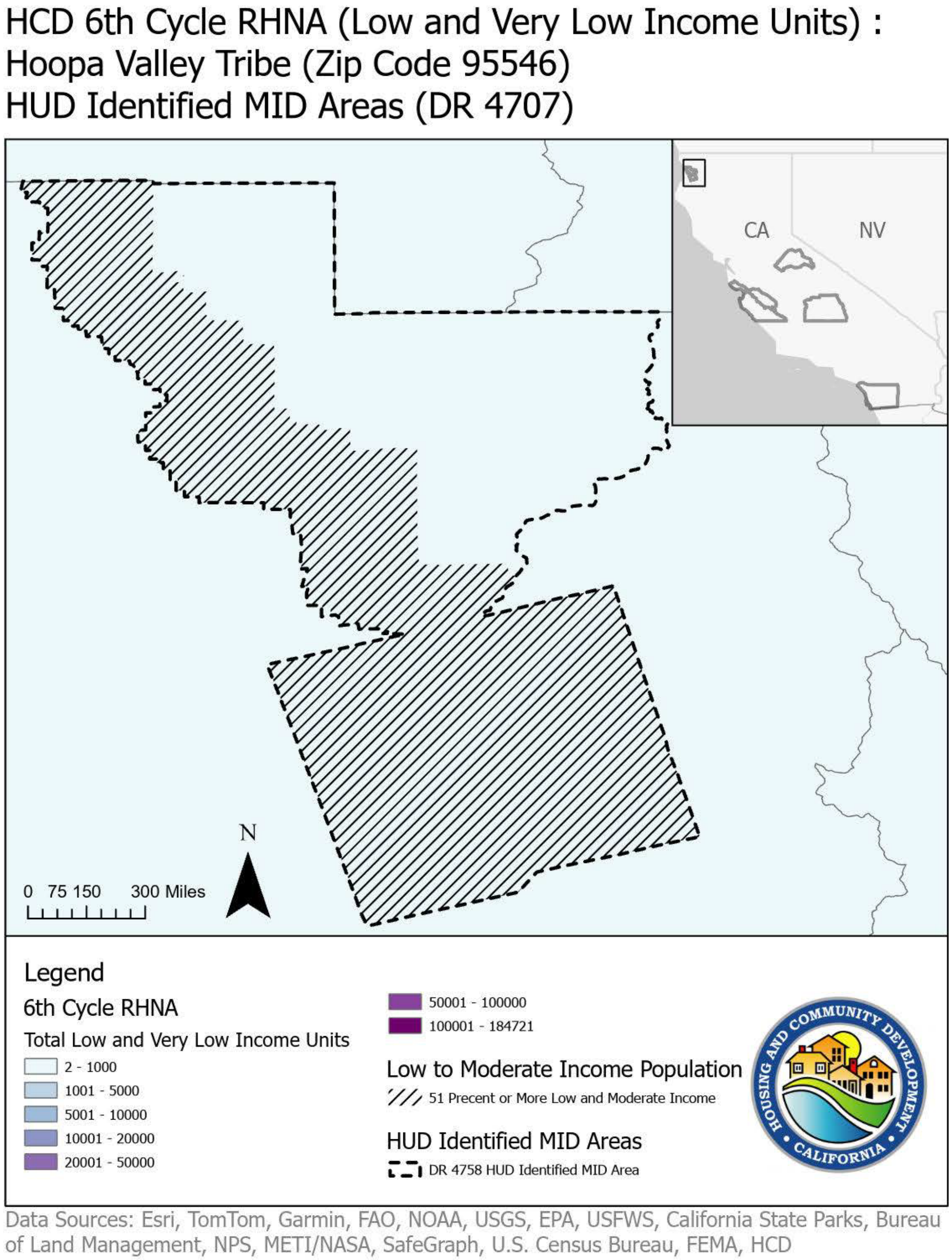


Table 36: HCD Methodology - Quantified Disaster Impacts and exacerbated Pre-Existing needs of Housing, Infrastructure, and Economic Development, Other Financial Assistance, and Remaining Unmet Need

Cost Categories	A Direct and Indirect Need HCD METHOD	B Financial Assistance Budgeted and Obligated	A-B Unmet Need HCD METHOD
Rental Housing	$1,127,489,883	$24,514,310	$1,102,975,573
Owner-Occupied Housing	$165,357,712	$54,625,779	$110,731,033
Infrastructure	$289,696,444	$126,185,834	$163,510,610
Economic Development	$11,227,593	$3,405,105	$7,822,488
Total	$1,593,771,632	$208,731,028	$1,385,039,704

Infrastructure

The FEMA Public Assistance (FEMA PA) program is designed to provide immediate assistance to disaster-impacted jurisdictions for emergency work (under FEMA Sections 403 and 407) and permanent work (Sections 406 and 428) on infrastructure and community facilities. Data from these programs was used to assess the impact of the disasters on infrastructure and calculate unmet need.

Although there is a clear need for infrastructure repair and improvements, this Action Plan focuses on unmet recovery needs with prioritization given to housing recovery and housing- related infrastructure projects. One reason for this prioritization is that although total project costs have been calculated, project eligibility has not been determined for all project worksheets submitted. Therefore, the local share figures are preliminary and likely to increase substantially moving forward.

FEMA PA projects fall under the following categories:

- Emergency Protective Work
- Category A - Debris Removal
- Category B - Emergency Protective Measures
- Permanent Work
- Category C - Roads and Bridges
- Category D - Water Control Facilities
- Category E - Public Buildings and Contents

- Category F - Public Utilities
- Category G - Parks, Recreational, and Other Facilities

The following tables summarize the FEMA PA assistance in review by FEMA and the California Governor's Office of Emergency Services (CalOES) as of February 2024. As noted above, these values are subject to change and will be re-evaluated as the Action Plan is amended and/or through program design. Across areas impacted by the two disaster declarations (DR-4758 did not receive PA), impacted counties submitted FEMA PA projects totaling over $168,247,778 for Categories C through G. A majority of the requests were made for Category C – Roads and Bridges.

Table 37: DR-4699 Total Cost and Need by PA Category

PA Category	Estimated PA Cost	Federal Resources	Needed Match	Resiliency	Total Need (Match + Resiliency)
A - Debris	$8,845,042.84	$6,633,782.17	$2,211,260.67	$552,815.17	$2,764,075.84
B - Emergency Measures	$29,277,353.96	$21,962,929.67	$7,314,424.29	$1,828,606.07	$9,143,030.36
Subtotal	$38,122,396.8	$28,596,711.84	$9,525,684.96	$2,381,421.24	$11,907,106.2
C - Roads and Bridges	$79,253,871.26	$59,440,403.70	$19,813,467.56	$4,953,366.89	$24,766,834.45
D - Water Control Facilities	$68,440,214.82	$51,330,161.22	$17,110,053.60	$4,277,513.40	$21,387,567.00
E - Building and Equipment	$13,029,355.42	$9,772,016.62	$3,257,338.80	$814,334.70	$4,071,673.50
F - Utilities	$6,587,521.61	$4,940,641.26	$1,646,880.35	$411,720.09	$2,058,600.44
G - Other	$936,815.24	$702,611.46	$234,203.78	$58,550.95	$292,754.73
Subtotal	$168,247,778.35	$126,185,834.26	$42,061,944.09	$10,515,486.03	$52,577,430.12
Total	$206,370,175.15	$154,782,546.1	$51,587,629.05	$12,896,907.27	$64,484,536.32

Data Source(s): FEMA 2023

The following table outlines the FEMA PA requests from jurisdictions impacted by the DR-4699 disasters. The total request for FEMA PA projects Category C through G totals $168,247,778.35. Category C (Roads and Bridges) and Category D (Water Control Facilities) represent majority of the PA damage and unmet need. All counties in DR-4699 experienced infrastructure losses from both severe storms and subsequent flooding. In particular, the overwhelming water control facilities such as levees in Monterey County.

Table 38: FEMA PA Local Share Only For DR-4699 by Category

Category	Projects	Total Damage	Total Resources	Needed Match
A - Debris Removal	42	$8,845,042.84	$6,633,782.17	$2,211,260.67
B - Emergency Protective Measures	72	$29,277,353.96	$21,962,929.67	$7,314,424.29
Total	114	$38,122,396.80	$28,596,711.84	$9,525,684.96

Source: FEMA PA 2023

Table 39: FEMA PA Local Share Only for DR-4699 by Category (C through G)

Category	Projects	Total Damage	Total Resources	Needed Match
C - Roads and Bridges	121	$79,253,871.26	$59,440,403.70	$19,813,467.56
D - Water Control Facilities	43	$68,440,214.82	$51,330,161.22	$17,110,053.60
E - Buildings and Equipment	24	$13,029,355.42	$9,772,016.62	$3,257,338.80
F - Utilities	20	$6,587,521.61	$4,940,641.26	$1,646,880.35
G - Parks, Recreational Facilities, and Other Items	18	$936,815.24	$702,611.46	$234,203.78
Total	226	$168,247,778.35	$126,185,834.26	$42,061,944.09

Source: FEMA PA 2023

Infrastructure Unmet Needs Summary

The Infrastructure Unmet Needs Assessment incorporates a comprehensive set of data sources that cover multiple geographies and sectors and was completed according to guidelines set forth by HUD in January 8, 2025, Federal Register Notice (90 FR 1754). The assessment is based on data provided by State and federal agencies, the U.S. Federal Emergency Management Agency (FEMA), CalOES (Hazard Mitigation, IA, and PA), the U.S. Small Business Administration (SBA), the Department of Water Resources, the US Census Bureau, the California Department of Insurance, Department of Housing and Community Development Departments (Division of Federal Financial Assistance, CIAP, HPD) impacted jurisdictions, local nonprofits among other sources. Furthermore, local Grant Organization data was collected, including Catholic Charities, United Way, Self-Help Enterprises, Pajaro Pride, Casa De La Cultura, Foodbanks, and more.

Two rounds of outreach and meetings with local counties, cities were held, and potential projects were gathered from the five Most Impacted and Distressed Areas of FEMA DR-4699, which are: Monterey County, San Benito County, Santa Cruz County, and Tulare County; along with FEMA DR-4758 impacting San Diego County, and FEMA DR-4707 impacting the Hoopa Valley Tribe in Hoopa, CA.

The data collected resulted in over 250 infrastructure projects that had identified unmet need; of which over 30 were stand-alone projects with no federal match and the remaining where federal match projects with remaining unmet need. Utilizing this data, a program design was developed that considered unmet needs, preliminary review of eligibility, and the ability of the project to be completed within the performance period.

Table 40: Additional Unmet Needs for DR-4699 and DR-4758

Category	Projects	Additional Unmet Needs
Additional Unmet Needs Data	~250	$163,510,610

Economic Revitalization

The SBA offers Business Physical Disaster Loans and Economic Injury Disaster Loans Re (EIDL) to businesses to repair or replace disaster damaged property, including real estate, inventories, supplies, machinery, equipment and working capital until normal operations resume. Businesses of all sizes are eligible. Private, nonprofit organizations such as charities, churches, and private universities are also eligible. Ongoing outreach and data collection is conducted to account for all disaster declarations beyond DR-4699.

Applicants requested over $8 million in support while only $2.4 million has been dispersed to date. This leaves over $5.8 million in unmet needs for businesses in impacted areas.

Table 41: Total SBA Business Loans Approved (DR-4699)

County	Sum of Total Verified Loss	Sum of Total Amount Disbursed	Unmet Need
DR- 4699 MID			
Monterey (County)	$4,018,976	$1,384,400	$2,634,576
San Benito (County)	$171,927	$50,000	$121,927
Santa Cruz (County)	$2,027,683	$554,200	$1,473,483
Tulare (County)	$1,924,596	$347,200	$1,577,396
Tuolumne (County)	$173,554	$159,500	$14,054
Total	$8,316,736	$2,495,300	$5,821,436

Source: Small Business Administration, 11/19/23 (4699)

The following table shows the breakdown of application status for DR-4699. Only 62 out of 373 have been approved.

Table 42: SBA Applicant Breakdown, EIDL and Business Loans (DR-4699)

County	Approved	Auto Decline - Credit	Declined	Duplicate	Withdrawn	Grand Total
DR- 4699 MID						
Monterey (County)	20	14	22	1	23	80
San Benito (County)	4	2	5		12	23
Santa Cruz (County)	12	9	31	2	56	110
Tulare (County)	20	19	26	6	35	106
Tuolumne (County)	6	3	12	1	32	54
Total	62	47	96	10	158	373

Source: Small Business Administration, 11/19/23 (4699)

The table below compares the total applications compared to total approved applications and total amount of EIDL distributed to date for DR-4699 impacted areas.

Table 43: SBA Economic Injury Disaster Loan (DR-4699)

County	Total SBA EIDL Applications	Total Approved EIDL Applications	Total of EIDL Disbursed
DR- 4699 MID			
Monterey (County)	35	7	$709,700
San Benito (County)	3	0	0
Santa Cruz (County)	24	1	$25,000
Tulare (County)	34	4	$262,900
Tuolumne (County)	7	0	0

Source: Small Business Administration, 11/19/23 (4699)

Table 44: EIDL and Business Loans (DR-4699)

County	Approved	Total Loans	Total Verified Loss	Total Distributed
DR- 4699 MID				
Monterey (County)	20	83	$7,142,350	$2,094,100
San Benito (County)	4	23	$2,776,606	$50,000
Santa Cruz (County)	12	112	$6,880,953	$579,200
Tulare (County)	20	107	$6,809,231	$610,100
Tuolumne (County)	6	54	$3,926,523	$159,500

Source: Small Business Administration, 11/19/23 (4699)

This additional SBA information for DR-4699 demonstrates landlord verified loss for real properties and the remaining unmet need. Landlords of multifamily buildings who received FEMA and SBA loans are still left with a large gap in unmet need for repair and recovery purposes. This has compounding impacts on the affected LMI and renter populations as these households are faced with an increase in rents or the access to repaired housing units. The table below highlights the highest unmet needs for DR-4699 counties.

Table 45: Landlord Verified Loss of Real Properties Damage – Business/EIDL Data (DR-4699)

County	Current Total Verified Loss	Total Amount Disbursed	Unmet Need
DR- 4699 MID			
Monterey (County)	$7,093,527	$2,069,100	$5,024,427
San Benito (County)	$2,776,606	$50,000	$2,726,606
Santa Cruz (County)	$8,103,950	$579,200	$7,524,750
Tulare (County)	$8,070,294	$610,100	$7,460,194
Tuolumne (County)	$4,324,173	$32,600	$4,291,573
Total	$30,368,550	$3,341,000	$27,027550

Source: SBA Business/EIDL Data, Based on NAICS Codes – 11/19/23 (4699)

Summary of Unmet Needs

Using the methodology provided by HUD in the Universal Notice, the following figure provides the baseline calculation for housing unmet needs in counties impacted by the 2023 and 2024 disasters in California.

Table 46: Quantified Disaster Impacts and exacerbated Pre-Existing needs of Housing, Infrastructure, and Economic Development, Other Financial Assistance, and Remaining Unmet Need HUD Methodology

Cost Categories	A Direct and Indirect Need HUD METHOD	B Financial Assistance Budgeted and Obligated	A-B Unmet Need HUD METHOD
Rental Housing	$142,156,947	$20,491,246	$121,665,701
Owner-Occupied Housing	$101,495,624	$54,625,779	$46,869,845
Infrastructure	$289,696,444	$126,185,834	$163,510,610
Economic Development	$11,227,593	$3,405,105	$7,822,488
Total	$544,576,608	$204,707,964	$339,868,644

Mitigation Needs Assessment

While the purpose of CDBG-DR funds is to target recovery from a Presidentially declared disaster, integrating additional hazard mitigation activities and resilience planning along with these recovery efforts will promote a more resilient long-term recovery. Additionally, mitigation solutions designed to be resilient for only threats and hazards related to a prior disaster can leave a community at risk to negative effects from future extreme events related to other threats or hazards.

The geographic breadth, unprecedented severity, and diversity of communities impacted by the 2023 and 2024 Winter Storms creates unique challenges to recovery, as well as opportunities to integrate mitigation activities critical to the state's resilience to future disasters. Mitigation activities are those that increase resilience to future disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship.

The Universal Notice sets forth new requirements that grantees use 15 percent of their unmet needs allocation to fund mitigation activities and requires that grantees include a mitigation needs assessment in the Action Plan that clearly illustrates the connections between impacts of current and future hazards, mitigation needs, and proposed mitigation activities. To address this challenge, this Action Plan includes:

- A Mitigation Needs Assessment in addition to a disaster recovery-focused unmet needs assessment.
- Proposed mitigation activities that clearly tie back to the 2023 and 2024 disasters and the Mitigation Needs Assessment.
- Proposed eligible activities that do not have a tie-back but are tied to the Mitigation Needs Assessment and meet the HUD definition of mitigation.
- Descriptions of how mitigation measures have been incorporated into recovery-related construction projects.

HCD conducted the following risk-based assessment of current and future hazards to inform the use of the CDBG-DR mitigation set-aside. Ensuring continuous operation of indispensable services, which include critical business and government functions, services critical to health and human safety, and economic security for all community members, is vital to assessing and planning for disaster mitigation needs.

In the development of this Action Plan, HCD has reviewed and incorporated the following resources to enhance the Mitigation Needs Assessment.

- State of California's Hazard Mitigation Plan (SHMP)
- FEMA Local Mitigation Planning Handbook,
- HUD Community Planning and Development (CPD) Mapping tool
- MID Local Hazard Mitigation Plans (LHMPs)

The Mitigation Needs Assessment is updated to consider the California SHMP and LHMPs as they relate to the MIDs for the 2023 and 2024 winter storms events.

Table 47: HUD Identified MID Areas

	HUD Identified MID Areas	
Year	**Qualifying Disaster**	**HUD-identified MID Areas:**
2023	DR-4707	Hoopa Valley Tribe
	DR-4699	Monterey, San Benito, San Diego, Santa Cruz, Tulare, Tuolumne
2024	DR-4758	City and County of San Diego

Method

The Mitigation Needs Assessment builds on documents developed by the State of California to address state and local mitigation efforts including: the SHMP, the LHMPs, data collected from county resources, other California state agency planning documents, and the local stakeholder knowledge in disaster-impacted areas. The Mitigation Needs Assessment captures a point in time for the mitigation needs of the impacted areas and responds to requirements set forth in the FRN.

State Hazard Mitigation Plan

The State of California's Hazard Mitigation Plan (SHMP) serves as the foundation for the Mitigation Needs Assessment. Drafted by the California Governor's Office of Emergency Services (Cal OES) and approved by FEMA in 2018, the SHMP is a federally mandated document that identifies hazards that could potentially affect California and lays out a state-wide plan to reduce loss of life and property that may be caused by a disaster. The SHMP underwent its latest update in August 2023. Cal OES led the development of the 2023 SHMP pursuant to 44 CFR part 201.4. For the 2018 SHMP, California utilized a State Hazard Mitigation Team consisting of horizontal and vertical stakeholder partners that met at least quarterly. For the 2023 SHMP, California adopted a Hazard and Working Group model. The Working Groups analyzed and counseled on overarching themes in the 2023 SHMP. The development of this Action Plan, as well as all California action plans and amendments since 2018, were directly informed by findings and risk assessment produced by the SHMP.

HUD requires an assessment of the State of California's most recent SHMP to inform the use of CDBG-DR funds for activities proposed in this plan. The following section provides an overview of the SHMP and examines the state's overall risks. The SHMP remains a significant guiding document for the development of this Mitigation Needs Assessment.

The 2023 SHMP arranged risk assessments into groupings of hazards with similar characteristics. While the SHMP addresses a host of disasters with potential to impact the state, earthquakes, floods, and fires are still considered California's primary hazards. These three hazards have historically caused the greatest human, property, and/or monetary losses, as well as economic, social, and environmental disruptions within the state. They also have the greatest potential to cause significant losses and disruptions in the future. Past major disaster events have led to the adoption of statewide plans for mitigation of these hazards, including the California Earthquake Loss Reduction Plan, State Flood Hazard Mitigation Plan, and California Fire Plan.

As a result of the frequency, intensity, and variety of California's past natural disasters, earthquake, flood, and fire hazards have long been identified as the State of California's main hazards of concern, including the findings of the 2023 SHMP. For flooding impacts specifically, 38 counties in California identified flooding as a high-risk hazard and 16 considered it medium risk.

Table 48: State of California Primary Hazard Grouping

Hazard	Hazard Grouping
Earthquake - Earthquakes represent the most destructive source of hazards, risk, and vulnerability, both in terms of recent state history and the probability of future destruction of greater magnitudes.	Landslide and Other Earth Movement Volcano
Flood - Floods represent the second most destructive source of hazard, vulnerability, and risk, both in terms of recent state history and the probability of future destruction at greater magnitudes than previously recorded.	Riverine, Stream and Alluvial Flood Sea-Level Rise, Coastal Flooding, and Erosion Tsunami and Seiche Levee Failure and Safety Dam Failure and Safety
Fire - California is recognized as one of the most fire-prone natural landscapes in the world.	Wildfire Urban Structural Fires

Source: CA SHMP

Probability of Flood Hazards Statewide

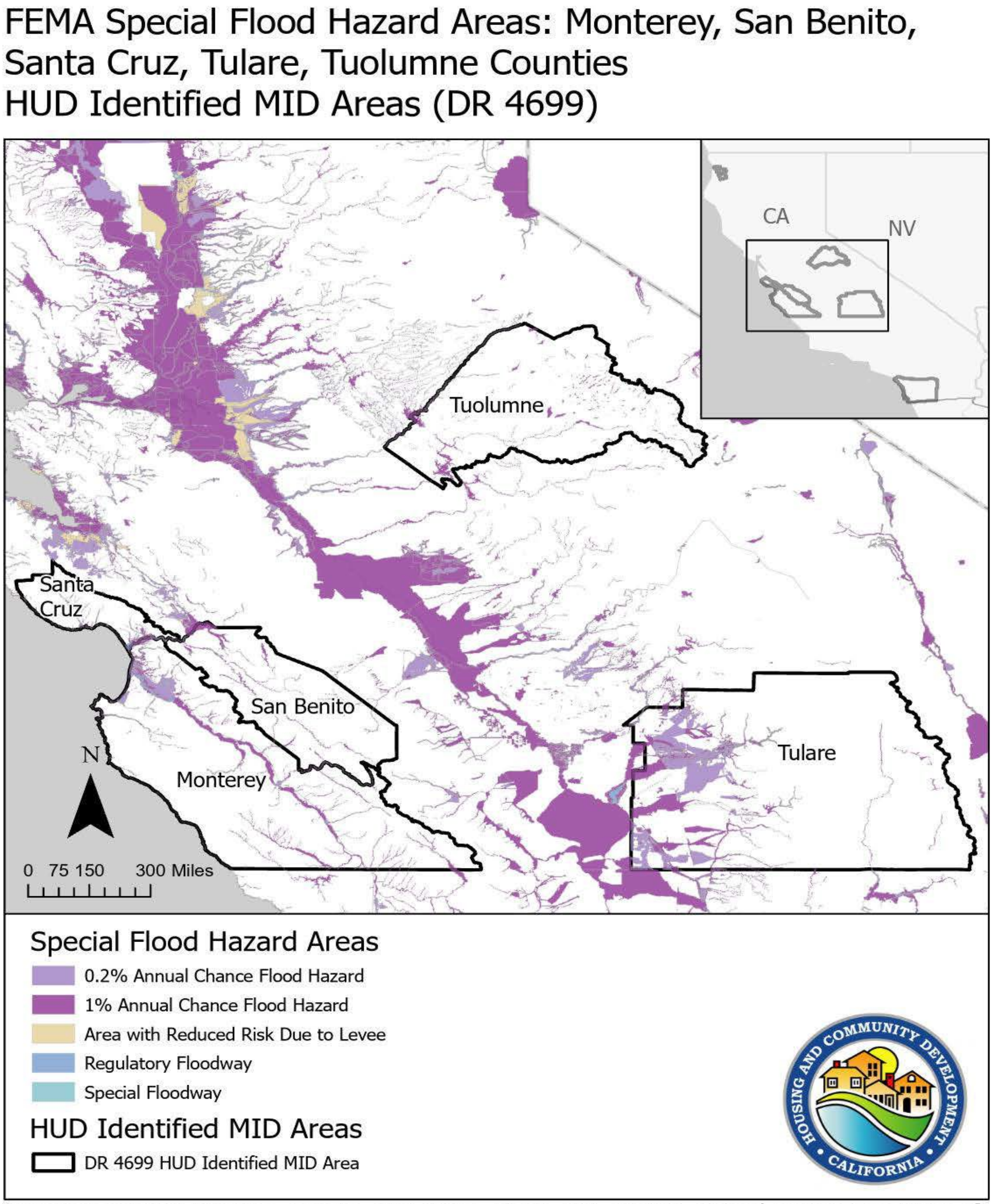
The Flood Insurance Rate Map (FIRM) designations identify components of the 500 year and 100-year floodplains. High concentrations of one percent annual chance flood hazard areas are shown throughout the Central Valley, especially in the Sacramento-San Joaquin Delta region, as well as in other inland regions.

The figure below, produced by the California Department of Water Resources, shows the flood hazard areas through the state. The areas designated for one percent and .2 percent flood hazards align with major rivers and delta systems that run through the

Central Valley and Sacramento regions, as well as other significant watersheds and reservoirs across the state.

In terms of recent disasters and the probability of future destruction at increasing magnitudes, floods represent one of California's most destructive sources of hazard, vulnerability, and risk. 15 percent of the State’s population lives within a 1 percent and 0.2 percent annual chance flood hazard area.

Figure 26: FEMA Special Flood Hazard Areas DR-4699



Data Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, EPA, USFWS, Merced County Association of Gov, California State Parks, Esri, TomTom, Garmin, FAO, NOAA, USGS, Bureau of Land Management, EPA, NPS, USFWS , U.S. Census Bureau, FEMA, HCD

Figure 27: FEMA Special Flood Hazard Areas DR-4707

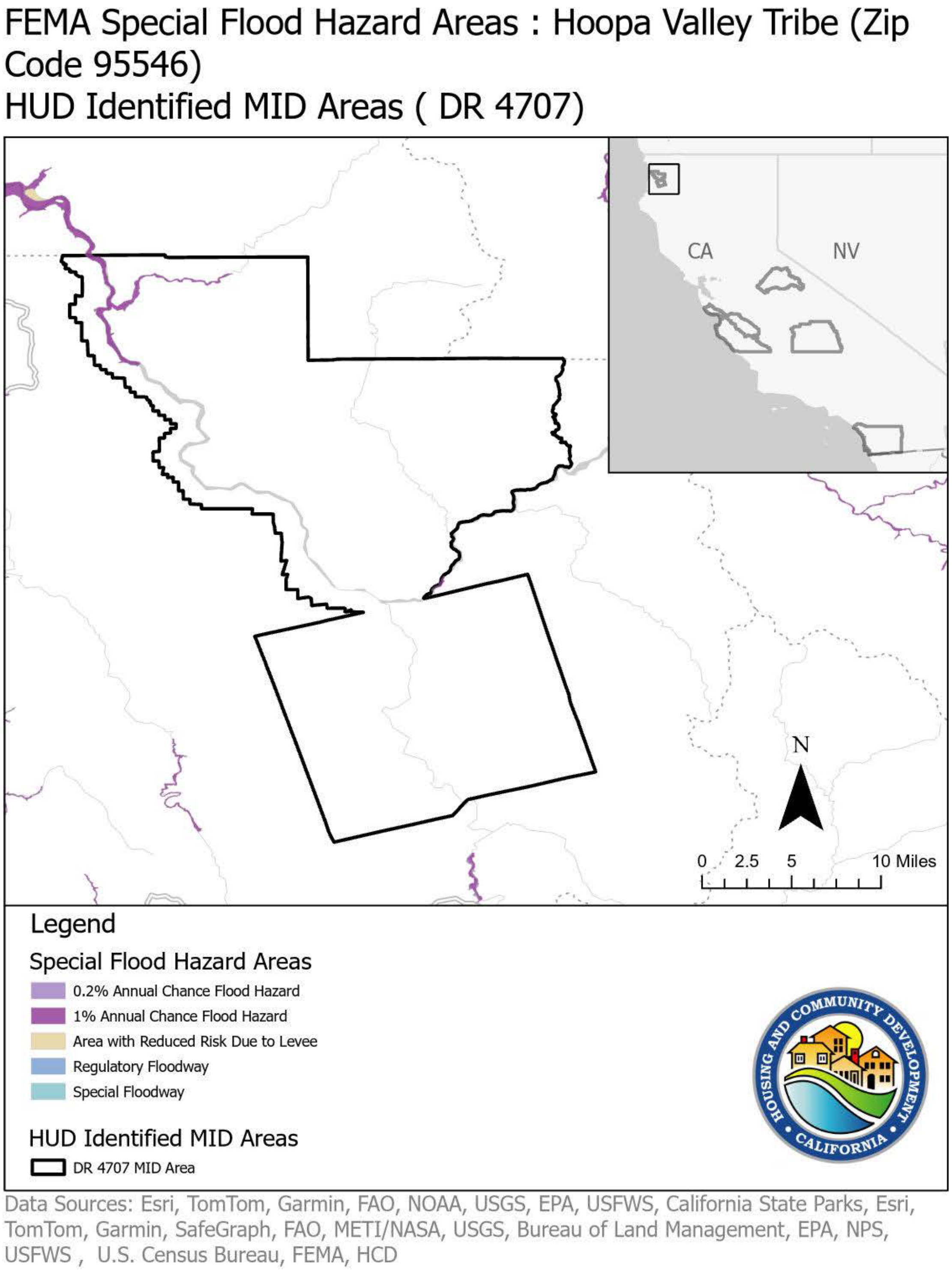
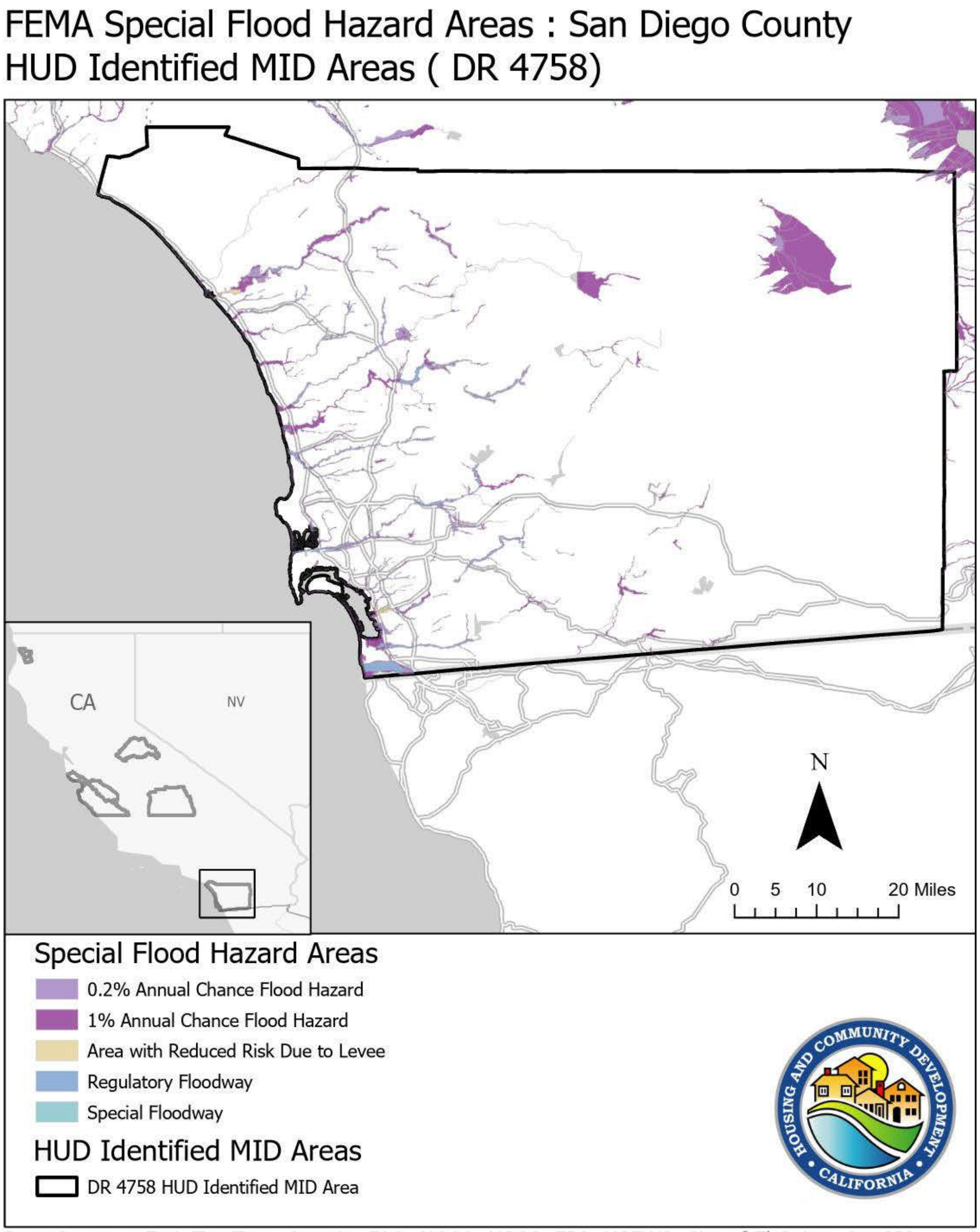


Figure 28: FEMA Special Flood Hazard Areas DR-4758



Data Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, EPA, USFWS, City of El Cajon, SanGIS, California State Parks, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USFWS , U.S. Census Bureau, FEMA, HCD

Types of Flooding

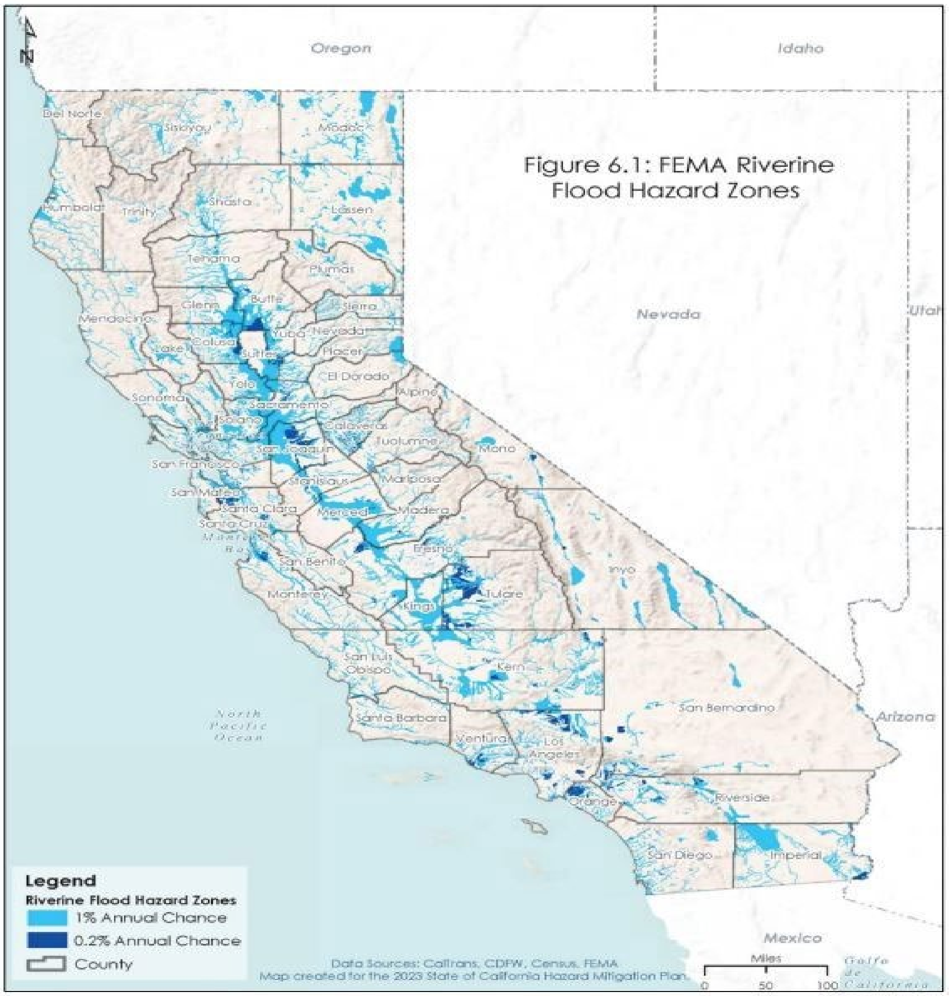
- Riverine flooding occurs when rivers, streams, or lakes overflow their banks and adjacent areas are subject to excess runoff or accumulation of flowing water over areas.
- Flash flooding is sudden, rapid flooding of low-lying areas usually caused by intense rainfall. It can be highly destructive such as dam failure, and can severely damage infrastructure, roads or buildings.
- Localized flooding occurs when drainage systems are overwhelmed during or after rain events and causes pooling of water, creating flooding in local streets, yards or in structures.
- Alluvial fan flooding occurs on alluvial fan landforms and are caused by sediment erosion from an upland water source.

Flood Risk

Flood Insurance Rate Map (FIRM) are created by FEMA for use by communities to know which areas have the highest risk of flooding. FEMA maintains, updates data and assesses risk for areas to determine the likelihood of an area to flood. These maps delineate the Special Flood Hazard Areas (SFHAs), the Base Flood Elevations (BFEs) and the risk premium zones applicable to the community. Places with a 1 Percent or higher chance of experiencing a flood each year are considered to be high risk areas. These measurements reflect statistical averages only, and it is possible for two or more floods with a 1 Percent annual chance to occur in a close timeframe. These maps are important in use for community planning efforts as they can help make informed decisions of where to make infrastructure improvements and lessen risk to people or property.

All areas have risks of flooding, but some areas have a lower or more moderate risk than others. In California, every region can experience flood in a variety of forms including flash floods or alluvial fan flooding. Between 1950 to 2022, California had 161 Federal or State emergency declarations related to flooding. On average, California experiences more than 20 flash flood events and just under 20 flood events per year. Certain parts of the state are more prone to flooding than other areas, and the frequency and damage caused by flood events can vary. While flood risk varies across the state, flooding damage can occur more frequently as more development is increasing within floodplain regions.

Figure 29: FEMA Riverine Flood Hazard Zones



Source: 2023 California State Hazard Mitigation Plan, Section 6.5, page 161

Flood Hazards
Changing precipitation patterns are being felt throughout the State of California, including the disaster-impacted counties. Impacts are reflected in the reduction of precipitation in some regions and an increase in severity and frequency of flooding in other regions. Change in snowfall or rainfall patterns can also contribute to a severe increase in flooding events. These changes impact the variability, intensity, frequency, and seasonal patterns of California's primary hazards. For example, larger and more frequent wildfires reduce the ability of a landscape to retain rainfall, which often leads to flooding and mudflows.

Hazard Mitigation and Adaptation Strategies

According to the 2023 SHMP, hazard mitigation should prioritize long-term community resilience practices. Greater preparation and planning for communities ultimately supports the long-term goal of risk reduction and avoided disaster losses.

Table 49: Hazard Mitigation Retrofit Strategies

Temperature/extreme heat/wildfire	Flooding	Storms
Cool roof or light colored/reflective surfaces	Wet or dry floodproofing	Impact-rated windows, doors, garages, storm shutters, wind rated materials
Green roofs/green facades with vegetation, community gardens	Elevation of entire building or utilities	Sealed windows and exterior walls/roofs
HVAC systems, energy efficient appliances, generators, solar panels	Repurpose ground floor or fill in of basements	Connection of structural elements, strengthened roof deck
Features such as windows, blinds, curtains, exterior features	Water resistant materials (replace drywall with water-resistant materials like concrete or tile, also reduces risk of mold)	
High efficiency fixtures, labeled with EPA’s Water Sense program.	Rainwater catchment systems, retention basins	
Enhanced air filtration/ember resistant vents, wildfire resistant roof, non-combustible materials		

Source: Resilient Retrofits, Climate Upgrades for Existing Buildings (2022)

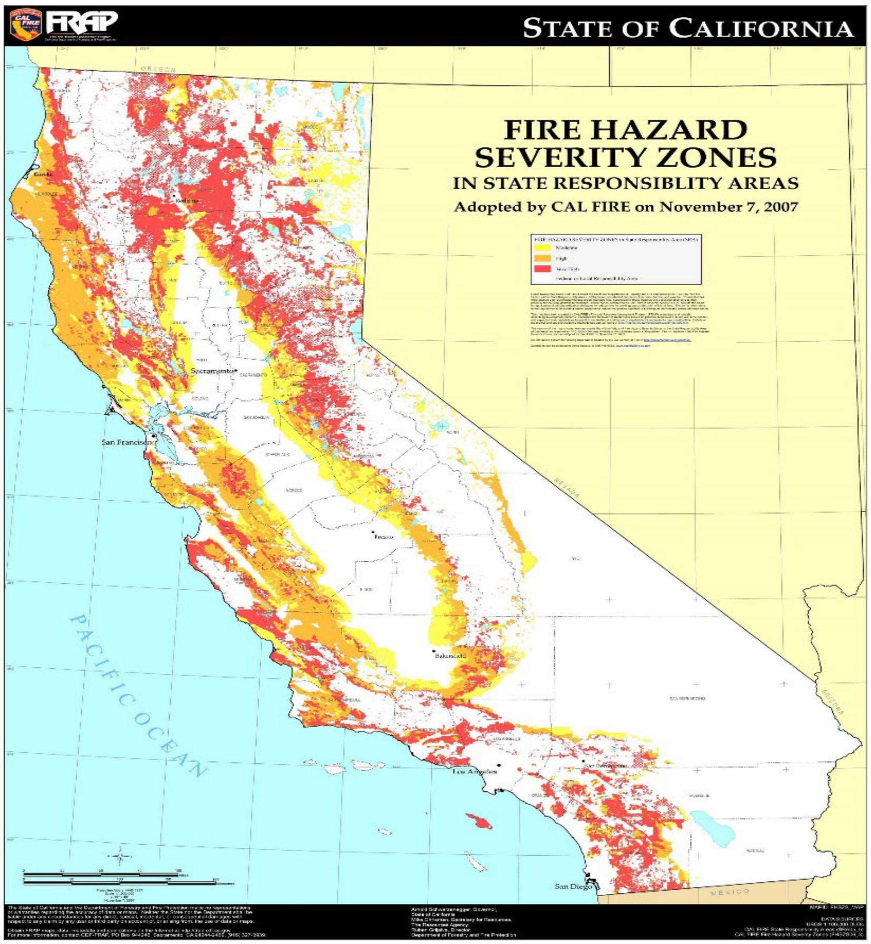
Probability of Fire Hazards Statewide

The SHMP identifies flammable expanses of brush, diseased timberland, overstocked forests, hot and dry summers, extreme topography, intense fire weather and wind events, summer lighting storms, and human acts as main culprits of California’s wildfire threat. Repeated destructive fire events and intense fire seasons from 2015 through present day have reinforced the need to implement robust mitigation efforts.

Coupled with continued drought conditions is particularly troublesome when paired with the impacts of earlier droughts and wildfires on tree growth and recovery across millions of acres. Drought severely impacts the health of California's forests, which, under healthy conditions, can serve as a bulwark and stabilizer against rapidly spreading fires. Ongoing drought inhibited tree recovery, making forests at risk to bark beetles and increasing the wildfire risk for California communities. Under severe or long-term drought conditions, dead and dry trees and vegetation act as fuel for wildfires.

Meanwhile, factors such as ignitions, infrastructure, and development at the wildland-urban interface increase the both the likelihood of future wildfires and communities' exposure to those hazards.

Figure 30: California Fire Hazard Severity Zones[17]



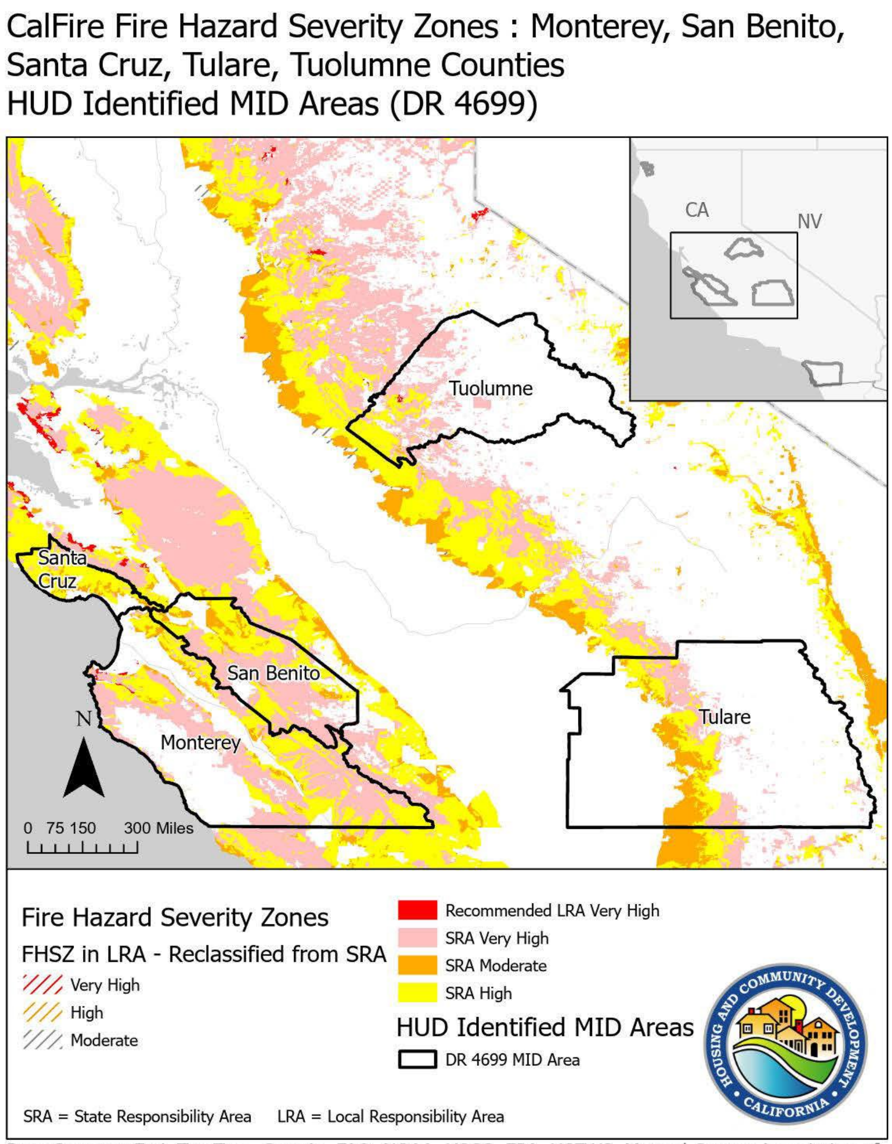
While wildfires are caused and exacerbated by complex interacting factors

The average annual temperature in most of California rises 12 °F each year and is expected to rise 4.4°F–5.8°F by mid-century and 5.6°F–8.8°F by 2100. Consequently, warming air temperatures will increase moisture loss from soils, which will lead to drier seasonal conditions even if precipitation increases. Even if today's precipitation levels

[17] Fire Hazard Severity Zones | OSFM

remain stable, California's critical mountain snowpacks, which replenish surface and groundwater in the state, are projected to decline by more than 30 percent by 2050.[18] The following figures illustrate the CalFire Hazard Severity Zones across the MID Counties:

Figure 31: CalFire Fire Hazard Severity Zones DR-4699



Data Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, EPA, USFWS, Merced County Association of Gov, California State Parks, Esri, TomTom, Garmin, FAO, NOAA, USGS, Bureau of Land Management, EPA, NPS, USFWS , U.S. Census Bureau, Calfire, HCD

[18] https://climateresilience.ca.gov/overview/impacts.html

Figure 32: CalFire Fire Hazard Severity Zones DR-4707

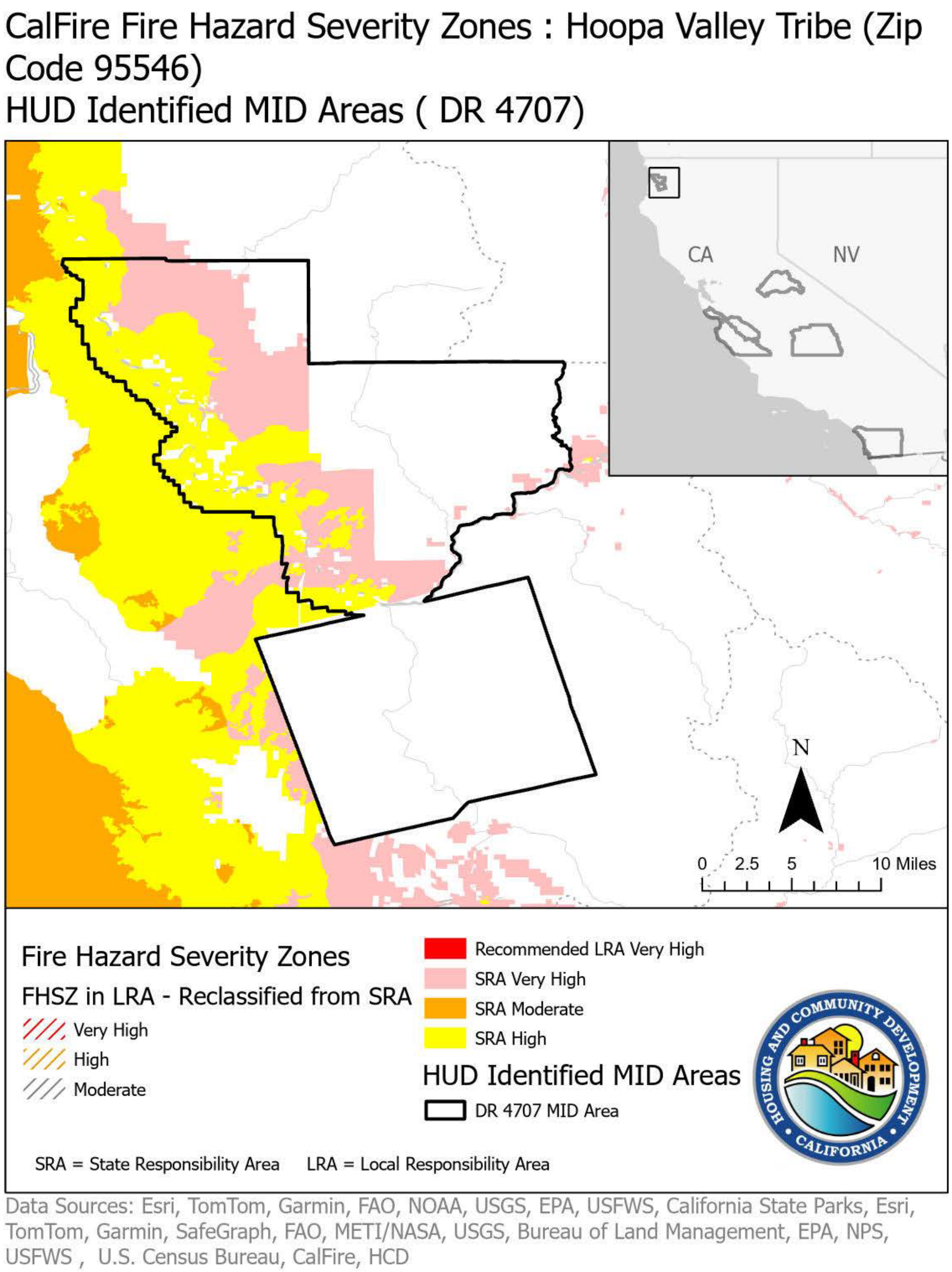
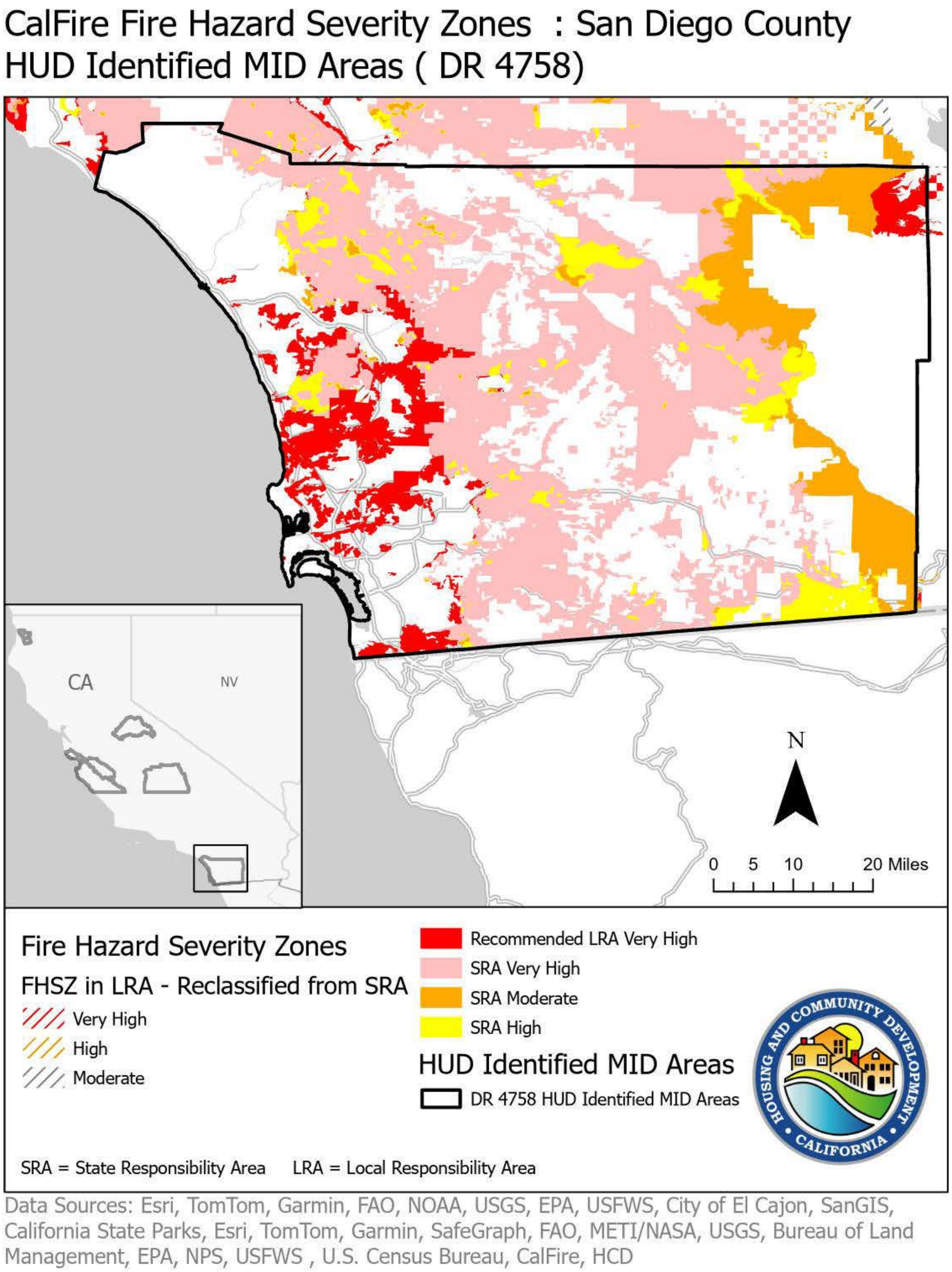


Figure 33: CalFire Fire Hazard Severity Zones DR-4758



Community Wildfire Protection Plans

Community Wildfire Protection Plans are community-based planning documents that identify and address local hazards and risks from wildfire and provides a roadmap of actions for a community to address wildfire threats. Community Wildfire Protection Plans (CWPP) also create the opening for government entities to be eligible for federal funding opportunities for plan implementation. The CWPP's are authorized and defined by Title I of the Healthy Forests and Restoration Act (HFRA), passed in Congress in 2003.

CWPPs can vary in scope, scale, and detail but must meet three minimum requirements to be adopted by the HFRA and the State of California. The requirements include:

- Collaboration – CWPPs must be collaboratively developed. Local and state officials must meaningfully involve nongovernmental stakeholders and federal agencies that manage land in the vicinity of the community.
- Prioritized Fuel Reduction – CWPPs must identify and prioritize areas for hazardous fuel-reduction treatments on both federal and non-federal land.
- Treatment of Structural Ignitability – CWPPs must recommend measures that homeowners and communities can take to reduce the ignitability of structures throughout the plan area.

Additional Environmental Hazards

California has many environmental hazards that affect human morbidity, mortality, and quality of life that can be magnified during disaster scenarios. These include pollution, hazardous waste cleanup sites, and drinking water contaminants. The maps below show pollution in percentile in comparison to statewide pollution around the most impacted and distressed areas. The maps below illustrate the overall environmental risk across the MID counties.

Figure 34: CalEnviroScreen DR-4699

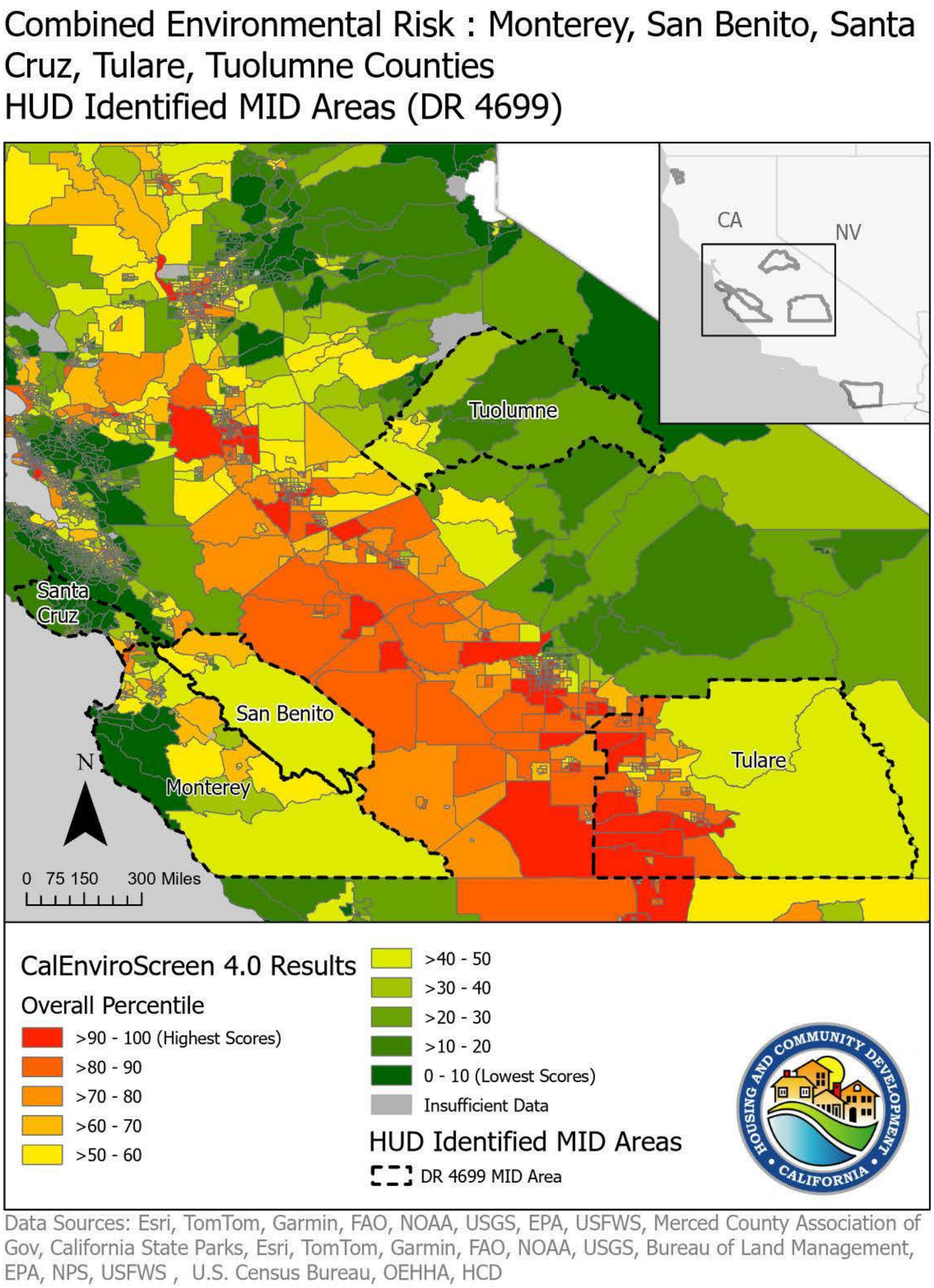


Figure 35: CalEnviroScreen DR-4707

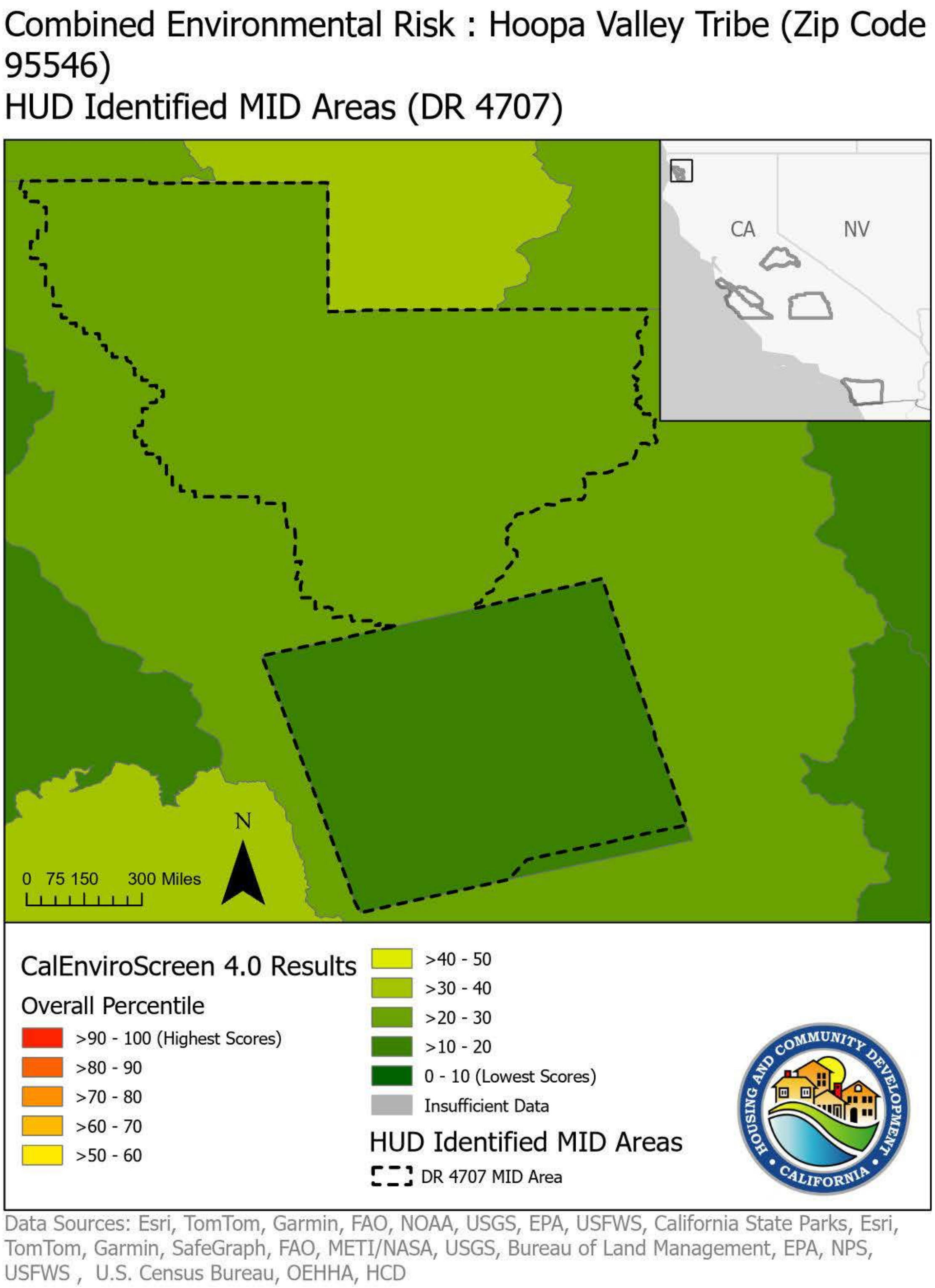
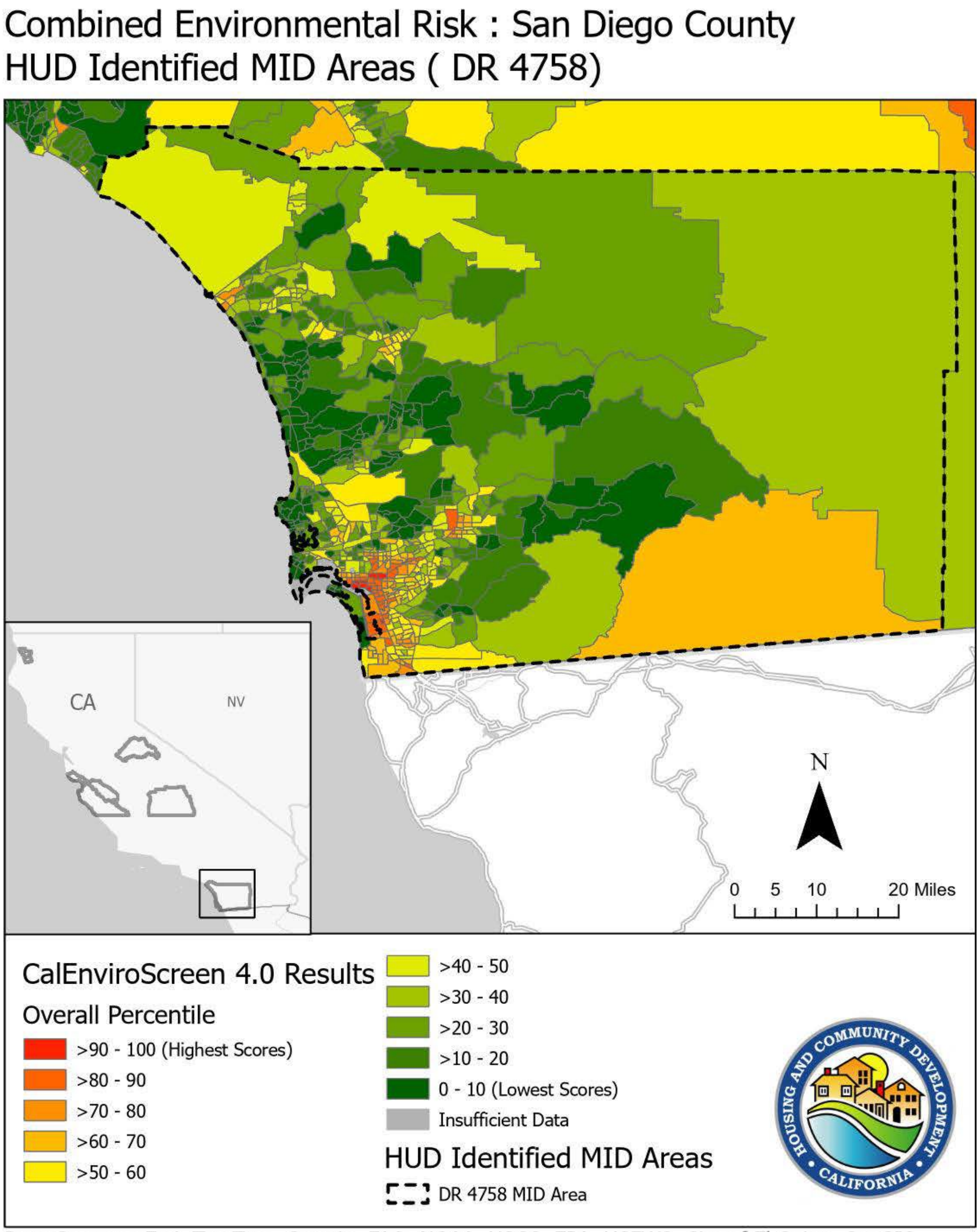


Figure 36: CalEnviroScreen DR-4758

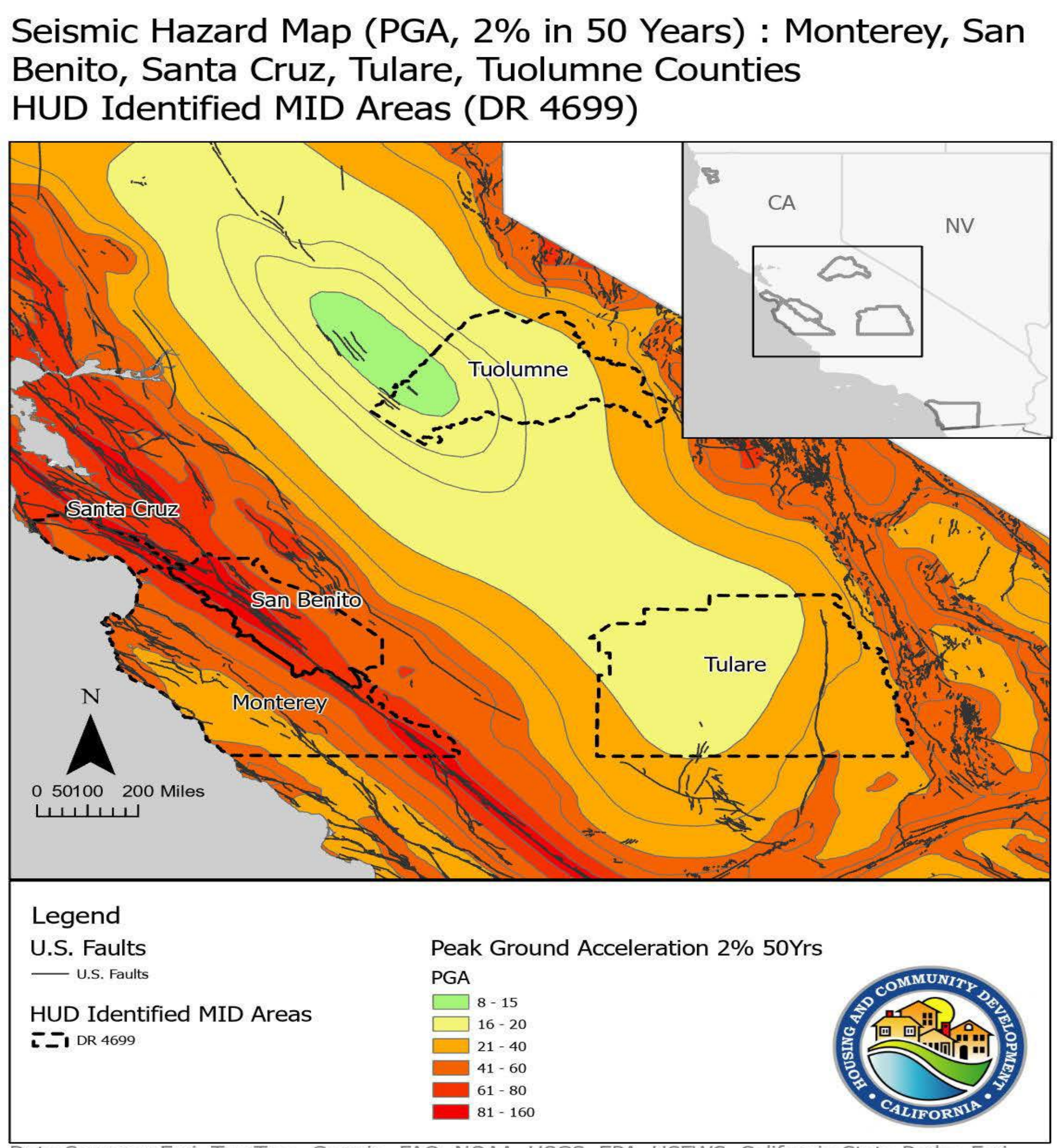


Data Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, EPA, USFWS, City of El Cajon, SanGIS, California State Parks, Esri, TomTom, Garmin, SafeGraph, FAO, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USFWS , U.S. Census Bureau, OEHHA, HCD

Seismic Hazards

Earthquakes represent one of the most destructive hazards, both in terms of history and probability of future destruction. Across the MID counties, earthquakes are identified as a high hazard for all. Significant mitigation measures are needed for preparation to reduce the high probability of property and infrastructure damage. The figures below demonstrate the areas of peak ground acceleration as a determinant for the areas of high risk and damage from earthquake shaking.

Figure 37: Seismic Hazard Map DR-4699



Data Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, EPA, USFWS, California State Parks, Esri, TomTom, Garmin, FAO, NOAA, USGS, Bureau of Land Management, EPA, NPS, USFWS , U.S. Census Bureau, HCD, U.S. Geological Survey, Quaternary fault and fold database for the United States

Figure 38: Seismic Hazard Map DR-4707

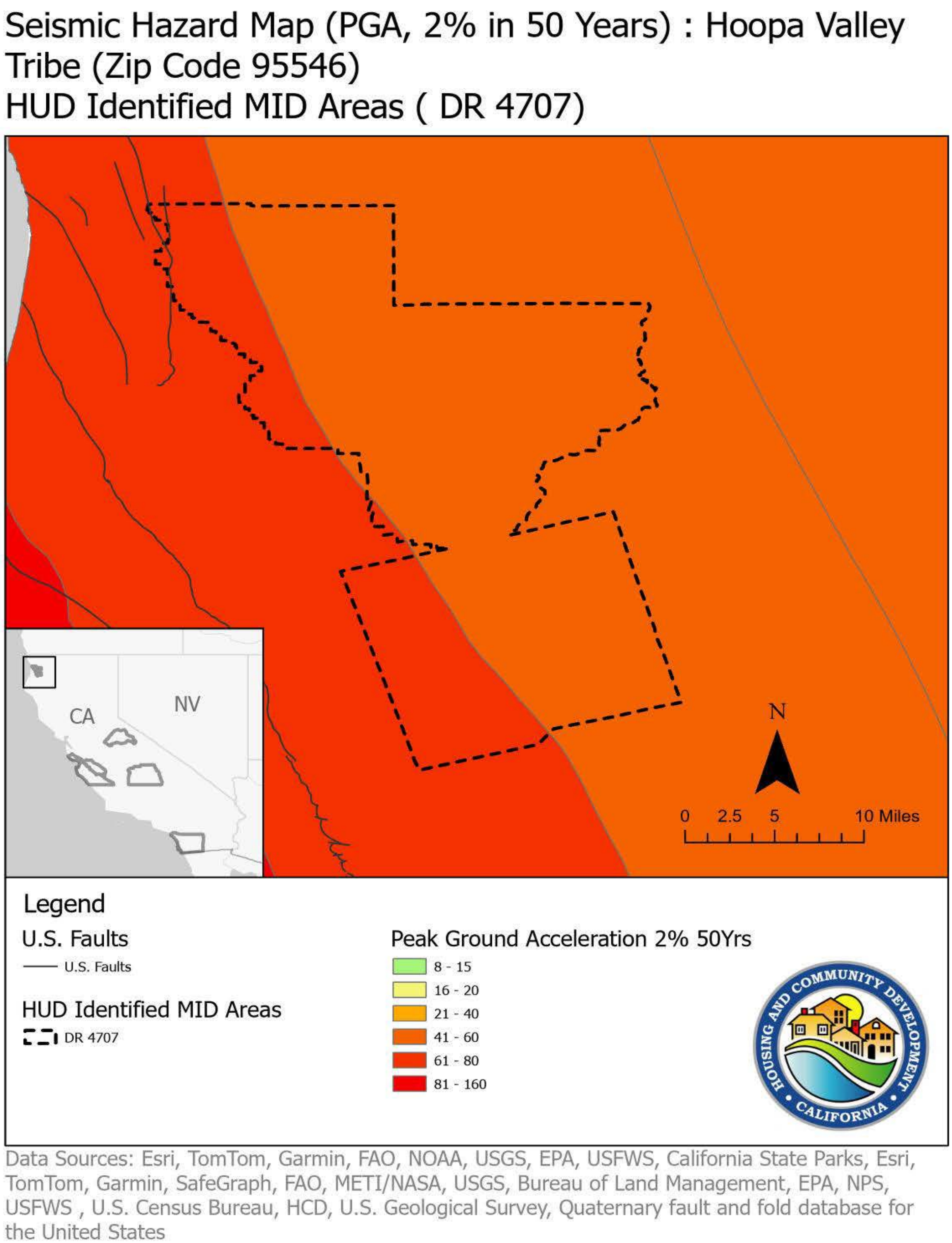
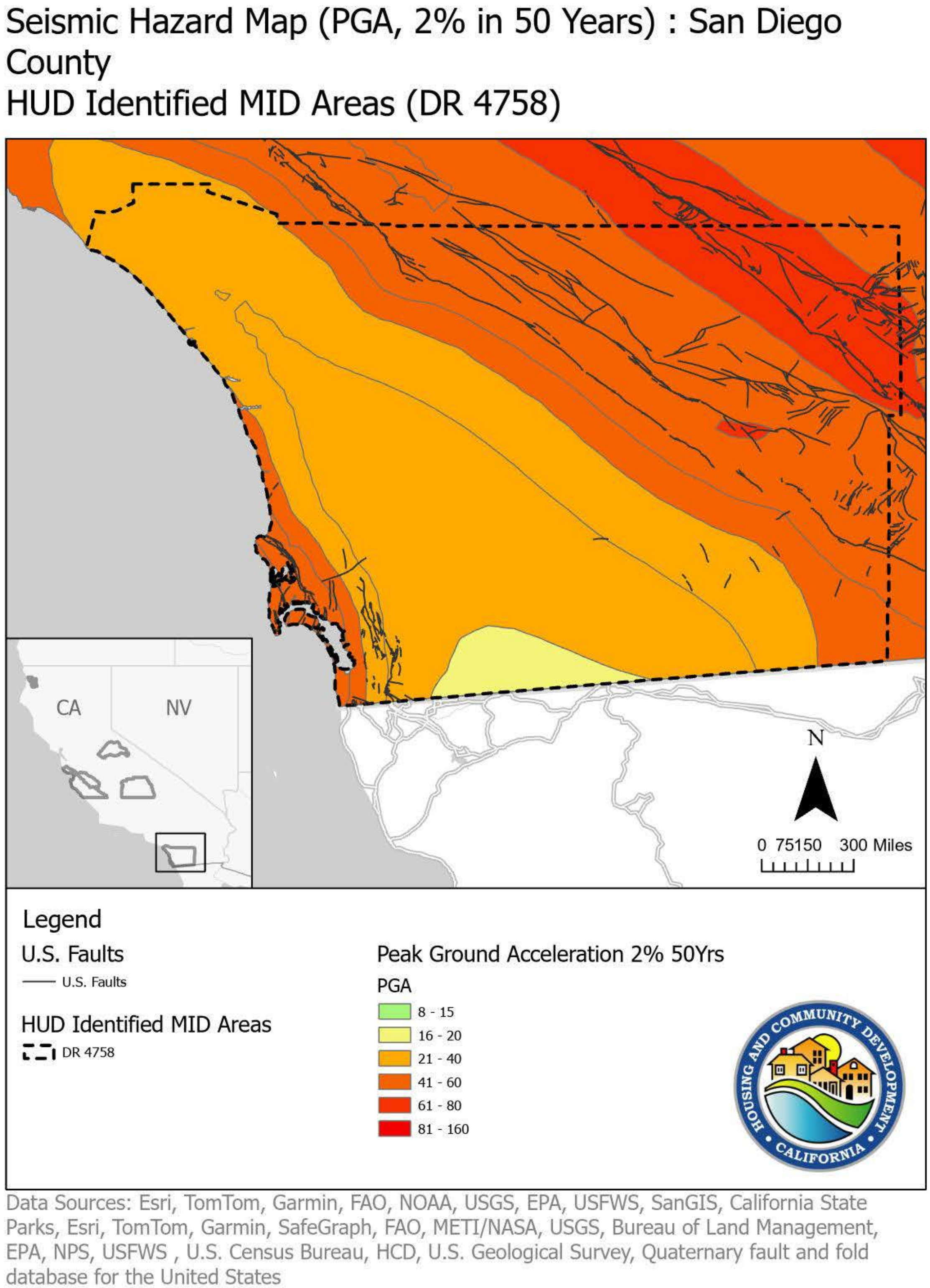


Figure 39: Seismic Hazard Map DR-4758



Joint Hazard Mitigation Strategy
The Joint Hazard Mitigation Strategy (April 2023) is a partnership between California Governor's Office of Emergency Services *(*Cal OES*)* and Federal Emergency Management Agency *(*FEMA*)* Region 9 to identify actions, goals and objectives for federal designated counties (DR-4699,4758, 4707) damaged by the 2023 and 2024 storm events, flooding, landslides and mudslides. The Joint Hazard Mitigation Strategy was a valuable resource to inform HCD of the appropriate uses of CDBG-DR funds for activities proposed in this plan.

Goals and objectives of the Joint Hazard Mitigation Strategy are:

1. Partner with communities to identify, develop, and fund projects that reduce loss of life and injuries from future hazard events. Specifically, engage with communities to develop projects that achieve one or more of the following goals:
2. Protect at risk community.
3. Implement a nature-based solution to reduce risk and/or advance climate adaption goals.
4. Advance whole community risk reduction
5. Protect large critical infrastructure.
6. Build local capacity in communities to develop local hazard mitigation plans and to identify, develop, and fund mitigation projects.
7. Prioritizing whole community plans that create a better picture of the risks to a planning area.
8. Building State, Local, and Tribal Capacity.
9. All decisions and actions executed in this operation need to be designed with the intent of building State, Local, and Tribal capacity.

The highest priorities, in order of highest priority first, for Hazard Mitigation Grant Program (HMGP) project funding include 1) Development and updating hazard mitigation plans statewide, 2) Advance assistance for HMGP programs, 3) Shovel-ready and phased projects that meet certain criteria, 4) Planning activities, advance assistance

Streamline Recovery from Disasters
HCD's proposed Action Plan, and proposed programs allow disaster impacted communities with different capacity levels to have access to disaster recovery and mitigation programs.

HCD's proposed CDBG-DR and Mitigation programs endeavor to align planning efforts at the state and local level, promote resiliency to reduce risk, and develop planning documents that are used throughout government decision-making processes. For the proposed disaster recovery and mitigation programs, HCD will work to align program design to fit the following activities:

- Plan Alignment – align recovery and mitigation activities with existing state and local planning documents including:
- General Plans (Housing and Safety Element), State Hazard Mitigation Plan, Joint Hazard Mitigation Strategy, Local Hazard Mitigation Plan, Local Coastal Programs
- Encourage planning efforts beyond jurisdictional boundaries.
- Examples of implementation activities that advance recovery goals include:
- Using nature-based solutions to reduce risk, protect watershed health and reduce infrastructure costs.
- Reduce risk of disaster impacts through the advancement of actions and mitigation strategies that increase resiliency.
- Support needs and priorities of at-risk communities through public engagement and coordination with community partners.
- Promoting short-term resilience activities or long-term development in LMI and communities that are impacted by disasters.
- Hardening structures to reduce hazard risk to homes and businesses.

Coordinating incentives for strategic land assemblage to conserve natural/working lands, restore natural landscape functions, and/or transfer redevelopment to lower-risk locations.

Local Hazard Mitigation Plans

California's Local Hazard Mitigation Plans (LHMPs) provide critical hazard and risk information for each county in the state as well as actionable and localized mitigation approaches identified by its authors. All referenced LHMPs for the MID counties are updated or in the process of currently being updated in their respective cycles. The table below illustrates which hazards each MID county identified as threats to their jurisdiction in their most recent LHMP. As seen below, the most commonly identified hazards in the areas designated as MIDs are wildfires, floods, and earthquakes. This consistency bolsters the SHMP's state-wide hazard rankings and reinforces the prioritization of wildfire mitigation strategies in the state's long-term recovery plan. Flooding is also identified as a primary hazard as evidenced by the mudslides and debris flows. Although earthquakes are identified as a primary hazard, due to the nature of disasters that triggered the funding, the focus of the mitigation approaches will be on flooding.

Table 50: MID County Local Hazard Mitigation Plans – Top Hazards

Hazard Type	Monterey[19]	San Benito[20]	Santa Cruz[21]	Tulare[22]	Tuolumne[23]	San Diego[24] (DR-4758 & DR-4699)	Hoopa Valley Tribe[25] (DR-4707)
Agriculture Pest and Disease							
Extreme Weather Impact			X	X			
Cyber Attack							
Dam Incidents						X	
Drought	X	X		X	X	X	
Earthquake	X		X		X		
Flood and Levee Failure	X	X	X	X	X	X	X
Hazardous Materials							
Landslide			X		X		X
Pandemic/Epidemic							
Sever Weather or Storms	X	X	X	X	X	X	X
Tsunami			X			X	
Wildfire		X	X	X	X		X

19 MJHMP Volume 1.pdf
20 LocalHazardMitigationPlan_SBCFEMAApprove.pdf
21 https://cdi.santacruzcountyca.gov/Portals/35/CDI/Planning/Policy/LocalHazardMitigationPlan2021-2026.pdf
22 https://oes.tularecounty.ca.gov/oes/mitigation/tulare-county-mjlhmp/
23 https://www.tuolumnecounty.ca.gov/DocumentCenter/View/28446
24 https://www.sandiegocounty.gov/content/dam/sdc/oes/emergency_management/HazMit/2023/MJHMP_SD%20County%20Base%20Plan%202023.pdf
25 https://www.hoopa-nsn.gov/wp-content/uploads/2021/03/2018-Hoopa-Valley-MHMP-Review-changes-11-30-2018.-rev-rm-master-doc-5.24.19.pdf

Other Human Caused Hazard							

Insurance Risks

As part of the Mitigation Needs Assessment, HCD has identified both the underinsured population and the rising cost of insurance as a critical mitigation need that overlays the traditional environmental risks. Ensuring that a community has adequate insurance to mitigate their recovery needs is critical in reducing the impacts from future disasters. This may come in a standard insurance product, or a more resilient product. These insurance products are complementary to one another and should be viewed as different layers to helping reduce risk. As disasters become more and more severe, communities must take a look at alternative models of insurance products to mitigate the recovery needs.

The National Flood Insurance Program (NFIP) is the primary provider of flood insurance in the country. Data from FEMA and the NFIP indicate that residents of the MIDs were vastly underinsured or uninsured. In California, despite record-breaking floods across the state, the number of NFIP policies between December 2023 and December 2024 dropped from 192,701 to 183,498. Nearly 10,000 fewer houses have flood insurance than they did a year ago.[26]

NFIP Data

Overall, less than 2 Percent of California residents have flood insurance through the NFIP. The numbers are dramatic when examined on a county-by-county basis:

- Santa Cruz County experienced dramatic and widespread flooding in 2023. That county has a population of 262,000, yet there are only 3,379 NFIP policies in force in the county. Approximately 1 Percent of Santa Cruz County residents have flood insurance.
- Monterey County suffered severe damage during the 2023 and 2024 storms, has over 430,000 residents but only 1,688 NFIP policies in force. Approximately 0.4 Percent of Monterey County residents have flood insurance.
- Tuolumne County: While damage estimates from the 2023 floods in Tuolumne County were approximately $12 million, there are just 46 NFIP policies in force in the entire county.
- San Benito County: In San Benito, the 2023 storms caused evacuations, road closures, levee breaches, damaged roads, and damaged properties. There are 147 NFIP policies in that county, which has a population of approximately 68,000. In other words, 0.2 Percent of San Benito's population has flood insurance.
- Tulare County: In the 2023 storms, 680 structures in the county were damaged and 7 were destroyed. There are 4,386 policies in force in the county, which has a

[26] nfip_pif-history-rolling-12-months_20241231.xlsx

population of 473,000. So, 0.9 Percent of the county's population has flood insurance.

Flood insurance through the NFIP can be very expensive, and its coverage is limited to property/structural damage. At the same time, research has found that individuals with insurance recover better and more fully after a disaster than individuals without insurance.

The scale and need of the breath of need of insurance needs is currently being assessed by the state. HCD has identified the critical importance of this analysis and the huge impact it could have on communities. Small to medium size disasters that do not receive a federal disaster declaration receive virtually no individual assistance services. Even with FEMA Individual Assistance, services are available, fund distribution to households takes a few weeks or longer to process. Analyzing the current available solutions and products or assessing new solutions is key to ensuring that communities are protected. HCD is committed to undertaking and mitigating this critical risk to the disaster impacted communities.

Summary of Mitigation Needs

To fully assess the mitigation needs of the MID areas, HCD reviewed the mitigation risks and determined how each area of impact would either incorporate the mitigation of risks into the DR program or set standalone programs to address the risks. Below is the summary of the mitigation risk and how the state will address these risks with the CDBG-DR funding. At the time of the action plan, the state did not identify significant mitigation risks related to economic development programs. The state will continue to assess this area of risk and update the action plan accordingly.

Overall Community Risks

Insurance is an underappreciated cornerstone of community resilience. It not only supports recovery to disasters, but can also provide incentives for adaptation, such as incentives for fortifying homes or reducing risk in communities. Insurance mechanisms can strengthen resilience and encourage early investments in resilience across public and private actors.

Housing Mitigation

To address Impacts from DR-4707, DR-4699, and DR-4758 disasters, the proposed housing programs not only rehabilitates and/or reconstructs but also elevates and anchors homes to mitigate against future flood impacts. All structures designed for residential use within a SHFA (or one percent annual chance) floodplain will be elevated with the lowest floor (including the basement) at least two feet above the one percent base flood elevation level.

Structures that experience a loss that would be required to build to newer elevation standards when rebuilding. HCD will follow the best available federal guidance outlined to ensure all structures are elevated in accordance with the regulations. In general, the higher a structure is above the Base Flood Elevation (BFE) – 100-yr floodplain – the less likely the structure is to have a future loss. These two factors will mitigate impacts from future floods and help protect investment made by this grant. Full elevation requirements will be available in the program policies and procedures.

Additionally, the State of California building code, which incorporates mitigation measures, is applicable to HCD's CDBG-DR projects. All residential construction projects must comply with the current published housing construction, mitigation, and environmental codes for the State of California. Housing construction codes for building in California follow federal and state laws, regulations, and adaptions for construction of single family and multifamily units.

California Government Code § 65302(g)(6) requires that local agencies update the adaptation portion of their safety element every time the housing element or local hazard mitigation plan is updated. This requirement was added by Senate Bill 1035 (SB 1035) in 2018. Upon each revision of the housing element or local hazard mitigation plan, the safety element must be reviewed to identify new information relating to flood and fire hazards and resiliency strategies.

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 and flood-resistant construction codes, are 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 structure density, building materials and vegetation management, emergency vehicle access, water supply and fire protection.

Additionally, California will incorporate and all state Building Codes and Development Standards. Additionally, The California Energy Commission adopted new building standards, effective January 1, 2020, that require all newly constructed homes to include solar photovoltaic systems.

Infrastructure Mitigation Needs

To determine Infrastructure Mitigation needs, HCD conducted extensive outreach with the MID areas (Monterey, Santa Cruz, Tulare, Tuolumne, San Benito, and the Hoopa Valley Tribe). Mitigation unmet need projects were collected from various entities across the MID areas. This resulted in over 100 potential resilient infrastructure and planning projects that had unmet need totaling approximately $88,000,000 in unmet need mitigation projects. A formula allocation was then implemented based on unmet need, LMI data, and risk factors within the MID areas.

This table reflects the current documented mitigation needs. Housing mitigation needs are being addressed through the SFRR program. Furthermore, economic development data was not available at the time of the action plan. HCD will continue to assess the mitigation needs of the communities and update the needs assessment as further data is available.

Table 51: CDBG-DR Mitigation Set-Aside Needs Assessment

CDBG-DR Mitigation Set-Aside Needs Assessment:			
Categories Affected	**A Total Need**	**B Financial Assistance Budgeted and Obligated**	**A-B Unmet Need**
Infrastructure	$565,937,315	$347,713,029	$218,224,288
Planning	$7,000,000	$0	$7,000,000
Total	$572,937,315	$347,713,029	$225,224,288

TABLE 52: CDBG-DR PROGRAM ALLOCATION AND FUNDING THRESHOLDS

Eligible Cost Category	Unmet Need	% of Unmet Need	% of Funding to be Expended in HUD and Grantee Identified MID	CDBG-DR Allocation Amount	% of CDBG-DR Allocation (Excluding the 15% Mitigation Set-Aside)
Administration (5% cap)				$20,829,850	5%
Planning (15% cap)			100%	$22,576,000	6%
Rental Housing	$1,102, 975,573	79.6%	100%	$180,945,273	50%
Owner-Occupied Housing	$110,731,033	8.0%	100%	$42,251,232	12%
Infrastructure	$163,510,610	11.8%	100%	$95,655,645	27%
Economic Revitalization	$7,822,488	0.6%	0%	$0	0%
Public Services (15% cap)	0	0	0%	$0	0%
Total	$1,385,039,704	100%	100%	$362,258,000	100%
Funds that have not been allocated:				0	0%

Administration

TABLE 53: Grantee Administration Activity Overview

Eligible Cost Category	CDBG-DR Allocation Amount	% of CDBG-DR Allocation
Administration Total:	$20,829,850	5%
Total	$20,829,850	5%

Planning

Table 54: Grantee Planning Activity(ies) Overview

Eligible Cost Category	CDBG-DR Allocation Amount	% of CDBG-DR Allocation
HOOPA Valley Tribe	$11,288,000	3%
Tule River Tribe	$11,288,000	3%
Planning Total:	$22,576,000	6%
Total	$22,576,000	6%

Planning efforts at the local, regional and state level are necessary to ensure the disaster impacted areas are rebuilt in a more resilient manner and can prepare for differences in funding cycles required to construct housing or infrastructure projects. In response to the impacts of the 2023 severe storms, the Hoopa Valley Tribe were declared a major disaster area by Congress. A major disaster declaration is indicative of disaster impacts exceeding local capacity to respond. HCD was able to identify some anecdotal information of continued recovery needs for the Hoopa Valley tribe. When HCD contacted tribal leadership, they indicated the need for additional time to gather data to formulate the full picture of Hoopa Valley tribe's disaster recovery needs. In addition, to Hoopa Valley tribe's impacts from March 2023 storms (DR 4707), HCD was able to gather information on DR 4699 disaster impacts from the Tule River Tribe, a federally recognized tribe located in Tulare County. Data provided indicated housing and infrastructure recovery needs in general terms.

HCD's pre-disaster unmet needs analyzed the impacts across housing, infrastructure and planning sectors. HCD is proposing to allocate $10 million in funds towards planning efforts to the Hoopa Valley Tribe and Tule River Tribe respectively for a total of $20 million in funds. The table above reflects the allocation for each tribe and HCD's activity delivery costs. Both Tribes will in turn identify programs and administer funds with eligible activities across housing, infrastructure and mitigation. HCD will provide direct technical assistance to program design and implementation with the Hoopa Valley Tribe and Tule River Tribe to ensure that all required analyses of potential project impacts are completed.

Housing

Housing Programs Overview

HCD's program proposed here aligns with the state's alternative methodology identifying housing as the largest unmet need for DRs 4699, 4707 and 4758. Nearly 2/3 of total funds are allocated to housing, with the largest share going to rental housing needs as identified by the proposed alternative unmet needs methodology.

Table 55: Grantee Housing Programs Overview

Eligible Cost Category	CDBG-DR Allocation Amount	% of CDBG-DR Program Allocation for LMI Benefit
Disaster Recovery Multifamily Housing Program	$155,695,585	100%
ReCoverCA Single-Family Rehab/Recon. Program	$52,814,040	70%

RecoverCA Homebuyer Assistance Program	$14,686,880	100%
Housing Program Total:	$223,196,505	93%

Program Title: Disaster Recovery Multifamily Housing Program (DR-MHP)

Amount of CDBG-DR Funds Allocated to this Program: $155,695,585

Eligible Activity(ies):

42 USC 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 Universal Notice, 90 FR 1754, which requires HCD to address unmet housing recovery needs with CDBG-DR funds. New housing construction is also eligible as established in the Universal Notice, 90 FR 7154, Section III.D.5.

Selected projects will be funded through completion in accordance with their 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. Complete lists of eligible and ineligible costs will be provided in the program policies and procedures.

Eligible costs include:

- Activity delivery costs for HCD to implement the Multifamily Housing Program ("the Program" or "DR-MHP"), including staff time and consultant costs
- Property acquisition costs
- Architectural, appraisal, 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, demolition, site prep, and clean up
- Residential construction costs, and
- Onsite 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 adjacent to the Project parcel and serves the housing
- Construction or any other costs related to any non-residential component of the Project
- Reimbursement of Sponsor’s capital investment or prepaid expenses

National Objective

In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a national objective. For the Program, all projects will meet the Low-to-Moderate income housing national objective. While proposed projects may be mixed-income, CDBG-DR funds will only be applied to the affordable units restricted for occupancy by Low-to-Moderate income households.

Lead Agency and Distribution Model

The DR-MHP is administered and monitored by HCD. HCD will publish program policies and procedures to govern the Program and ensure compliance with the established program policies and procedures, regulatory requirements, and broader recovery goals. HCD is responsible for overseeing the Program, publishing a NOFA, and reviewing and underwriting applications to develop new construction multifamily project units. As part of the NOFA process, HCD reviews developer (also referred to as Sponsors) experience to ensure that Sponsors have multifamily housing development experience.

Qualified Sponsors must have completed at least one to two projects that are in service more than three years, and at least one shall be a Department-regulated or project utilizing low-income housing tax credits allocated by TCAC in order to receive any points under the Development and Ownership Experience section of the Universal Scoring Criteria.

Multifamily developments funded under this CDBG-DR grant will adhere to standard requirements set by HCD to ensure compliance, as well as specific requirements set by the governing federal income limits. All requirements of the DR-MHP will be outlined in detail in the program policies and procedures. HCD will provide technical assistance to Sponsors to ensure compliance with CDBG-DR requirements and consistency with the program policies and procedures. In addition, periodic risk-based monitoring of the project construction will be conducted to test compliance and ensure timely project completion.

HCD is solely responsible for making awards to successful applicants, facilitating execution of appropriate agreements, including regulatory agreements, to restrict DR-MHP units within a project for a period of not less than 55 years, and compliance with all requirements of the NOFA and the DR-MHP policies and procedures.

Once HCD selects projects and announces awards, the form of agreement with successful applicant Sponsors 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 project Sponsors and/or construction contractors, completion of environmental review in accordance with 42 U.S.C. 4336(a)(2), project oversight, and ensuring compliance with all federal requirements. HCD will assume the authority for the decision making and completion of the environmental review per 24 CFR 58.4. HCD will be responsible for monitoring Sponsor or contractor compliance with construction advertisement and notification of contracting opportunities available for the federally assisted project. HCD will monitor cross cutting requirements during construction and will ensure long-term compliance with affordability requirements and all applicable laws throughout the affordability period.

Program Method of Distribution Description/Overview

Table 56: DR-MHP Method of Distribution

Region/County	Region Total	% of DR-MHP Allocation
Central: Tuolumne, Tulare and San Benito Counties	$20,671,940.00	15%
San Diego County	$27,562,586.00	20%
Monterey County	$41,343,879.00	30%
Santa Cruz County	$48,234,525.00	35%
Total	**$137,812,930.00**	**100%**

The regional set asides above represent the total set aside for each region that will be included in the NOFA. This amount is less than the program allocation of $155,695,585 and the difference represents State operational costs (Activity Delivery Costs). After

NOFA publication, threshold eligibility reviews, and competitive scoring, allocations to projects will be made to the highest scoring projects within each regional set-aside based on their demonstrated funding gaps, based on the DR-MHP maximum per-unit subsidy. If a region is over-subscribed, the lowest-ranked project will receive a partial award. If a region is under-subscribed, excess funds from that region will be allocated to the highest-rated project(s) among all projects in other regions that would otherwise receive a partial award. If funds remain after fully funding the remaining gap for the highest rated project(s) among all projects in other regions that would have otherwise received a partial award, funds will be allocated to the next highest rated project(s) among all projects in other regions, and such award may partially or fully address a demonstrated funding gap.

Program Description

DR-MHP is designed to meet the unmet rental housing need, including the needs of individuals displaced from rental mobile homes, single family and multifamily rental units, as well as individuals made homeless as a result of the disaster. Multifamily projects include apartment complexes and mixed-use developments. These developments are also intended to help replace rental housing units available to Housing Choice Voucher holders that were lost. The objective of the CDBG-DR funds is to provide necessary gap financing for the development of rental housing units in the HUD MID areas from DR-4699 and DR-4758. Furthermore, the Program will not only address disaster-related damages but also will mitigate potential future damage.

DR-MHP funds are available in the form of a three percent simple interest, fully deferred residual receipt loan for 55 years, or a forgivable loan or a grant for tribal entities following HCD’s AB 1010 waiver process described below. DR-MHP funds are available only for new construction of multifamily properties in the HUD MID areas from DR-4699 and DR-4758. Projects will include the scope of work to harden the properties to include creation of defensible space zones.

Program policies and procedures will be established that outline the requirements of the program and rules for specific projects, including general eligibility, specific eligible and ineligible costs, and the criteria for evaluating project proposals. In addition, the policies and procedures outline requirements relative to a minimum percentage of affordable units, the percentage of affordable versus market rate units, requirements for deep affordability, rules for permanent supportive housing units, as well as the per unit maximum funding available. Program applications must include HCD approved marketing plans.

HCD will provide additional direction regarding how project applicants (Sponsors), through marketing plans, shall prioritize marketing to disaster-impacted households for occupancy of units. Applicants must also demonstrate that proposed projects will increase housing options for low-income households.

Projects should also be designed with the established community in mind to mitigate the displacement of families and must commit to an affordability period of a minimum of 55 years. If other funds requiring a longer affordability period are committed to the project, the longest affordability period will prevail for the project. Applicants shall follow the state's Residential Anti-displacement and Relocation Assistance Plan (RARAP) to minimize displacement.

Program Tieback to Disaster/Unmet Needs

HCD will spend 100 percent of the CDBG-DR funds allocated to this Program in the HUD MID areas.

Program Affordability Period

New construction of rental projects with more than five units shall be deed restricted by a Regulatory Agreement for a minimum affordability period of 55 years and affordability period of 50 years for tribal entities.

DR-MHP policies and procedures provide that a Sponsor may be required to repay all, or a portion of the funds received. The reasons for recapture include not meeting the affordability requirements for the entire period specified in the agreement.

Program Estimated Begin and End Dates

The DR-MHP will begin following HUD's approval of the Action Plan and execution of the grant agreement between HUD and HCD. Project awards by HCD are expected in quarter two of 2026 and construction will continue through the end of the grant term, or until all projects are complete and funds are expended. Individual construction timeframes will be specific to each selected application.

Eligible Geographic Areas

The following counties make up the MID areas for DR-4699 and DR-4758: Monterey County, San Benito County, Santa Cruz County, Tulare County, Tuolumne County, and San Diego County.

Eligible Projects

Eligibility of multifamily housing project proposals will be assessed by HCD. Specific eligibility criteria include:

- The proposed project must ensure affordable rent requirements and tenant income limits over the duration of the 55-year affordability period.
- HCD is establishing a program for affordable rents at the annual Multifamily Tax Subsidy Projects (MTSP) Regular Income Rent Limit for each applicable area.
- At the time of application for DR-MHP funds, the Sponsor shall demonstrate site control.

- At the time of application for DR-MHP funds, the proposed project must not have closed on construction financing or started construction.
- All sources of funding required to complete the project must be identified.
- The application includes a letter providing prior notification to the local legislative body, or tribal governing body.
- The application includes a letter or resolution of support for the proposed project from the local legislative body, or tribal governing body where the proposed project is located.
- The proposed project must have a minimum of five total units, including scattered site projects.
- The proposed project must have a minimum of five affordable units or 51 percent of the units in the proposed project must be affordable; whichever is greater.
- All sources of funding required to complete the project must be identified.
- The proposed 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.
- The application received a minimum point score of 88 points based on the Universal Scoring Criteria.
- The proposed project must not exceed the maximum per-unit subsidy limit.

Broadband Infrastructure

Projects involving new construction of a building with more than four rental units must include installation of broadband infrastructure. More specific information about this requirement will be included in DR-MHP Program policy and procedures.

Program Competitive Application Overview

Program Competitive Application Universal Scoring Criteria

Applications that pass the initial threshold review will be scored using the Universal Scoring Criteria. In the event of tied point scores, HCD shall rank tied applications based on three factors pursuant to the tie-breaker system detailed in the Universal Scoring Criteria: the lowest weighted average affordability of all residential Units, leverage of other funds, and additional cost containment.

Incomplete applications or others not expected to receive an award of funds due to relatively low scores may not be fully evaluated.

A. Summary

The criteria detailed below and summarized in the following table shall be used to rate applications:

Table 57: Universal Point Score Criteria

Universal Point Score Criteria (Used in Project ranking separate from Threshold Review)		
Criterion		Maximum Score
Universal Scoring Criteria	Extent to Which the Project Serves Households at the Lowest Income Levels	30
	State Policy Priorities	20
	Project Sponsor and Property Management Experience	20
	Project Readiness	27
	Infill / Proximity to Amenities / Efficient Building Methods	15
	Cost Containment	5
Total Possible Universal Points		117

B. Extent to which the Project serves households at the lowest income levels (30 points maximum)

Applications will be scored based on the percentage of Restricted Units limited to various percentages of AMI, adjusted by household size, and as follows:

1. A maximum of 30 points will be awarded based on the Lowest Income Points Table below.

Each “Percent of AMI” category may be used only once. For instance, 50 percent of Restricted Units at 50 percent of AMI cannot be used twice for 100 percent of Units at 50 percent AMI and receive 25 points, nor can 50 percent of Restricted Units at 50 percent of AMI for 12.5 points and 40 percent of Restricted Units at 50 percent of AMI be used for an additional 10 points. However, the “Percent of Restricted Units” may be used multiple times. For example, 50 percent of Restricted Units at 50 percent of AMI for 12.5 points may be combined with another 50 percent of Restricted Units at 45 percent of AMI to achieve the maximum points.

Table 58: Lowest Income Points Table

Lowest Income Points Table											
Percent of AMI											
Percent of Restricted		**65%**	**60%**	**55%**	**50%**	**45%**	**40%**	**35%**	**30%**	**25%**	**20% & below**
	50%	5	7.5	10	12.5	16.9	17.5	18.75	30	30	30
	45%	5	6.75	9	11.25	16.9	17.5	18.75	30	30	30

	40%	5	6	8	10	15	17.5	18.75	27.5	30	30
	35%	4.4	5.25	7	8.75	13.15	17.5	18.75	25	27.5	30
	30%	3.75	4.5	6	7.5	11.25	15	18.75	22.5	25	30
	25%	3.15	3.75	5	6.25	9.4	12.5	15.65	18.75	21.9	25
	20%	2.5	3	4	5	7.5	10	12.5	15	17.5	20
	15%	1.9	2.25	3	3.75	5.65	7.5	9.4	11.25	13.1	15
	10%	1.25	1.5	2	2.5	3.75	5	6.25	7.5	8.75	10

To receive any points in this category, at least 10 percent of the Restricted Units must be restricted to households with incomes not exceeding 30 percent of AMI.

The percentage of restricted units must be rounded to the nearest whole percentage point (i.e. 29.7 percent rounds to 30.0 percent).

Table 59: Example of point score

10% of units at 30% AMI	7.5
15% of units at 40% AMI	7.5
50% of units at 50% AMI	12.5
25% of units at 65% AMI	3.15
Total Points scored	30.65 (Max 30)

Deeply Affordable Units - those Units with up to 30 percent AMI targeting - cannot be concentrated among a project’s smaller Units. They must be distributed proportionately across all Unit sizes, or, alternately, more heavily represented among larger Units. To ensure a proportional spread of deeply Affordable Units, at least 10 percent of the larger Units in the project must be provided at 30 percent of AMI, as applicable. So long as the Applicant meets the 10 percent standard Project- wide, the 10 percent standard need not be met among all the smaller Units.

Table 60: Example of required number of ELI units

60 Total Units in Project	Required ELI Units (30% AMI)
18 three-bedroom	2 Units
21 two-bedroom	2 Units

21 one-bedroom	2 Unit
Total (10%)	6 Units

C. **State Policy Priorities** (20 points maximum)

1. Five points will be awarded for projects located in a “High Resource” or “Highest Resource” Area as shown on the TCAC/HCD Opportunity Area Map. (5 points maximum)

   Once projects receiving 5 points pursuant to paragraph (1) have been ranked according to the scoring criteria and as further described in the NOFA and recommended for award in the amount of 50 percent of all program funds available in a geographic set-aside region. The remaining projects shall not receive 5 points for meeting the requirements of this paragraph.

2. Total Percentage of DR-MHP Units Serving Special Needs Populations (10 points maximum)

Table 61: Percentage of DR-MHP units serving special needs populations point scoring

Chronically Homeless, Homeless via Coordinated Entry System (CES) or Other Special Needs	
Ratio of DR-MHP funded Units serving SNP	Points
25%+	10 points
16-24%	9 points
10-15%	8 points

The score is based on the total number of DR-MHP funded units that serve a Special Needs population divided by the total number of units in the proposed Project (excluding the manager’s unit).

Special Needs or Special Needs Population(s) means one or more of the following groups who need Supportive Services to maintain and stabilize their housing: (1) people with disabilities; (2) At Risk of Homelessness, as defined in 24 CFR Part 578.3; (3) individuals with substance use disorders; (4) frequent users of public health or mental health services, as identified by a public health or mental health agency; (5) individuals who are fleeing domestic violence, sexual assault, and human trafficking; (6) individuals who are experiencing Homelessness and individuals experiencing Chronic Homelessness as defined under the federal Continuum of Care Program at 24 CFR Part 578.3; (7) homeless youth as defined in Government Code Section 12957, subdivision (e)(2); (8) families in the child welfare system for whom the absence of housing is a barrier to family reunification, as certified by a county; (9) individuals exiting from institutional settings or at risk of placement in an institutional setting; (10) Older Adults in Need of Supportive Services; or (11) other specific groups with unique housing needs as determined by the Department.

Special Needs Populations does not include “seniors or veterans” unless they otherwise qualify as a “Special Needs Population” as required by other statutory laws.

3. Public Excess Lands (5 points maximum)

   Five points will be awarded if a new construction Project is located on a site designated as excess land under Executive Order N-06-19 or any land declared surplus by a local agency.

   (a) For excess state-owned property, the project must be located on a site selected under EO-N-06-19 to enter into a long-term, low-cost ground lease with the state to create affordable housing on excess state-owned property.

   (b) For surplus land owned by a local agency, including transit agencies:

      i. Land donations made in fee title must be supported by a transfer agreement and demonstrated written conformance with the Surplus Land Act.
      ii. Land donations made as a low-cost, long-term lease must be supported by written conformance with Surplus Land Act, and a Post-Negotiation Notice and Proposed Disposition Summary.

D. Project Sponsor/Applicant and Property Management Experience (20 points maximum)

“Projects” as used in paragraph (1) and (2) below means Rental Housing Developments of over five Affordable Units that are subject to a recorded Regulatory Agreement, or, in the case of housing on Native American Land, where federal HUD funds have been utilized in affordable rental developments. Points in paragraphs (1) and (2) will be awarded in the highest applicable category and are not cumulative. For points to be awarded in paragraph (2), an enforceable management agreement executed by both parties for the subject application must be submitted at the time of application.

By applying for and receiving points in these categories, Applicants certify that the property shall be owned and managed by entities with equivalent experience scores for the entire Regulatory Agreement period.

1. Development and Ownership Experience

   Applications will be scored based on the number of subsidized rental housing projects (including tax credit projects) that the Sponsor/Applicant has completed and operated and whether the Sponsor/Applicant is subject to penalties pursuant to paragraph (3) below.

   For completed projects, a Sponsor/Applicant may include the experience of its controlled affiliated entities or its principals (e.g., employed by, and under the control of the Sponsor/Applicant and responsible for managing development activities), but not the experience of non-management board members. A Sponsor/Applicant may include the experience of a partner (e.g., Joint Venture partners pursuant to Appendix A of the Guidelines) to gain experience points; however, the experienced partner must have a controlling interest in the project's ownership and a substantial and continued role in the project's ongoing operations, as evidenced in the organizational documents for the owner. Experience among partners shall not be aggregated. Any change in ownership that reduces the Sponsor's/Applicant's role shall require prior written approval by the Department.

   If a Sponsor/Applicant relies upon the experience of its Principal for scoring, documentation of the principal's experience is required as set forth in the NOFA and application.

   To receive points under this paragraph the following conditions must be met:

   (a) Submit a certification that the Projects for which points are requested have maintained Fiscal Integrity for the year in which each Rental Housing Development's last financial statement has been prepared, a positive operating cash flow from typical residential income alone and have funded reserves in accordance with the partnership agreement and any applicable loan documents.

       To obtain points for projects previously owned, a certification must be submitted with respect to the last full year of ownership by the Sponsor/Applicant, along with verification of the number of years that the project was owned by that Sponsor/Applicant. To obtain points for projects previously owned, the ending date of ownership or participation must be no more than ten years from the application deadline.

Points are available as follows:

Table 62: Development and owner experience point scoring

1-2 projects in service more than 3 years, at least one shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC	5 points

3-4 projects in service more than 3 years, of which 1 shall be in service more than 5 years and 2 shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC	10 points
5 or more projects in service for more than 3 years, of which 1 shall be in service for more than 5 years and 2 shall be Department- regulated or projects utilizing low-income housing tax credits allocated by TCAC	15 points
Special Needs Projects may be used to demonstrate experience for a proposed project that does not serve a Special Needs Population(s).	
For Projects proposing to serve one or more Special Needs Population(s), experience can only be demonstrated by Projects that serve the same or similar Special Needs Population(s).	
1 Special Needs project serving the same target population(s) as the proposed project in service more than 3 years	5 points
2-3 Special Needs projects serving the same target population(s) as the proposed project in service more than 3 years, of which 1 shall be in service more than 3 years and 1 shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC	10 points
4 or more Special Needs Projects serving the same target population(s) as the proposed project in service more than 3 years, of which 1 shall be Department- regulated or a project utilizing low-income housing tax credits allocated by TCAC.	15 points

Pursuant to the DR-MHP Policies and Procedures to be developed, Applicants with fewer than four active Rental Housing Developments in service for more than three years shall contract with a bona-fide management company which itself earns a minimum total of five Property Management Experience points at the time of application.

(b) To obtain development and ownership experience points, Tribal Entities may contract with a Sponsor who will not be the project owner and may receive points commensurate with the Sponsor’s experience pursuant to (a) above.

For purposes of this subparagraph only, a Sponsor is defined to include an entity pre-approved by the Department that has developed but not owned the requisite number of projects described in (a above and that provides the certification described in (a) above for the projects for which experience points are requested. If the projects for which the entity requests experience points do not include two Department-regulated projects in service for more than three years, the Tribal Entity shall also contract with a bona-fide management company which itself earns a minimum total of 5 Property Management Experience points at the time of application. For this purpose, only, “develop” shall mean developing the project scope and timeline, securing financing, hiring, or performing the services of a general contractor, and overseeing completion of construction and placement in service as well as asset managing the project for at least three years after construction completion. When seeking the Department’s pre-approval, the entity shall provide fully executed copies of contracts demonstrating the Department’s criteria for “develop” as specified above have been met.

The contract shall be in effect at least until the project’s stabilized occupancy (90 percent occupancy for single room occupancy (SRO) and Special Needs Projects and 95 percent for all other projects), completion of all permanent loan closings, and achievement of all stabilization milestones of the Project’s ownership agreement. Tribal Entities exercising the option under this subparagraph (B) to contract with a Sponsor for these experience points shall also contract for asset management for at least the term of the 15-year federal compliance period with an entity that has provided three years of asset management for at least two Department-regulated Projects.

2. Property Management Company Experience

To receive points under this paragraph, the property management company must meet the following conditions:

(a) To obtain points for projects previously managed, the ending date of the property management role must be no more than ten years from the application deadline. In addition, the property management experience with a project shall not pre-date the project’s construction completion date. Points are available as follows:

Table 52: Property management company experience points scores

1 project managed over 3 years	1 point
2-4 projects managed over 3 years, of which 1 shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC	2 points
5-7 projects managed over 3 years, of which 1 shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC	3 points

8-10 projects managed over 3 years, of which 2 shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC	4 points
11 or more projects managed over 3 years, of which 2 shall be Department-regulated or projects utilizing low-income housing tax credits allocated by TCAC	5 points
Special Needs Projects may be used to demonstrate experience for a proposed Project that does not serve Special Needs Population(s).	
For Projects proposing to serve one or more Special Needs populations, experience can only be demonstrated by Projects that serve the same or similar Special Needs population(s).	
4 or more Special Needs Projects serving the same target population(s) as the proposed Project in service more than 3 years, of which 1 shall be Department-regulated or a project utilizing low-income housing tax credits allocated by TCAC.	5 Points

When contracting with an experienced property management company under the terms of paragraphs (1) or (2) above, the Sponsor/Applicant or property co-management entity must obtain training in: project operations, on-site certification training in federal housing law, and manager certification in Internal Revenue Code (IRC) Section 42 Low-Income Housing Credit Program requirements from a CTCAC-approved, nationally recognized entity.

Additionally, the experienced property management agent or an equally experienced substitute, must remain for a period of at least three years from the construction completion date (or, for ownership transfers, three years from the sale or transfer date) to allow for at least one HCD monitoring visit to ensure the Project is in compliance with HCD requirements for inspection and monitoring contained in the Regulatory Agreement. Thereafter, the experienced property manager may transfer responsibilities to the remaining general partner or property management firm following formal written approval from HCD.

3. Negative Points

An application will be assessed negative points based on performance penalties assessed pursuant to the Department's Negative Points Policy (Administrative Notice Number 2022-01) amended November 9, 2022, as may be amended from time to time. If the Applicant is subject to a negative points assessment based on the criteria outlined in the Department's Negative Points

Policy or is determined to be ineligible for funding, HCD shall notify the Applicant in writing in the initial point score letter.

Negative points will be assessed as a reduction to the score earned under paragraphs (1) and (2) above and will serve as the final score for this criterion. For example, if a Project earns 15 points under paragraph (1) Development and ownership experience and 5 points under paragraph (2) Property Management Company Experience but is assessed 3 negative points, the final score for this criterion would be 17 (15 + 5 - 3).

If the Sponsor/Applicant is subject to negative points assessment, HCD shall notify the Sponsor/Applicant in writing within the point score letter and will provide opportunity to appeal negative points assessment pursuant to the appeals process as set forth in the NOFA.

E. **Project Readiness** (20 points maximum)

Points will be awarded to projects under each of the following rating factors as documented in the application and as indicated below. If a particular rating factor is not applicable, full points shall be awarded in that category.

1. Financing Commitments (10 points maximum)

(a) Five points will be awarded for evidencing Enforceable Funding Commitments for all construction financing, excluding:
   i. funds applied for under the DR-MHP NOFA;
   ii. an allocation of tax-exempt bonds; and
   iii. 4 percent or 9 percent tax credits.

For Projects with bond financing, lender commitment of bond financing is required for these points.

(b) Five points will be awarded for evidence of Enforceable Funding Commitments for all permanent financing, grants, project-based rental assistance, and operating subsidies, excluding: funds applied for under the DR-MHP NOFA, an allocation of tax-exempt bonds, and 4 percent or 9 percent tax credits. For projects with bond financing, any applicable permanent lender commitment of bond financing is required for these points.

For both construction financing commitments and permanent financing commitments, the assistance will be deemed to be an Enforceable Funding Commitment as this term is defined in the program policies and procedures, if it has been awarded to the project or if the Department approves other evidence that the assistance will be reliably available. Contingencies in commitment documents based upon the receipt of an allocation of tax- exempt bonds, 4 percent tax credits or 9 percent tax credits will not disqualify a source from being counted as committed.

To receive points under paragraphs (a) and (b) above for deferred payment financing, grant funds, or subsidies from other Department programs, these funds must be awarded prior to finalizing the preliminary point scoring of applications under the DR MHP NOFA.

2. Local and Environmental Approvals (15 points maximum)

(a) Land use approvals (10 points maximum)

Points will be awarded under item i, ii, or iii below.

i. Ten points will be awarded for obtaining all land use approvals or entitlements necessary prior to the issuance of a building permit, including any required discretionary approvals. Notwithstanding this requirement, design review, variances, and development agreements are not required to be completed. Project sites where the planning department confirms eligibility for streamlined ministerial approval (including but not limited to the Senate Bill 35 (2017) Streamlined Ministerial Approval Processing) are eligible for these points.
ii. Five points will be awarded for the submission of a complete application to the relevant local authorities for land use approval under a Nondiscretionary Local Approval Process, where the application has been neither approved nor disapproved.
iii. One point will be awarded for a letter signed by a planner certified by the American Institute of Certified Planners indicating that, in their opinion, the project meets all of the requirements for approval under a Nondiscretionary Local Approval Process, where an application has not been approved or disapproved by the local authorities.

(b) Environmental Approvals (5 points maximum)

Points will be awarded for submission of a local certification of California Environmental Quality Act (CEQA) exemption or completion **AND** submission of either:

i. A Complete Draft Environmental Assessment with source documentation;
ii. A completed environmental review for all categorically excluded aspects of the project. HCD will provide further guidance and details in the NOFA instructions; or

iii. A signed Authority to Use Grant Funds from HUD or other appropriate federal agency, supported with the underlying environmental review document and source documentation.

Note: The project must have all documented environmental clearances prior to construction loan closing.

3. Organizational Documents (2 points maximum)

   Points will be awarded if the ultimate borrowing entity, including all affiliated entities, is fully formed and all required organizational documents are submitted with the application.

F. Infill / Proximity to Amenities / Efficient Building Methods (15 points maximum)

Applications will receive 5 points for each of paragraphs 1-3 of the following three conditions, up to a maximum of 15 points as defined below:

- Infill development and Net Density
- Proximity to amenities
- Efficient building methods

1. Infill development and Net Density

   Five points will be awarded for infill development located in a developed area served with public infrastructure. The project must meet one of the following requirements of (a) or (b) below:

   (a) Located on a site where either:

   i. At least 75 percent of the site was previously improved (including areas where improvements have been demolished) or used for any use other than Open Space, agriculture, forestry, or mining waste storage; or

   ii. At least 75 percent of the perimeter of the site's adjoining parcels that are developed with Urban Uses (residential, commercial, industrial, public institutional, transit or transportation passenger facility use, or retail use, or any combination of those uses) but not including lands used for agricultural uses or parcels in excess of 15,000 square feet in size and containing only one single family residence, or is separated from parcels that are developed with Urban Uses only by an improved public right-of- way. In calculating this percentage, perimeters bordering navigable bodies of water and improved Parks shall not be included; or

iii. The combination of at least 50 percent of the site area as previously improved (including areas where improvements have been demolished) or used for any use other than Open Space, agriculture, forestry, or mining waste storage, and at least 50 percent of the perimeter of the site adjoining parcels that are developed with Urban Uses or is separated from parcels that are developed with Urban Uses only by an improved public right-of-way. In calculating this percentage perimeters bordering navigable bodies of water and improved Parks shall not be included.

(b) Developed at average residential Net Densities on the parcels to be developed that are greater than the densities described below:

i. For an incorporated city within a nonmetropolitan county and for a nonmetropolitan county that has a micropolitan area: sites allowing at least 20 Units per acre.
ii. For an unincorporated area in a nonmetropolitan county not included in clause (i): sites allowing at least 15 Units per acre.
iii. For a suburban jurisdiction: sites allowing at least 25 Units per acre.
iv. For a jurisdiction in a metropolitan county: sites allowing at least 45 Units per acre.
v. For a Rural Area: sites allowing at least 15 Units per acre.

2. Proximity to amenities (Maximum of 5 points)

   Projects will receive 1/3 point per site amenity point that would be awarded under TCAC Regulations, Title 4 CCR, Division 17, Chapter 1, Section 10325(c)(4)(A) or successor regulation (In TCAC regulations, this is a 15-point category, however, achieving all 15 points under TCAC translates to 5 points under this category). Transit points must be for a Transit Station or Major Transit Stop, and distance must be measured by a Walkable Route.

3. Efficient building methods

   Points will be awarded based on the following (up to a maximum of 5 points):

   (a) 2.5 points will be awarded if the project supports the implementation of a regional planning and transportation plan (SCS/RTP) that has been determined by the California Air Resources Board to achieve regional and state land use and transportation goals. Consistency with such plans must be demonstrated by a letter or resolution executed by an officer or an equivalent representative from the metropolitan planning organization, regional transportation agency, planning, or local transportation commission.

(b) If an SCS/RTP is not required for a region by state law, 2.5 points will be awarded if the project supports a regional plan that includes policies and programs to further regional and state land use and transportation goals. Evidence of consistency with such plans must be demonstrated by a letter or resolution executed by an officer of, or an equivalent representative from, the metropolitan planning organization or regional transportation planning agency or local transportation commission.
(c) A project in which not less than 50 percent of the land area is within a Transit Priority Area shall receive 2.5 points. Evidence of project location within, or partially within, a Transit Priority Area must be demonstrated by a letter or resolution executed by an officer of, or an equivalent representative from, the metropolitan planning organization, regional transportation planning agency, or local transportation commission.
(d) Three points for projects that achieve near electrification – Projects where two out of three of the major energy appliances (cook stoves, space heating, water heating) are electric. Projects must be wired to be electric-ready, defined as having 240 volts outlets near each gas appliance.
(e) Five points will be awarded for projects that are powered entirely through electricity with no connections to natural gas infrastructure.

G. Cost Containment (5 points maximum)

A project shall receive 1 point for each full percent that the project's eligible basis is less than the project's adjusted threshold basis limit, up to a maximum of 5 points.

The percentage is calculated by dividing the project's eligible basis by the project's adjusted threshold basis limit.

$$\frac{\text{Total Eligible Basis per the Development Budget}}{\text{Adjusted Threshold Basis Limit}}$$

(Per California Debt Limit Allocation Committee (CDLAC) Regulation Section 5230)

For purposes of this subdivision, a project's adjusted threshold basis limit shall be the project's threshold basis limit, as if it were a 4 percent LIHTC project, as determined pursuant to Section 10327(c)(5) of the TCAC regulations, except that the increase for deeper targeting pursuant to Section 10327(c)(5)(C) of the TCAC regulations that is multiplied by the unadjusted threshold basis limit shall be limited to 80 percent. Section 10327(c)(5) of the TCAC regulations states that for projects financed through CDLAC, "an increase of one percent in the threshold basis limits shall be available for every 1 percent of the project's Low-Income and Market Rate Units that will be income and rent restricted at or below 50 percent but above 35 percent of AMI. An increase of 2 percent shall be available for every 1 percent of the project's Low-Income and Market Rate Units that will be restricted at or below 35 percent of AMI. In addition, the applicant must agree to maintain the affordability period of the project for 55 years (50 years for projects located on Tribal Trust Land)." The Department, however, will only restrict income levels in 5 percent increments.

Any project may be subject to performance penalties if the project's total eligible basis determined upon construction completion exceeds the revised total adjusted threshold basis limits for the year the project completes construction (or the original total eligible threshold basis limit if higher) by 40 percent.

H. **Tiebreaker Score** (5 points maximum)

In the event of tied point scores, the Department shall rank tied applications based on three factors which will be implemented in sequence. The three factors are: (1) the lowest weighted average affordability of all residential Units, (2) leverage of other funds, and (3) additional cost containment. If after review of the first factor the application(s) remain tied, the second factor shall be calculated. If after review of the second factor, the application(s) remain tied, the third factor shall be calculated. The tiebreaker scoring calculation is explained below.

1. Lowest weighted average affordability of all residential Units.

   (a) Multiply each income limit applicable to the project by the number of adjusted residential Units restricted at that income level (market rate Units, which do not include Units subject to Rent and/or occupancy restrictions at 70 percent or 80 percent AMI, shall be designated 100 percent AMI). Unrestricted Manager's Unit(s) are excluded from this calculation.

   To calculate adjusted residential Units, multiply the residential Units of a Unit Type (bedroom count) by the following adjustment factors:

Table 53: Residential unit adjustment factor

Unit Type	Adjustment Factor
Studio/SRO	0.90
1-Bedroom	1.00

2-Bedroom	1.25
3-Bedroom	1.50
4-Bedroom or larger	1.75

For purposes of this calculation:

i. Units with federal project-based rental assistance shall be assigned targeted Rent levels of 30 percent AMI regardless of their actual income targeting; and
ii. If the average affordability of all unadjusted residential Units, exclusive of Units with rental assistance, is less than 40 percent AMI, then the calculation shall assume a targeted Rent level of 40 percent AMI for each residential Unit that does not have rental assistance.

(b) Add the products calculated pursuant to the previous paragraph.

(c) Divide the sum calculated pursuant to the previous paragraph by the total number of adjusted residential Units in the Project to obtain the average affordability.
(d) Subtract (c) from 1.0.

2. Leverage of other funds.

(a) Applications will be scored based on the leverage of other soft funds, meaning local public funds, including land donations or fee waivers to be used for permanent funding of the development costs attributable to the Restricted Units as a percentage of the total project development cost.

Local public land donations will be counted as leveraged funds where the value is established with a current appraisal, with the amount discounted to reflect a purchase price that is lower than the appraised value, or any fees, or other reliably predictable payments required as a condition of the donation.

(b) The capitalized value of Rent differentials is attributable to public project-based rental or public operating subsidies, based upon TCAC underwriting standards. Standards shall include the following and shall be annually aligned with TCAC standards for these capitalized values to the extent possible: a 15-year loan term; an interest rate based upon a spread over

10-year Treasury Bill rates; a 1.15 to 1 debt service coverage ratio; and a 5 percent vacancy rate.

The rental income differential for subsidized Units shall be established by subtracting rental income at 40 percent AMI levels (30 percent AMI for Special Needs Units with project-based rental assistance) from the committed contract Rent income documented by the subsidy source. In the case of a USDA rental subsidy only, the contract Rent income is the higher of 60 percent AMI rents or the committed contract USDA Basic rents. The committed contract Rent income for Units with existing project-based Section 8 rental subsidy shall be documented by the current monthly contract Rent in place at the time of the application or by contract Rent committed to and approved by the subsidy source (HUD); Rent from a Rent comparable study or post-Rehabilitation Rent shall not be permitted.

The Rent differential for projects with public operating subsidies shall equal the annual subsidy amount in year one, provided the subsidy will be of a similar amount in succeeding years, or the aggregate subsidy amount of the contract divided by the number of years in the contract if the contract does not specify an annual subsidy amount.

(c) Add the sum of all eligible soft funds as set forth in paragraphs (a), (b) and (c).

(d) Divide (d) by total project development cost and express as a decimal.

3. Additional Cost Containment.

The “additional cost containment” category for the Tiebreaker follows the same methodology as the Cost Containment scoring category above, in Scoring Category G. This factor is calculated by dividing the Project’s eligible basis by the Project’s adjusted threshold basis limit as illustrated below:

Total Eligible Basis per the Development Budget

Adjusted Threshold Basis Limit

(Per CDLAC Regulation Section 5230)

For purposes of this subdivision, a project's adjusted threshold basis limit shall be the project's threshold basis limit, as if it were a 4 percent LIHTC project, as determined pursuant to Section 10327(c)(5) of the TCAC regulations, except that the increase for deeper targeting pursuant to Section 10327(c)(5)(C) of the TCAC regulations that is multiplied by the unadjusted threshold basis limit shall be limited to 80 percent. Section 10327(c)(5) of the TCAC regulations states that for Projects financed through CDLAC, “an increase of one percent in the threshold basis limits shall be available for every 1 percent of the project's Low-Income and Market Rate Units that will be income and rent restricted at or below 50 percent (50%) but above 35 percent (35%) of Area Median Income (AMI). An increase of 2 percent (2%) shall be available for every 1 percent of the Project's Low-Income and Market Rate Units that will be restricted at or below 35 percent of AMI. In addition, the Applicant must agree to maintain the affordability period of the Project for 55 years (50 years for Projects located on tribal trust land)." The Department, however, will only restrict to income levels in 5 percent increments.

Percentages shall not include any percentage points requested or awarded (up to 5 percent) pursuant to the Cost Containment point category. The maximum percentage shall be 25 percent.

Note: Any Sponsor may be subject to future performance penalties if the Project's total eligible basis determined upon construction completion exceeds the revised total adjusted threshold basis limits for the year the project completes construction (or the original total eligible threshold basis limit if higher) by 40 percent.

The calculation in this paragraph (3) is multiplied by 0.75.

Maximum Amount of Assistance Per Beneficiary:

Selected proposals are funded 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 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 to correct deficient or non-compliant projects. Standard Agreements, Regulatory Agreements, and loan documents will also contain CDBG- DR recapture provisions for non-performance or breach of Sponsor responsibility.

The DR-MHP per-unit maximum assistance is consistent with the most recent Basic Statutory Mortgage Limits, Section 234, adjusted for high cost areas as published by the Federal Housing Administration (FHA). As a statewide program with a variety of housing markets and corresponding costs, HCD uses the FHA limits as a federally established industry standard and safe harbor for cost reasonableness on a per-unit basis for housing serving low-income households. Consistent with other HUD affordable housing funding sources, these per-unit loan limits ensure an appropriate level of federal investment in multifamily projects on a per-unit basis. To maintain the ability to quickly respond to changes in the construction market and other funding impacts, HCD may adjust or waive the per unit assistance level on a case-by-case basis. If the maximum funding changes from Section 234 limits, HCD will retain documentation to justify the change and demonstrate all costs are necessary and reasonable.

Table 54: DR-MHP Maximum Per-Unit Loan Limit (2024)

Bedrooms	Maximum Subsidy
0	$204,174
1	$234,055
2	$284,618
3	$368,204
4	$404,171

Maximum Income of Beneficiary:

An approved multifamily development that will be leased to tenants with an income of up to 80 percent of the AMI based on regulatory and Program requirements.

Mitigation Measures:

In response to the FRN and California Government Code, applications must describe how hazard mitigation measures will be incorporated into the project to reduce the impacts of recurring natural disasters. The State of California building code, which incorporates mitigation measures, is applicable to HCD's CDBG-DR projects. All residential construction projects must comply with the current published housing construction, mitigation, and environmental codes for the State of California. Housing construction codes for building in California follow federal and state laws, regulations, and adaptations for construction of single family and multifamily units.

California Government Code § 65302(g)(6) requires that local agencies update the adaptation portion of their safety element every time the housing element or local hazard mitigation plan is updated. This requirement was added by Senate Bill 1035 (SB 1035) in 2018. Upon each revision of the housing element or local hazard mitigation plan, the safety element must be reviewed to identify new information relating to flood and fire hazards and adaptation and resiliency strategies.

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. Tribal Entities with Projects on Native American Lands are required to follow their own tribal building codes or the International Building Code.

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 and flood-resistant construction codes, are 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.

Vegetation management: tree thinning, spacing, limbing, and trimming; removal of any vegetation growing under tree canopies (typically referred toas "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.

Applications must take into account the costs and benefits of incorporating hazard mitigation measures to protect against the specific identified impacts of future extreme weather events and other natural hazards.

Mitigation set-aside activities address current & future risks

The mitigation measures involve bringing the property up to code with WUI code standards. The WUI codes identify better construction methods and materials to make buildings more ignition-resistant to wildfire. These standards are based on lab-tested and verifiable performance standards that describe the type of wildfire exposure a building must be able to withstand.

Flood mitigation measures are critical when constructing buildings in flood hazard areas to reduce potential damage and ensure the safety of occupants. According to CCR Title 24, buildings located within floodplains must be elevated to at least the Base Flood Elevation (BFE) plus one foot above freeboard. This regulation states that the lowest floor of a structure remains at least one foot higher than the BFE, as defined by FEMA. The BFE represents the elevation at which there is a one percent probability of flooding in any given year. These standards, enforced through the Floodplain Management regulations and Flood Insurance Rate Maps (FIRM), are designed to protect property from the devastating impacts of floods and reduce the potential financial burden on both property owners and insurers.

Marketing Plan:

DR-MHP applications must include HCD-approved marketing plans according to HCD's marketing procedures and requirements as required for all CDBG assisted housing with five or more units

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 difference 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 difference in tribal entity or agency legal structure would cause the tribal entity to fail to satisfy any of the requirements set forth in the Program NOFA or any of the rules, standards, or criteria set forth in the DR-MHP policies and procedures.

Program Title: ReCoverCA Single Family Rehabilitation and Reconstruction (SFRR)

Amount of CDBG-DR Funds Allocated to this Program: $52,814,040

Eligible Activity(ies):

Section 105(a)(4), Section 105(a)(8) and Section 105(a)(11) of the Housing and Community Development Act of 1974 (HCDA) detail activities that are eligible for CDBG-DR assistance under the SFRR. These activities include the cost of clearance of blight or decay, as well as the demolition, removal, reconstruction, and rehabilitation (including improvements to energy efficiency) of privately owned properties with buildings and improvements. HCD may provide reimbursement of costs incurred by homeowners which meet program standards to clear, demolish, remove, reconstruct, and rehabilitate their homes prior to applying to the program for rehabilitation.

Additionally, the program may fund National Flood Insurance Program (NFIP) premium payments for eligible owner-occupied participants of the SFRR program located in the Special Hazard Flood Area. Finally, HCD will incorporate the waivers and alternative requirements in federal register notice 90 FR 4759.

National Objective:

In accordance with 24 CFR 570.208 and Section 104(b)(3) of the Housing and Community Development Act (HCDA), all CDBG-DR funded activities must satisfy a national objective. All SFRR activities will meet either the urgent need or Low-to-

Moderate income (LMI) housing national objective criteria related to disaster recovery. As stated in the Unmet Needs Assessment, the location of the disasters presents unique challenges for addressing housing impacts. The disasters impacted owner and renter households of all incomes and landscapes, including suburban neighborhoods and rural communities. HCD understands the devastating impacts the floods had on non-LMI owners, and the urgency to provide assistance to return them to their homes and therefore the program will be open to all household income categories up to 120 percent of the Area Median Income.

Lead Agency and Distribution Model:

HCD, as the responsible entity, will complete a broad level environmental review that evaluates and analyzes the potential environmental impacts of the proposed activity that will occur on a typical site and make a determination Pursuant to 24 CFR Part 58.34(a) and 58.35(b). Additionally, HCD, together with their procured vendor, will complete and record on a property-by-property basis, a review of compliance with laws and authorities listed at 24 CFR 58.6.

Program Method of Distribution Description/Overview:

SFRR is delivered at the state level under the guidance of HCD’s housing subject matter experts and contract managers. The program will establish systems and processes to ensure both a rapid startup and iterative improvement. The state will procure a qualified vendor to perform full scale program implementation and management duties including program design, application intake, eligibility determinations, duplication of benefit reviews, award determinations, construction management, and key turnover. This vendor will provide case management throughout the entire lifecycle of the program and will be responsible for implementing quality control measures as well as processes to prevent and detect fraud, waste, and abuse. Applicants are assigned case managers to support them through the recovery process from application through construction, key turn over and project closeout.

In addition, the procured vendor will perform marketing and outreach efforts to the public, ensuring vital program information is made available to impacted residents and encouraging program participation. The vendor will follow HCD’s marketing procedures.

Program Description:

The primary objective of SFRR is the provision of decent, safe, and sanitary housing in the areas impacted by the DR-4707, DR-4699, and DR-4758 disasters. Additionally, SFRR is designed to ensure that the housing needs of LMI households, including individuals that were made homeless as a result of the disaster, are addressed to the greatest extent feasible. Furthermore, the program will ensure all homes rehabilitated or reconstructed through SFRR meet resiliency standards to mitigate against future disaster impacts.

The program will provide rehabilitation or reconstruction assistance to eligible applicants based on the extent of damage to their primary residences or single-family rental properties. This assistance may be in the form of program provided construction management of rehabilitation and reconstruction activities. Additionally, SFRR may reimburse program approved eligible activities incurred by owner-occupied applicants. Projects located in a Floodplain will be elevated in accordance with state and federal requirements.

Program Tieback to Disaster/Unmet Needs

HCD will spend 100 percent of the CDBG-DR funds allocated to this program on reimbursement for owner-occupied costs incurred for repairs or reconstruction, and repairs to or reconstruction of homes damaged as a result of the qualifying disaster.

Program Affordability Period

Owner-occupied units are not subject to an affordability period. However, they must retain the property as their primary residence for two years. Rental units will be subject to a five-year affordability term.

Program Estimated Begin and End Dates

The SFRR Program is expected to commence in Q1 2026, following HUD’s approval of the Action Plan and execution of the grant agreement between HCD and HUD, and remain operational through the end of the grant term or the exhaustion of funds.

Eligible Geographic Areas:

The following entities and counties make up the most impacted and distressed (MID) areas for DR-4707, DR-4699 and DR-4758: Hoopa Valley Tribe (zip code 95546), Monterey County, San Benito County, Santa Cruz County, Tulare County, Tuolumne County, and San Diego County.

Other Eligibility Criteria:

Allocation Amount (Program Level):

100 percent of the funds budgeted for the SFRR Program will fund reimbursement, rehabilitation, reconstruction, elevation, NFIP insurance premiums and State and Vendor activity delivery costs for eligible projects within the HUD identified MID counties.

Applicant Eligibility (Per SFRR Property)

Applicants will be eligible to participate in the SFRR Program by providing program-approved legal documentation showing they meet the following criteria:

- All Applicants:
    - Must have owned the home at the time of the qualifying disaster.
    - Must be a U.S. citizen or qualified alien to receive federal public benefits.
    - Must be current on property taxes or have an approved payment plan with the County assessor.

- Owner-Occupant Applicants:
  - must have occupied the home as their primary residence at the time of the qualifying disaster.
  - Cannot own any other real property at the time of application to the Program.
  - Household income must be at or below 120 percent AMI.
- Landlord Applicants:
  - Must agree to rent the property for the 5-year affordability period to tenants whose household incomes are at or below 80 percent AMI.
  - Cannot apply to the Program for their Primary Residence.

HCD will assess applicant eligibility according to the complete eligibility criteria defined in the program policy and procedures.

Eligible Properties

The following property criteria will need to be demonstrated through program approved, legal documentation to be eligible for program participation:

- Home must be located in a MID county.
- Damage to the property was the direct result of the qualifying DR-4707, DR-4699 or DR-4758 disaster.
- Damage to the property was FEMA verified loss or other program approved threshold or documents verifying impacts from the declared disasters.
- The property must be a single-family dwelling such as stick-built, modular, mobile home or manufactured housing unit (MHU) (i.e., not a condominium, duplex, fourplex, or other multi-unit property).
- The site must have a registered, metered electrical connection on-site.
- The site must have access to a water source, and it must have sufficient water flow rate to support the structure.
- Home sites must have the ability to connect to a wastewater treatment system (septic or city sewer).
- Home sites cannot be in a floodway.

Parcel Requirements:

- Parcel zoning must allow single-family residential.
- The home site must be clear and can be prepped for construction.
- The property must have been correctly permitted and permissible for the zoning area or local development standard.
- Building code compliance must be easily attainable by the Applicant/Program.
- Homeowners must obtain and maintain Flood Insurance in perpetuity if the property is located in a FEMA Special Flood Hazard Area.

Eligible Costs include:

- Permitting, design, and planning
- Replacement of damaged or destroyed necessary equipment, such as HVAC units.
- Repairs to or replacement of damaged on-site utilities such as water, septic, electric, and gas.
- Repairs to disaster damaged primary structures with minimum Program standard grade materials.
- Reconstruction of the disaster damaged primary structure with minimum Program standard grade materials.
- Upgrades required to meet current building codes.
- Accessibility features (if applicable).
- Lead-based paint and asbestos abatement (if applicable).
- Elevation of existing primary structures located in the floodplain in accordance with state and federal requirements.
- If applicable, a certification of elevation to obtain a Letter of Map Amendment (LOMA).
- If needed, Flood Insurance premium for a period of up to two years following Certificate of Occupancy for LMI owner-occupant homes located in a SHFA not to exceed the cost of the annual premium verified by the applicant's insurance company.
- Housing Counseling services.
- Temporary relocation costs for tenants during construction in accordance with the Uniform Relocation Act (URA).
- A full list of eligible costs will be available in the policies and procedures which will be available on HCD's website per HUD requirements.

Owner-Occupied Applicants who have incurred rehabilitation or reconstruction expenses related to these eligible activities on their primary residence prior to the application to the SFRR program may be eligible for reimbursement using program standard costs for minimum Program standard materials. Program standard costs are based on the cost estimating software used by the Program vendor. A full description of the minimum Program standard materials will be available in the program policies and procedures or accompanying document.

Owner-Occupied Applicants who have completed rehabilitation work on their primary residences in accordance with local and state building codes and received building permits when required or otherwise completed work in a "workman-like" manner as determined by the Program's initial inspection, and at the time of program application still have remaining rehabilitation work, may also be reimbursed pre-application expenses (using program standard costs for minimum Program standard materials), and have the Program complete the rehabilitation up to the grant cap described below.

Eligible costs utilizing CDBG-DR funds must be expended for activities that document tie-back to the disaster event.

Ineligible Costs under the eligible activities described above include:

- Repair or replacement of auxiliary structures, such as detached garages or carports, storage units, outhouses, or sheds.
- Materials greater than minimum program standard grade unless required by the local jurisdiction or by state law.
- Repair or replacement of luxury or non-critical items, such as swimming pools and security systems.
- Repair or replacement of personal property or building contents.
- New construction off-site of the damaged structure (exception may be made on a case by case basis if the Program determines it is unable to rebuild on the original site).
- Mortgage payoffs
- For owner-occupants, assistance for homes that are not the primary residence of the applicant.
- Relocation costs for homeowners.
- A full list of ineligible costs will be available in the policies and procedures which will be available on HCD's website per HUD requirements.

Program Definition of Second Home/Eligibility

Assistance for second homes is not eligible. The program will accept one application from an owner-occupant for their primary residence. The program will accept one application from a Landlord for one rental property.

Deed Restrictions and Restrictive Covenants

To safeguard the CDBG-DR investment in the property, HCD requires a deed restriction or restrictive covenant on properties funded through the program for owner-occupants and landlords.

Owner-Occupant Applicants: The deed restriction or restrictive covenant remains in effect for a period of two years following the date of receipt of the certificate of occupancy of the rehabilitated or reconstructed structure. For the length of the deed restriction or restrictive covenant, the property must remain as the primary residence of the owner-occupants to whom the rehabilitation/reconstruction grant was made. HCD will monitor properties for compliance during the covenant period.

Landlord Applicants: The deed restriction or restrictive covenant remains in effect for a period of five years following the date of receipt of the certificate of occupancy of the rehabilitated or reconstructed structure. For the length of the deed restriction or restrictive covenant, the property must remain as a rental property to Low-to-Moderate income tenants earning up to 80 percent of AMI. The maximum rent to be charged shall be the Multifamily Tax Subsidy Projects (MTSP) Regular Income Rent Limits, State and Federal Income, Rent, and Loan Value Limits, effective at the time of lease up, including utilities and based on bedroom count of the rehabilitated or reconstructed home. Properties will be monitored annually by HCD for compliance with the deed restrictive covenant and failure to comply the deed restriction or restrictive covenant will result in grant fund recapture. The deed restriction or restrictive covenant may be released on a case-by-case basis by HCD in certain circumstances.

The specific language and requirements in the deed restriction or restrictive covenant will be set forth in the program policies and procedures and will be available for applicants participating in the SFRR program.

Housing Counseling

HCD understands the individualized nature of disaster recovery, and the complexities of the recovery process, as well as the necessity to provide support and guidance to survivors through that process. As such, HCD provides housing counseling services to SFRR applicants through services provided by HUD approved counseling agencies, coordinated by the procured vendor, as a required service for rehabilitation and reconstruction applicants.

Housing Counseling provides expert, unbiased guidance, and information to help families and individuals meet their housing needs through an informed decision-making process.

Resilience Performance Metrics

HCD will establish resilience performance metrics before carrying out SFRR program activities. Key metrics will include tracking the number of homes that are elevated above the base flood elevation and projections in the reduction of future flood damage as a result of other rehabilitation and reconstruction activities. A full list of resilience performance metrics will be available in the program policies and procedures.

Maximum Amount of Assistance Per Beneficiary:

Assistance is provided in the form of a grant award to eligible applicants for the reimbursement payments (owner-occupants only) and rehabilitation or reconstruction of their primary residence or rental property as applicable. HCD's construction management vendor enters into an agreement with the property owner and manages and performs all reimbursement payments, rehabilitation or reconstruction activities, as well as mitigation activities included within the contract scope of work. The award is funded directly to the vendor in increments as construction and mitigation activities are completed.

The maximum amount of assistance available for reimbursement and/or rehabilitation is $385,000 per eligible structure, after applying any duplication of benefits reductions. Rehabilitation is permissible for eligible properties that suffered damage categorized by FEMA or as determined by the program as outlined in the policies and procedures.

Rehabilitation is defined as the improvement of an existing structure through alterations, incidental additions, or enhancements.

The maximum amount of assistance available for reconstruction is $600,000 per eligible structure, including elevation for homes located in a floodplain or SFHA as applicable federal guidance dictates, after applying any duplication of benefits reductions. Reconstruction is permissible for a rehabilitation applicant for eligible properties whose Program damage assessment and estimated cost to repair exceeds 75% of the Fair Market Value of the home and/or the rehabilitation cap. Reconstruction is defined as the rebuilding of a structure on the same site in substantially the same manner. Reconstructed properties must not increase the number of dwellings on site, although the number of rooms may increase or decrease depending on household size to avoid overcrowding.

Hardships: As a standard practice, SFRR applicants requiring more than the cap on assistance must fund the remainder of their project with private funds or other resources, however, exceptions to the maximum award will be considered on a case-by-case basis. In situations where the applicant has a demonstrable hardship, the specific conditions will be evaluated to determine how best to proceed.

A demonstrable hardship is a substantial or unexpected change in the applicant's situation after a disaster that prohibits or severely affects their ability to provide a minimal standard of living or the basic necessities of life, including food, housing, clothing, and transportation. Program staff will evaluate instances of demonstrable hardship on a case-by-case basis after reviewing the circumstances. All hardship policies will be outlined in the program policies and procedures.

Maximum Income of Beneficiary:

Owner-Occupant Applicants: Applicant household income may not exceed 120 percent of AMI.

Landlord Applicants: The 120 percent AMI requirement shall not apply to the Landlord Applicants. Tenants' household income must be at or below 80 percent AMI and verified by the program prior to lease up and annually through the five-year affordability period.

If the program experiences oversubscription, the program will process applications prioritizing LMI, senior and applicants with disabilities.

Mitigation Measures:

To address Impacts from DR-4707, DR-4699, and DR-4758 disasters, this program not only rehabilitates and/or reconstructs but also elevates and anchors homes to mitigate against future flood impacts. All eligible reconstruction projects within a SHFA (or one percent annual chance) floodplain will be elevated with the lowest floor (including the basement) at least two feet above the one percent base flood elevation level.

HCD will follow the best available state and federal requirements to ensure all structures located in a floodplain are elevated. In general, the higher a structure is above the Base Flood Elevation (BFE) – 100-yr floodplain – the less likely the structure is to have a future loss. These two factors will mitigate impacts from future floods and help protect investment made by this grant. Full elevation requirements will be available in the program policies and procedures.

Additionally, the State of California building code, which incorporates mitigation measures, is applicable to HCD's CDBG-DR projects. All residential construction projects must comply with the current published housing construction, mitigation, and environmental codes for the State of California. Housing construction codes for building in California follow federal and state laws, regulations, and adaptations for construction of single family and multifamily units.

The California Government Code § 65302(g)(6) requires that local agencies update the climate adaptation portion of their safety element every time the housing element or local hazard mitigation plan is updated. This requirement was added by Senate Bill 1035 (SB 1035) in 2018. Upon each revision of the housing element or local hazard mitigation plan, the safety element must be reviewed to identify new information relating to flood and fire hazards and climate adaptation and resiliency strategies.

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 and flood-resistant construction codes, are 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 structure density, building materials and vegetation management, emergency vehicle access, water supply and fire protection.

Program Title: ReCoverCA Homebuyer Assistance Program (HBA)

Amount of CDBG-DR Funds Allocated to this Program: $14,686,880

Eligible Activity(ies):

Eligible uses of the CDBG-DR funds are set in accordance with Section 105(a)(24) of the Housing and Community Development Act of 1974 (HCDA), as amended, 42 U.S.C. Section 5305, and Federal Register 83 FR 5844, 83 FR 40314, and 83 FR 5851. The

ReCoverCA Homebuyer Assistance Program (“the Program” or “HBA”) utilizes CDBG-DR funds to provide direct homeownership assistance to facilitate and expand homeownership among LMI persons.

National Objective:

In accordance with 24 CFR 570.208 and Section 104(b)(3) of the Housing and Community Development Act (HCDA), all CDBG-DR funded activities must satisfy a national objective. All HBA activities will meet the LMI housing national objective criteria related to disaster recovery by serving LMI beneficiary households.

Lead Agency and Distribution Model:

HCD, as the responsible entity, will complete an environmental review that evaluates and analyzes the potential environmental impacts of the proposed activity that will occur on a typical site and make a determination that the HBA program activity is Categorically Excluded Not Subject to Section 58.5 Pursuant to 24CFR Part 58.34(a) and 58.35(b). In addition to making a written determination of Categorically Excluded Not Subject to Section 58.5 Pursuant to 24CFR Part 58.34(a) and 58.35(b), HCD, together with their Subrecipient and participating lenders, will also complete and record on a property-by-property basis, a review of compliance with laws and authorities listed at 24 CFR 58.6.

Program Method of Distribution Description/Overview:

HCD will directly administer the program through a subrecipient agreement with Golden State Finance Authority (GSFA), a California Joint Powers Authority duly constituted public entity and agency. The subrecipient will be responsible for program implementation, including application review, eligibility determination, affordability determination, first loan qualification, coordinating closing, monitoring, and reporting.

Applicants will have assigned loan consultants and processors from subrecipient’s lender partners, to support them through the purchase process from application through closeout. Also, subrecipient will track applicants’ progress and support program marketing and outreach efforts, ensuring vital information on the program is made available to impacted residents and encouraging participation in the program.

Program Description:

Given the significant cost to rebuild in flood zones, severe impacts of inflation, and disaster impacts that may have required renters to temporarily relocate to other areas of the state for work or other needs, solutions that provide choices and resources for impacted households to recover are even more critical.

The primary objectives of HBA Program are to assist communities recovering from the impacts of a disaster by providing decent housing and suitable living environments and to expand economic opportunities, principally for LMI persons. Additionally, the Program aims to increase the level of homeownership among impacted disaster survivors and contribute to the affordability of communities across the state.

The Program will provide downpayment and other assistance in the form of forgivable second loans to LMI renters whose primary residence at the time of the qualifying 2023 or 2024 disasters was in a HUD-designated MID area. The assistance is intended to cover the funding gap between the amount of the applicant's first mortgage and the purchase price of a new home.

As a condition of funding, the homeowner is required to meet program requirements, including maintaining ownership and occupancy of the home as their primary residence for a period of five years after the close of escrow.

Program Tieback to Disaster/Unmet Needs

As the State of California recovers from the devastating floods in 2023 and 2024, the state is including the HBA Program as a part of its disaster recovery housing portfolio of programs to provide homeownership opportunities to meet the needs of LMI renters whose primary residence at the time of the qualifying 2023 or 2024 disasters was in a HUD-designated MID area.

Program Estimated Begin and End Dates:

The HBA Program is expected to commence in Quarter 4 of 2025, following HUD's approval of the Action Plan and execution of the grant agreement between HCD and HUD, and remain operational through the end of the grant term or the exhaustion of funds.

Eligible Geographic Areas:

The following counties make up the MID areas for DR-4707, DR-4699 and DR-4758: Hoopa Valley Tribe, Monterey County, San Benito County, Santa Cruz County, Tulare County, Tuolumne County, and San Diego County. Data sources relating to these MID areas are further explained in the Unmet Needs Assessment section of this Action Plan.

Other Eligibility Criteria:

Allocation Amount (Program Level):

100 percent of the funds budgeted for the HBA Program will fund homebuyer assistance for eligible applicants within the HUD identified MID counties as well as State and Subrecipient activity delivery costs.

Applicant Eligibility (Per HBA Property)

To be eligible to apply to the HBA Program, applicants must meet the following eligibility criteria:

- Be a U.S. citizen or a qualified alien
- Meet the household income restrictions that are at or below 80 percent of HUD's AMI for the county and/or area in which the subject property will be located, adjusted for family size

- Occupied a home as their primary residence at the time of the 2023 or 2024 disasters. The home must have been located in a HUD-defined MID area and the home must have been a legal dwelling (conventional build, mobile home or manufactured home). Priority will be given to households who were directly impacted by the qualifying disaster.
- Rented the home or have not owned a home in the last three years. Exceptions may be made on a case-by-case basis at HCD’s sole discretion for Applicants who owned a home in the last three years, were directly impacted by a qualifying disaster and no longer own the home.
- Have legal authority to enter into a grant agreement
- Applicants cannot purchase homes in a Special Hazard Flood Area (SHFA) and high or very high fire hazard severity zones. However, if the county is predominantly in a high or very high fire hazard severity zone or SHFA, and there is a documented lack of decent, safe and sanitary housing options in the County outside of the high or very high fire hazard severity zone, HCD may provide exceptions on a case-by-case basis.

HCD will assess applicant eligibility according to the complete eligibility criteria defined in the program policy and procedures.

Second Home/Eligibility

The purchase of a second home is not eligible under this program.

Eligible costs include:

- Downpayment assistance
- Housing adjustment incentive
- Rate buydown to lowest possible rate
- All reasonable closing costs (legal, closing fee, title search, conveyance documents, notary fees, recording fees, lender fees, appraisal, inspection), including taxes and insurance. These are usual and customary homeowner expenses.
- Surplus award funds up to $1,000 may be used towards principal reduction on first mortgage at closing

Ineligible costs include:

- Moving expenses, including storage expenses
- Temporary relocation housing expenses
- Costs associated with the sale of the disaster impacted property
- Seller-side fees, charges, or closing costs
- Delinquent property taxes
- Pay-off or pay-down of any applicant debt
- Acquisition of a second home or an investment property

A full list of eligible and ineligible costs will be available in the policies and procedures which will be available on HCD's website per HUD requirements.

Housing Counseling

Housing counseling assistance will provide program applicants with financial educational services including financial literacy education, homebuyer counseling, and counseling to mitigate default/foreclosure proceedings. HCD requires that all eligible applicants receive housing counseling through services provided by HUD approved counseling agencies, coordinated by the subrecipient, as a condition of receiving an award. Applicants must complete a minimum 8-hour homeownership counseling course that meets HUD's requirements.

Maximum Amount of Assistance Per Beneficiary:

Applicants are eligible to receive up to a maximum award of $300,000.

Hardships: Exceptions to the maximum award will be considered on a case-by-case basis. In situations where the applicant has a demonstrable hardship, the specific conditions will be evaluated to determine how best to proceed. All hardship policies will be outlined in the program policies and procedures.

Maximum Income of Beneficiary:

LMI beneficiary households and people whose income is at or below 80 percent of the HUD AMI, adjusted for family size in the county where the subject property will be located.

Mitigation Measures:

To mitigate against future flood impacts and reduce the continuous risk of flood damage to buildings, this program assists LMI renters to relocate out of the flood prone areas.

Marketing

HCD will follow policies and procedures for compliance with outreach and marketing requirements during the planning and implementation of each housing activity to promote affordable housing across the disaster-affected areas. Programs will also be developed with the intent to minimize displacement of persons or entities following 24 CFR part 42.325, 49 CFR part 24 of the URA, 104(d) of the HCDA, and regulations under 24 CFR part 570.496(a).

Similar to the SFRR Program, the HBA Program subrecipient is tasked with preparing and implementing a detailed outreach plan to ensure that outreach and communications efforts reach eligible survivors and that they are given the opportunity to apply for funding. HCD oversees the subrecipient's efforts in developing and implementing the outreach plan.

Infrastructure

Infrastructure Programs Overview

The allocation for Infrastructure Program is in alignment with unmet needs methodology by supporting much needed infrastructure for both housing development and protection of existing housing stock. DR 4758 did not receive a FEMA Public Assistance declaration, while DRs 4699 and 4707 did. The infrastructure projects include information gathered and verified from all eligible jurisdictions indicating unmet infrastructure needs for DRs 4699, 4707 and 4758. Infrastructure without tiebacks were considered under the mitigation set aside program.

Table 55: Grantee Infrastructure Programs Overview

Eligible Cost Category	CDBG-DR Allocation Amount	% of CDBG-DR Program Allocation for LMI Benefit
2023/2024 CDBG-DR Infrastructure Program	$95,655,645	40%
Infrastructure Program Total:	$95,655,645	40%
Total	$95,655,645	40%

Program Title: 2023/2024 CDBG-DR Infrastructure Program

Amount of CDBG-DR Funds Allocated to this Program: $95,655,645

Eligible Activity(ies): Eligible infrastructure and public facilities 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; HCDA Section 105(a)(11) – Relocation.

National Objective: 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 objective. Infrastructure funding requires a case-by-case analysis of each project for meeting these requirements. It is the responsibility of the local government to substantiate the national objective as part of its proposal to HCD. Projects that qualify as LMI will be prioritized before urgent need.

Lead Agency and Distribution Model: The California Department of Housing and Community Development (HCD) is the lead and responsible agency for administering these CDBG-DR funds. 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

HUDs environmental review responsibilities and follow the requirements per 24 CFR 58.4(b)(2) and 24 CFR 58.18. HCD will make funding available to impacted jurisdictions via a direct award. Award amounts will be established using an allocation methodology as described in the section below. Additional program details will be provided in the program policies & procedures.

Program Description: HCD will provide direct awards to eligible HUD-identified MID applicants using an allocation methodology based on unmet need as established by the unmet needs assessment. Through extensive outreach, HCD gathered project level infrastructure data from the DR 4699, DR 4758, and DR 4707 MIDs. The data was assessed for tie-back to the qualifying disasters and then relevant data was totaled and applied proportionally to the overall MID infrastructure unmet need. This proportion of unmet need was then applied to the total infrastructure program award to determine allocations. Upon action plan approval of these direct allocations, applicants will be able to submit eligible projects towards their allocations until all funds are obligated. HCD will review projects for the use of funds and provide technical assistance and oversight to ensure that local governments receiving funds execute 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 subrecipients. Eligible project types will include Standalone or federal matches, such as FEMA PA and FEMA HMGP. Ultimately the program accomplishment will be the funding of unmet infrastructure recovery needs that local jurisdictions were not able to fund through other sources.:

Eligible Geographic Areas: The following HUD and Grantee-identified MID counties and one city are eligible applicants for the Infrastructure Program: Monterey County, San Benito County, Santa Cruz County, Tulare County, Tuolumne County, San Diego County and the City of San Diego.

Other Eligibility Criteria: All Infrastructure Program projects must be an eligible activity, have a tie-back to DR 4699, DR 4758, or DR 4707, meet a national objective, and be completed within the timeline established by the policies and procedures. HCD will fund non-match, stand-alone CDBG-DR eligible infrastructure projects that can be funded with up to 100 percent CDBG-DR funding. These non-match, stand-alone projects are critical to address identified unmet disaster recovery needs and increase the resilience of cities and counties that are not funded by other federal recovery programs. Projects may include FEMA PA or HMGP projects that were determined ineligible by FEMA, but all projects will be subject to review for a tie-back to the DR disaster events, supporting or expanding community resiliency, consistency with CDBG-DR requirements, and HCD's policies and procedures. Stand-alone infrastructure projects will require a completed environmental review by the subrecipients. Applicants may also submit the local portion of the non-federal share match for federal match programs, such as FEMA and DOT. For FEMA HMGP and FEMA PA in particular, only Categories C (roads and bridges), Category D (water control facilities), Category E (public buildings and contents), and

Category F (utilities), and Category G (parks, recreational, and other activities) are eligible. Program policies and procedures will be established that outline the requirements of the program and rules for specific projects, including general eligibility, specific eligible and ineligible costs, and the criteria for evaluating project proposals. Because HMGP projects aren't required to have tie-back to the specific disaster, HCD will define a clear process in its policies and procedures to demonstrate a tie-back to DR 4699, DR 4758, or DR 4707. Additionally, HMGP funds have a wide range of eligible uses, so HCD will review all HMGP projects to ensure eligibility as a CDBG-DR funded infrastructure project. HMGP project qualifications will be included in the policies and procedures

Maximum Amount of Assistance Per Beneficiary: There will be no project-based award cap for the Infrastructure Program. Eligible applicants may apply their direct award towards one or more projects up to their award amount. The following direct awards established using a proportional share of unmet need for identified projects with tie back to DR 4699, DR 4758, or DR 4707. Awards will be made available to the following applicants: Monterey County: $25,486,097; San Benito County: $1,911,246; Santa Cruz County: $6,964,010; Tuolumne County: $15,623,941; Tulare County: $18,502,088; San Diego County: $10,210,410; City of San Diego: $5,991,178. Should there be funds leftover, those funds will be redistributed to this program using this methodology or may be applied to other programs with unmet need. Exceptions will be made to the maximum award amount, when necessary, to comply with federal accessibility standards or to reasonably accommodate a person with disabilities.

Table 56: DR-Infrastructure Program Allocation

Local Assistance Awards	
~~A. Local Assistance by Disaster # and Direct Allocation~~	
FEMA 4699	
Monterey County	$ 25,486,097.00
San Benito County	$1,911,246.00
Santa Cruz County	$6,964,010.00
Tuolumne County	$15,623,941.00
Tulare County	$18,502,088.00
FEMA 4758	
San Diego County	$10,210,410.00
City of San Diego	$5,991,178.00
~~Subtotal:~~	~~$84,688,970.00~~
~~B. Local Assistance Activity Delivery Costs~~	
~~Subtotal:~~	~~$10,966,675.00~~
~~Total (A+B):~~	~~$95,655,645.00~~

Maximum Income of Beneficiary: N/A

Mitigation Measures: All Infrastructure Program Projects that have a tie-back to DR-4699, DR-4758 or DR-4407 will incorporate mitigation measures that increase resilience to future disasters and reduce or eliminate the long-term risk of less of life, injury, damage to and loss of property and suffering and hardship and may count towards the CDBG-DR mitigation set aside. Each project application will provide full description of the mitigation measures incorporated and will be reviewed and approved by HCD.

:HCD will coordinate closely with local governments during the application phase to ensure projects meet program criteria and prioritize LMI service areas. 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. HCD will identify and reduce barriers that individuals face or may face to access assistance, including protected classes and high-risk populations through extensive outreach and technical assistance with eligible jurisdictions. HCD will coordinate closely with local governments during the application phase to ensure projects meet program criteria and prioritize LMI service areas. 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.

Economic Revitalization

Given the size of this grant, large set of eligible counties, input received from local stakeholders and significant unmet needs in housing and infrastructure, HCD is not proposing to implement economic revitalization programs at this time.

CDBG-DR Mitigation Set-Aside

CDBG-DR Mitigation Set-Aside Programs Overview

The Universal Notice defines mitigation activities as those that increase resilience to future disasters and reduce or eliminate the long-term risk of less of life, injury, damage to and loss of property and suffering and hardship. The universal notice sets forth the requirement for HCD to use 15 percent of the total allocation to fund mitigation activities and inform these programs via the mitigation needs assessment that clearly illustrates the connections between impacts of the current and future hazards, mitigation needs, and proposed mitigation activities.

Table 57: CDBG-DR Mitigation Set-Aside Allocation Summary

Eligible Cost Category	Unmet Need	% of Unmet Need	% of Funding to be Expended in HUD and Grant Identified MID	CDBG-DR Mitigation Set-Aside Allocation Amount	% of CDBG-DR Allocation Mitigation Set-Aside[27]
Planning (15% cap)			100%	$7,500,000	14%
Infrastructure	$218,224,288	100%	100%	$46,839,000	86%
Total	$218,224,288	100%	100%	$54,339,000	100%
Funds that have not been allocated:				$0	0%
Grant Total (Recovery funds + Mitigation + Unallocated):				$54,339,000	100%

Table 58: Grantee CDBG-DR Mitigation Set-Aside Programs Overview

Eligible Cost Category	CDBG-DR Mitigation Set Aside Allocation Amount	% of CDBG-DR Allocation for LMI Benefit	Does this Program have tie back to the disaster?
Mitigation Infrastructure and Planning Program (MIT-RIPP)	$46,839,000	13%	No
CDBG-DR Mitigation Set-Aside Public Services Program (NFIP)	$7,500,000	2%	No
Total:	$54,339,000	15%	

[27] At a minimum, grantees are required to spend 15% of their unmet needs on CDBG-DR Mitigation Set-Aside activities. HUD assumes that grantees will spend well over this amount as they integrate mitigation measures into their recovery activities. Grantees should only look at the 15% CDBG-DR Mitigation Set-Aside as a cap for the activities a grantee does not have the ability to demonstrate a tieback to the disaster.

Grantee CDBG-DR Mitigation Set-Aside Program

Program Title: Mitigation Resilient Infrastructure and Planning Program (MIT-RIPP)

Amount of CDBG-DR Funds Allocated to this Program: $46,839,000

Eligible Activity(ies): Eligible infrastructure and planning 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; HCDA Section 105(a)(11) – Relocation.; HCDA Section 105(a)(12) – Planning and Capacity Building.

National Objective: In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a national objective, except for certain planning and capacity building activities. For this program, all projects subject to the national objective requirement will meet the Low-and Moderate income (LMI) or urgent need national objective. A case-by-case analysis of each project will be completed at the time of application and close-out to determine meeting these requirements. It is the responsibility of the local government to substantiate the national objective as part of its proposal to HCD. Projects that qualify as LMI will be prioritized before urgent need. Furthermore, the Notice (FR-6512-N-01) describes planning efforts as addressing the national objectives without the limitation of any circumstances.

Lead Agency and Distribution Model: The California Department of Housing and Community Development (HCD) is the lead and responsible agency for administering these CDBG-DR funds. 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 HUDs environmental review responsibilities and follow the requirements per 24 CFR 58.4(b)(2) and 24 CFR 58.18. HCD will make funding available to impacted jurisdictions via a direct award. Award amounts will be established using an allocation methodology outlined below.

Program Description: This program provides local jurisdictions with an expansive and hands-on role in driving local community infrastructure and planning needs that meet the definition of mitigation. The Resilient Infrastructure and Planning Program (MIT-RIPP) will assist local jurisdictions in addressing mitigation-related infrastructure and planning needs to support risk reduction from the three primary hazards (wildfire, flooding, and earthquake) as established within the Mitigation Needs Assessment. Projects may address risks to a variety of systems and structures to enable continuous operations of critical business and government functions during future disasters and improve responses for human health and safety or economic security.

HCD anticipates that the program design will present projects that could overlap across different environments, enabling HCD to determine maximum impact within the MID and surrounding areas. Ultimately, the program accomplishment will be the funding of mitigation projects that will allow for more resilient infrastructure and planning against future disasters.

Funding is available to eligible jurisdictions via direct awards as established by an allocation methodology that averages percent LMI, the percent of area of the county that includes 100-year or 500-year flood zones, and the percent of total acres of moderate, high, and very high fire hazard areas. Each composite average was applied towards the total set-aside allocation to determine direct awards. Upon action plan approval of these direct allocations, applicants will be able to submit eligible projects towards their allocations until all funds are obligated. HCD will review projects for the use of funds and provide technical assistance and oversight to ensure that local governments receiving funds execute 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 subrecipients. Eligible project types will include Standalone or federal match.

Eligible Geographic Areas: The following HUD and Grantee-identified MID counties and one city are eligible applicants for the MIT-RIPP; and projects must benefit associated the MID area: Monterey County, San Benito County, Santa Cruz County, Tulare County, Tuolumne County, San Diego County, and City of San Diego.

Other Eligibility Criteria: All MIT-RIPP projects must be an eligible activity, meet the HUD definition of mitigation, meet a national objective and be completed within the timeline established by the policies and procedures. HCD will fund non-match, stand-alone CDBG-DR eligible infrastructure projects that can be funded with up to 100 percent CDBG-DR funding. These non-match, stand-alone projects are critical to address identified unmet disaster recovery needs and increase the resilience of cities and counties that are not funded by other federal recovery programs. Projects can include FEMA HMGP projects that were determined ineligible by FEMA, but all projects will be subject to review for consistency with CDBG-DR requirements and HCD's policies and procedures. Stand-alone infrastructure projects will require a completed environmental review by the subrecipients. Applicants may also submit the local portion of the non-federal share match for federal match programs, such as FEMA HMGP projects. Program policies and procedures will be established that outline the requirements of the program and rules for specific projects, including general eligibility, specific eligible and ineligible costs, and the criteria for evaluating project proposals. Additionally, HMGP funds have a wide range of eligible uses, so HCD will review all HMGP projects to ensure eligibility as a CDBG-DR funded infrastructure or planning project.

Maximum Amount of Assistance Per Beneficiary: There will be no project-based award cap for MIT-RIPP. Eligible applicants may apply their direct award towards one or more projects up to their award amount. The following direct awards will be made available to the following applicants: Monterey County: $6,899,228; San Benito County: $9,563,290; Santa Cruz County: $6,734,640; Tuolumne County: $3,071,686; Tulare County: $3,482,091; San Diego County: $5,690,342; City of San Diego: $5,996,323. Should there be leftover funds, those funds will be redistributed to this program using this methodology or may be applied to other programs with unmet need. Exceptions will be made to the maximum award amount, when necessary, to comply with federal accessibility standards or to reasonably accommodate a person with disabilities.

Table 59: MIT-RIPP Program Allocation:

Program Allocation	
A. Local Assistance by Disaster # and Direct Allocation	
FEMA 4699	
Monterey County	$6,899,228.00
San Benito County	$9,563,290.00
Santa Cruz County	$6,734,640.00
Tuolumne County	$3,071,686.00
Tulare County	$3,482,091.00
FEMA 4758	
San Diego County	$5,690,342.00
City of San Diego	$5,996,323.00
Subtotal:	$ 41,437,600.00

B. Local Assistance Activity Delivery Costs	
Subtotal:	$ 5,401,400.00
Total (A+B):	**$46,839,000**

Maximum Income of Beneficiary: N/A

Mitigation Measures: The MIT-RIPP will fund projects that increase resilience to future disasters and reduce or eliminate the long-term risk of less of life, injury, damage to and loss of property and suffering and hardship. The Program will assist local jurisdictions with mitigation-related infrastructure and planning needs to support risk reduction from the three primary hazards (wildfire, flooding, and earthquake) as established within the Mitigation Needs Assessment. All submitted projects will be reviewed and technical assistance will be provided by HCD to ensure projects meet program requirements and include relevant mitigation measures. Grantees must also identify how the proposed use of CDBG-DR Mitigation Set-Aside funds will meet the definition of mitigation activities as described in section I.C.1.b.

Program Title: Insurance Resilience Planning Program

Amount of CDBG-DR Funds Allocated to this Program: $7,500,000

Eligible Activity(ies): HCDA Section 105(a)(12) Planning and Capacity Building

National Objective: N/A

Lead Agency and Distribution Model: HCD is the implementation agency for the Insurance Resilience Planning Program (IRPP). HCD will partner with a subrecipient subject matter expert to complete the plan. HCD will assume the authority for the decision making and completion of the environmental review per 24 CFR 58.4.

Program Description:

Insurance is an underappreciated cornerstone of disaster recovery and community resilience. It supports not only recovery but also provides a market-based incentive for fortifying homes or reducing risk in communities. Insurance mechanisms can strengthen resilience and catalyze investments in risk reduction across public and private sectors. As disasters become more frequent with higher and higher recovery price tags, HCD recognizes the need to analyze the risks of the current insurance systems in place and determine how the state can mitigate insurance gaps resulting from impacts of disasters for impacted individuals and communities.

To assess this risk, HCD will partner with a nonprofit subrecipient subject matter expert to design and complete a planning project which focuses on the insurance gaps of the MID communities. HCD will also coordinate with subject matter experts from the State of California Department of Insurance. This plan will look at the current insurance market in the MIDs, assess gaps and look at possible solutions for the communities to better link risk reduction and insurance. These solutions will focus on insurance products or solutions which can mitigate the future recovery particularly for at-risk communities and promote self-reliance. These solutions may include but are not limited to such products as community wide Resilience Insurance, NFIP subsidy vouchers for LMI homeowners, or Insurance for local governments**.** The goal of the plan is to understand the risks in the current MIDs and create a planning tool that can be scaled and scoped to utilize in other communities across the state. Furthermore, depending on the outcomes of the plan, HCD will consider a pilot public services program to engage communities in the alternative resilience infrastructure programs. For this project, HCD anticipates the procurement of a vendor who has expertise in the resilience insurance field to lead. Additionally, HCD may consider partnering with a subrecipient if their expertise is assessed and deemed appropriate for the planning process.

Eligible Geographic Areas: The IRPP will complete resilience insurance plan(s) which may benefit Monterey County, San Benito County, Santa Cruz County, Tulare County, Tuolumne County, and San Diego County

Mitigation Measures: This plan meets the definition of mitigation activities as it addresses a mitigation risk due to the under insurance/lack of insurance which communities face across all types of disasters. The outcomes of the plan will directly provide a plan to increase resilience and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of future disasters.

Program Title: Insurance Resilience Pilot Program

Amount of CDBG-DR Funds Allocated to this Program: TBD

Eligible Activity: HCDA Section 105(a)(8) Public Services

National Objective: Low-to-Moderate Income – Area Benefit

Lead Agency and Distribution Model: HCD will determine the method of distribution in a subsequent action plan amendment.

Program Description: Based on the outcomes in the IRPP, HCD will determine the feasibility of launching a Resilience Insurance Pilot Program. This Program will serve as a pilot program to provide a resilience insurance product or products at the individual or community level in the HUD identified MID areas based on the recommendations in the IRPP. Once the IRPP is complete, HCD will update the action plan with full program details of the pilot program including all insurance products benefits from the Resilience Insurance Pilot Program.

Eligible Geographic Areas: The Resilience Insurance Pilot program may provide services to Monterey County, San Benito County, Santa Cruz County, Tulare County, Tuolumne County, and San Diego County. The final eligible geographies will be provided in an action plan amendment.

Other Eligibility Criteria: Additional eligibility criteria will be addressed in a subsequent action plan amendment.

Maximum Amount of Assistance Per Beneficiary: The maximum amount for the pilot program is $5,000,000. HCD may provide additional details on the beneficiaries in a subsequent action plan.

Maximum Income of Beneficiary: The Resilience Insurance Pilot Program will serve Low-to-Moderate Incomed communities.

Mitigation Measures: This pilot program meets the definition of mitigation activities as it addresses a mitigation risk due to the under insurance/lack of insurance which communities face across all types of disasters. The pilot program will directly provide insurance subsidy for individuals or a community which will directly provide immediate assistance after a disaster and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship, by lessening the impact of the cost of recovery from future disasters.

General Information

Certifications

Each grantee receiving an allocation under an AAN must make the following certifications with its action plan, in addition to the certifications at 24 CFR 91.225 and 91.325, as applicable, that are not waived. HCD certifies to the following:

a. Uniform Relocation Act and Residential Anti-displacement and Relocation Plan- HCD certifies that it:

(1) will comply with the acquisition and relocation requirements of the Uniform Act, and implementing regulations at 49 CFR part 24, as such requirements may be modified by waivers or alternative requirements;

(2) has in effect and is following a RARAP in connection with any activity assisted with CDBG-DR grant funds that fulfills the requirements of Section 104(d), 24 CFR part 42, and 24 CFR part 570, as amended by waivers and alternative requirements.

b. Authority of Grantee- HCD certifies that the Action Plan for disaster recovery is authorized under state and local law (as applicable) and that the grantee, and any entity or entities designated by the grantee, and any contractor, subrecipient, or designated public agency carrying out an activity with CDBG-DR funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations as modified by waivers and alternative requirements.

c. Consistency with the Action Plan - HCD certifies that activities to be undertaken with CDBG-DR funds are consistent with its action plan.

d. Citizen Participation -HCD certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.115 or 91.105 (except as provided for in waivers and alternative requirements). Also, each local government receiving assistance from a state grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in waivers and alternative requirements).

e. Consultation with Local Governments – HCD as a state grantee certifies that it has consulted with all disaster-affected local governments (including any CDBG entitlement grantees), Indian tribes, and any local public housing authorities in determining the use of funds, including the method of distribution of funding, or activities carried out directly by the state.

f. Use of Funds - HCD certifies that it is complying with each of the following criteria:

(1) Purpose of the funding. Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas for which the President declared a major disaster pursuant to the Stafford Act (42 U.S.C. 5121 et seq.).

(2) Maximum Feasibility Priority. With respect to activities expected to be assisted with CDBG-DR funds, the Action Plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.

(3) Overall benefit. The aggregate use of CDBG-DR funds shall principally benefit low- and moderate-income families in a manner that ensures that at least 70 percent (or another percentage permitted by HUD in a waiver) of the grant amount is expended for activities that benefit such persons. (4) Special Assessment. The grantee will not attempt to recover any capital costs of public improvements assisted with CDBG-DR grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:

(a) disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or

(b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).

g. Grant Timeliness - HCD certifies that it (and any subrecipient or administering entity) currently has or will develop and maintain the capacity to carry out disaster recovery activities in a timely manner and that the grantee has reviewed the requirements applicable to the use of grant funds.

h. Order of Assistance - HCD certifies that it will comply with the statutory order of assistance listed in Appendix C paragraph 9 and will verify if FEMA or USACE funds are available for an activity, or the costs are reimbursable by FEMA or USACE before awarding CDBG-DR assistance for the costs of carrying out the same activity

Citizen Participation

In the development of this disaster recovery action plan, HCD consulted with disaster-affected citizens, stakeholders, local governments, public housing authorities, Continuum of Care, and other affected parties in the surrounding geographic area to ensure consistency of disaster impacts identified in the plan, and that the plan and planning process was comprehensive and captured all disaster impacts.

HCD recognizes that affected stakeholders are the center of, and partners in, the development and implementation of this plan. Opportunities for citizen input were provided throughout the planning process through the many stakeholder meetings.

Pre-Federal Register (FRN) Notice Communication and Meetings

HCD conducted the following consultations during the 2023 and 2024 CDBG-DR Pre-Federal Register (FRN) period. Email notifications were sent to all the MID counties, disaster case managers, voluntary organizations, public housing authority, Continuum of Care, and other stakeholders, notifying of the allocation, requesting data on housing and infrastructure damage, unmet needs, and requesting future meetings for the action plan development.

HCD then held Round one meeting with all the FEMA DR-4699 and 4758 MID counties to explain the CDBG-DR processes, Action Plan requirements, collect data on unmet needs, housing, and mitigation projects. This was critical since we are dealing with several overlapping disasters and there were some new counties that were first time recipient of the CDBG-DR funds. CDBG-DR requires tie-back to use of funds, there is it is important for stakeholders and jurisdictions understand the program and its requirements. Meetings were held as follows:

- Long-Term Recovery Group and other State and Federal Agencies – January 14 through January 17, 2025
    - Impacted Local Government – January 14 through January 17, 2025

Table 60: Partner Consultation Summary

Partners Consulted	Consultation Description
Local/State Government	Email communication to MID Counties and Cities in DR 4699 and 4758 on 1/8/25 to inform about the HUD Allocation and scheduling of meeting for HUD requirements, Collect Data on damages and unmet needs, impacts and any projects that needs gap financing
Indian Tribes	Email communication to Tribal Government liaison at California Governor's Office of Emergency Services (CalOES) on 1/21/25 for allocation notice, request housing damage data, unmet needs.
Indian Tribes	Email communication to each MID area's Tribal Government on 1/25/25 from HCD's California Indian Assistance Program (CIAP) team to notify of the CDBG-DR allocation and data request for Housing and Infrastructure damages, impact on at risk population, and unmet needs.
Nongovernmental organizations	Email communication to Director of Emergency Service of Catholic Charities of California in MID counties: DR 4699 and 4758 on 1/14/25 requesting data from Disaster Case Managers (DCM) and scheduling of meeting to inform them of CDBG-DR allocation and timeline, collect data on unmet needs, challenges and gaps that disaster survivors are facing. **NOTE:** DCM providers were deployed in assisting Los Angeles Fires for FEMA DR – 4856 during the Action Plan Development period.
Voluntary organizations	Email communication to Voluntary Groups in MID counties; San Benito - The Salvation Army, Give San Benito, The Food Bank, Catholic Charities, and Red Cross; Monterey/Pajaro - Casa De La Cultura, Pajaro Disaster Long-Term Recovery Alliance, San Diego – Community Recovery Group in requesting data on unmet needs and challenges that at risk populations are facing toward rebuilding and housing assistance.
State and local emergency management agencies that have primary responsibility for the administration of FEMA funds	Email communication to California Governor's Office of Emergency Services (CalOES) on 1/21/25 for allocation notice, request housing damage data, unmet needs, impact on at risk population. **NOTE:** CalOES were deployed in assisting Los Angeles Fires for FEMA DR – 4856 during the Action Plan Development period.

Agencies that manage local Continuum of Care	Email communication to Continuum of Care (CoC's) in the MID counties requesting data on damages and impacts to their emergency shelters, supportive housing, or housing for at risk population from 2023 and 2024 Winter Storms and if their client value increased or decreased during the winter storms.
Public Housing Agencies	Email communication to all Public Housing Authorities (PHA) in the MID counties requesting data on damage and impacts to their emergency shelters, supportive housing, or housing for at risk population from 2023 and 2024 Winter Storms and if their client value increased or decreased during the winter storms.
HUD-approved housing counseling agencies	Email communication to HUD participating housing counseling agencies for all the MID counties requesting any data or information on services provided. No housing assistance or services was provided specific to the disaster.
State Housing Finance Agencies	Email Communication to California Housing Finance Agency (CalHFA) to get information on housing finance data in MID counties. CalHFA provided first-time homebuyers down payment and closing cost assistance in the MID counties.
Other Stakeholders	

Action Plan Development Meetings

HCD held Round Two meetings with all FEMA DR MID counties, and state agency partners about the specifics of the data received for the 2023 and 2024 CDBG-DR Action Plan, data and project analysis, and discuss potential programs and delivery of programs. These meetings focused on the unmet needs data and projects received for the program development. Meetings were held as follows:

- Impacted Local Government – February 3 through February 5, 2025
- Long-Term Recovery Group and Other State Agencies – February 2025

Pre-Public Comment Meetings

HCD held Round three meetings with all FEMA DR MID counties, and state agency partners about the specifics of the 2023 and 2024 CDBG-DR Action Plan, proposed programs and budget, public comment period, and requesting outreach for public webinars. These meetings focused on getting input from local government on the design of the programs, and preparation for public outreach before the start of public comment period. Meetings were held as follows:

- Impacted Local Government – March 3 through March 7, 2025

Public Comment Period Meeting

HCD held five public hearings with CDBG-DR grantees and Disaster Survivors in English, Spanish, and with Tribal Governments to solicit public comment and before submittal of the action plan to HUD. HCD published the Public Action Plan on its website in advance of these public hearings before March 14, 2025. Citizens were notified through statewide notices that align with the Department of Housing and Community Development's Citizen Participation Plan.

The public hearings were held virtually and questions and answer in real time between public meeting participants and HCD staff (in both English and Spanish). All questions and answers received during the public comment period, either through the public meetings or through written comments to HCD staff, are addressed in writing in this Action Plan.

HCD provided a period of 30 calendar days for comments on the Action Plan. Directions for submitting comments were included in the public hearing notice. Comments could be submitted to the Department via mail, email, or by telephone through the contact information provided on webpages on the Department's website, or by reaching out to the contact information provided in public notice.

As part of the public hearing process, all efforts were made to accommodate participation for individuals with disabilities and/or limited English proficiency individuals with appropriate auxiliary aids and services offered to ensure effective communication. A contact person's name is included for reasonable accommodation, translation services, and or any other questions. Registration instructions for the meetings are included in the announcements. All meeting notices included a contact to request reasonable accommodations for the public meetings to ensure equal access for persons with disabilities.

The Action Plan and PDFs of the public comment meeting presentation slides was posted on HCD's Disaster Recovery web page, under 2023 and 2024 Disasters: Action Plans and Federal Register Notices (FRNs) | California Department of Housing and Community Development

The HCD disaster recovery team posted the presentation on the HCD website. All public comment questions were answered in a timely manner and added to the Action Plan and posted to the HCD website.

Public Meeting Schedule

There was a total of five virtual meetings held. Virtual meetings were held in English and Spanish.

- March 20th, 6pm-8pm in English – 21 Attendees
- March 21st, 10am-11am for Tribal Government – 3 Attendees
- March 21st, 6pm-8pm in Spanish – 2 Attendees
- April 2nd, 6pm-8pm in English – 33 Attendees

- April 3rd, 6pm-8pm in Spanish – 1 Attendee

Tribal Partners

It is important to ensure there is tribal engagement from the public outreach to implementation of disaster recovery programs. HCD's engagement with local communities clearly identified tribal members impacted by the 2023 and 2024 winter storms, primarily Hoopa Valley Tribe in Humboldt County and Tule River Tribe in Tulare County.

In 2019, Assembly Bill 1010 was signed into law which codified tribal participation in affordable housing programs by requiring HCD to open all state programs to tribes/TDHEs (tribally designated entity), changing the definition of local public entity to include tribes/TDHEs, and allowing HCD to waive or modify program requirements. Bill 1010 also reinstated HCD's tribal Technical Assistance Program known as the G. David Singleton California Indian Assistance Program (CIAP). CIAP ensures that tribes and TDHEs receive comprehensive technical assistance on HCD programs, land use planning, natural and environmental resource planning, economic resource planning, tribal housing trust funds, etc. In accordance with CIAP, Tribal Affairs engages, educates, and collaborates with tribal partners through a variety of methods to assist tribes throughout all stages of the funding process for disaster recovery programs. The stages include all aspects of the project from consultations and listening sessions to application workshops and training.

During the action plan development phase, HCD conducted outreach to the Hoopa Valley Tribe (DR 4707) and other impacted Tribal Governments in MID counties of DR 4699 and DR 4758 notifying them of the CDBG-DR Allocation and requesting data on housing and infrastructure damage and unmet needs. HCD also collaborated with the CalOES Tribal Team to reach out to the Tribes and collect data on any unmet needs. HCD will hold a separate public webinar for impacted Tribal Governments on March 20, 2025, at 10 A.M. The webinar announcements were sent out to all the Tribes in the MID counties through HCD Blast, CalOES Tribal Team Communication, and HCD's CIAP contact list.

HCD's disaster recovery team will continue to work with CalOES Tribal Team and CIAP to help tribal communities implement CDBG-DR programs.

Accessibility of Public Hearings

As part of the public hearing process, all efforts were made to accommodate participation for individuals with disabilities. All meeting notices will include a contact to request reasonable accommodation for the public meetings to ensure equal access for persons with disabilities to align with the Department of Housing and Community Development's Citizen Participation Plan.

Meaningful Access

HCD will ensure that they are no potential barriers that may limit or prohibit communities and individuals affected by the disaster from providing public comment on the grantee's action plan or substantial amendment. HCD will take reasonable measures to increase coordination, communication, marketing, outreach, and engagement with all disaster impacted communities.

Public Website

HCD will maintain a public website that provides information accounting for how all grant funds are used, managed, and administered, including links to all disaster recovery action plans, action plan amendments, program policies and procedures including projections of expenditures and outcomes, performance reports, citizen participation requirements, and activity and program information described in this plan, and details of all contracts and ongoing procurement processes.

Specifically, HCD will make the following items available: the action plan created using DRGR (including all amendments); each QPR (as created using the DRGR system); citizen participation plan; procurement policies and procedures; all executed contracts that will be paid with CDBG-DR funds as defined in 2 CFR 200.22 (including subrecipients' contracts); and a summary including the description and status of services or goods currently being procured by the grantee or the subrecipient (e.g., phase of the procurement, requirements for proposals, etc.). Contracts and procurement actions that do not exceed the micro-purchase threshold, as defined in 2 CFR 200.67, are not required to be posted to a grantee's website.

These items are made available through HCD's Disaster Recovery and Mitigation webpage.

In addition, HCD will maintain a comprehensive website regarding all disaster recovery activities assisted with these funds. The public website will provide access in compliance with Section 204, Title II of ADA, Title VI, and all state requirements.

The website will be updated in a timely manner to reflect the most up-to date information about the use of funds and any changes in policies and procedures, as necessary. At a minimum, updates will be made monthly.

Consideration of Public Comments

All public comment questions and comments along with HCD's response was documented in the Action Plan before submission to HUD and posted to HCD website after approval. For more information, citizens can refer to HCD's Citizen Participation Plan that can be found at HCD Website.

These are the public comments and questions received for the 2023/2024 CDBG-DR Action Plan during the public comment period beginning March 14th, 2025, through April 14th, 2025. 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.

The following transcript is from the virtual public hearing held on March 20th, 2025, and questions received via electronic email to HCD's disaster recovery email. Questions and comments are from meeting participants and answers are from HCD staff.

Table 61: Summary of Public Comments and Responses

Comments Received	Grantee's Response
Attendees inquired on the availability of the presentation slides and the timeline of program implementation and application.	HCD posted the presentation slides to their website under the 2023/24 Disaster Recovery section. The timeline was provided with the option to sign up for HCD email to receive notifications when programs are open for application. Additional outreach will be done and notifications sent out to all DR counties once the programs are ready to be launched with information on application process.
Stakeholders inquired about program eligibility, if it coincides with FEMA rules regarding immigration status. Additional questions on approval of action plan process.	To be eligible for housing programs, the applicant must be a United States Citizen or Qualified Resident Alien to receive federal public benefits and apply for CDBG DR Dollars. HCD is following the Universal Notice and timeline for submission of Action Plan to HUD.
Comments received about the additional language of language on Hazardous waste, Housing Mitigation, Scoring Criteria and staffing concerns at HUD.	This Action Plan reflects the requirements of HUD's revised Universal Notice released on April 5, 2025. HUD has not provided HCD with indication that they will be unable to review Action Plans and continue to meet prescribed timelines in the Universal Notice.
Attendees inquired on the eligibility of Infrastructure and Mitigation Projects on private property and mobile home parks.	For the Infrastructure Program, assistance will be provided only on public lands and not private homes or parks. Funding is available for mitigation set aside as part of the CDBG-DR allocation. For any owner-occupied projects, there would be federal requirements to follow.

Questions received on DR-MHP - Housing Projects and building standards. Additionally, why does HCD not use National Green Building Standard (NGBS). Scoring and eligibility criteria for application of DR-MHP.	The 2023/24 CDBG DR draft action plan addressed green building standards that exceeded CA building code requirements as part of the DR-MHP Program scoring criteria. NGBS was not included as an option in this criterion because it does not provide a tier or level that exceeds what is required in the CA building code.
Attendee asked about the California Energy Commission, if there's an incentive program for building all electric passive houses on the runway right now, if those incentives will be actualized after the building is completed and if that would count as a duplication of benefits.	Without knowing the details of the CA Energy Commission's recovery program funding or purpose, HCD cannot confirm if those funds would be a Duplication of Benefit (DOB). A DOB occurs when an applicant receives or receives financial assistance for the same purpose as CDBG-DR funds.
Attendees asked whether assistance will be provided for rehabilitation of damages to houses from trees falling on people's homes and eligibility of rehabilitation of homes in the Floodway and definition of floodway.	If the area or damages were impacted by the FEMA disaster DR-4699 and if it follows the program guidelines for rehabilitation. Per HUD definition Floodway means that portion of the floodplain, which is effective in carrying flow, where the flood hazard is generally the greatest, and where water depths and velocities are the highest. Eligible homes located in a floodplain, but not a floodway would be elevated by the program in accordance with local, state, and federal elevation requirements.
County asked if they would have access to funding if the state's Housing Element were not adopted.	HCD will coordinate with our Housing Policy Team and with the County on adopting the Housing Element and ensuring that there is no problem with implementation.
Attendees asked about the eligibility of multifamily housing in Pajaro and the definition of tie-back to the disaster. Would the applicant be eligible if the applicant was a community group that has been organized as a land use subcommittee	Your eligibility is the fact that the project is proposed to be in Monterey County, and we will use the similar rules and requirements for our 2020 CDBG - DR multifamily program to get an idea of what the requirements are. The tieback for the rental program is where you're proposing to build the project. The entire County of Monterey is identified as an eligible jurisdiction; Projects can have multiple layers of financing.
Attendees asked about the allocation of programs for each county and suggested that allocations be based on housing damage.	Budget allocations within each county were specified for housing and mitigation programs. Funding was allocated per unmet needs for each county.
Attendees asked about being reimbursed for SBA loan and reimbursement of projects.	The CDBG-DR funding is not to pay off the SBA Loan. For any single-family reconstruction, an assessment would be done, and duplication of benefit would apply. Projects that are eligible for reimbursement through

	CDBG-DR after completion are federally funded projects that have a non-federal match requirement (FEMA-PA, FEMA HMGP, FHWA, etc.).
Multiple questions on projects considered for funding, partial grants, application, and projects not directly related to 2024 storms.	HCD is currently proposing both construction and planning programs. There is a disaster recovery (DR) and a mitigation (MIT) Infrastructure program, which can fund the acquisition, construction, reconstruction, or installation of public facilities and improvements. Projects can have funding gaps and that can be completed in the 5-year grant timeline. Mitigation projects do not require tie-back to the disaster. Therefore, projects that provide resiliency against future disasters are eligible.
Public Comment received recommending the State to require all single-family homes constructed using CDBG-DR Mitigation Set-Aside funds to be retrofitted to IBHS's *Wildfire Prepared Home* standard or built to IBHS's *Wildfire Prepared Home Plus* standard	HCD's owner occupied Reconstruction program has and will continue to build homes to Wildfire Prepared standards when such requirements become applicable.
Public Comment letter recommending that state directly allocate ReCoverCA Single-Family Rehabilitation and Reconstruction Program directly to counties or local government.	After extensive consultation with cities and counties in all eligible jurisdictions, HCD was asked to operate the SFFR due to program complexity and reduce confusion for potential applicants.
Proposal received recommending utilizing CDBG-DR funding in San Diego that are built on proven disaster recovery methodologies, fiscal responsibility, and emerging best practices in resilience planning.	Commenters input aligns with HCD's approach in utilizing disaster damage and proven resiliency measures in establishing program allocations and requirements.
Public Comment letter received for county and city officials to establish inclusive frameworks for disaster response and recovery, foster collaboration with local nonprofits and community leaders, and commit to a model that values equity, efficiency, and community resilience.	Comment was directed at local officials and was not applicable to this Action Plan. HCD continues to work with local elected officials and community-based groups in implementing its programs.

Citizen Complaints

Complaints

Complaints regarding fraud, waste, or abuse of funds will be forwarded to the HUD OIG Fraud Hotline. The contact information is (800) 347-3735 or email complaintsoffice09@hud.gov.

HCD will make available to HUD detailed Fraud, Waste, and Abuse Policies and Procedures on Community Development Block Grant (CDBG) - Disaster Recovery (DR) to demonstrate adequate procedures are in place to prevent fraud, waste, and abuse. The Fraud, Waste, and Abuse Policies and Procedures are included in HCD's Grant Administration Manual. HCD will maintain a public website that provides information accounting for how all grant funds are used, managed, and administered, including links to all disaster recovery action plans, action plan amendments, program policies and procedures, performance reports, citizen participation requirements, and activity and program information described in this plan, and details of all contracts and ongoing procurement processes.

Modifications to the Action Plan

HCD will comply with all federal rules, laws and regulations, and will amend the Action Plan, its programs and activities to comply.

Additionally, over time, recovery needs will change. Thus, HCD will amend the disaster recovery action plan as often as necessary to best address our long-term recovery needs and goals. This plan describes proposed programs and activities. As programs and activities develop overtime an amendment may not be triggered if the program or activity is consistent with the descriptions provided in this plan.

Substantial Amendment

The grantee will include the required criteria that signifies a substantial amendments here. The substantial amendments must be numbered sequentially, have a 30-day public comment period, and posted on the grantee’s website. The grantee must also submit the substantial amendment to HUD for approval before the proposed changes in the amendment become effective.

A change to this action plan is considered to be a substantial amendment if it meets the following criteria:

- A change in program benefit or eligibility criteria,
- The addition or deletion of an activity,
- A proposed reduction in the overall benefit requirement, or
- The allocation or reallocation of $50,000,000

When California pursues the substantial amendment process, the amendment will be posted here at HCD's Website for a 30-day public comment period. California will review and respond to all public comments received and submit them to HUD for approval.

There are additional circumstances for which HCD is required by the Consolidated Notice, 87 FR 6364, to submit a substantial amendment. A substantial amendment is needed if the method of distribution for a program is not known at the time HCD submits the action plan to HUD. Method of distribution descriptions must include:

- Eligibility criteria for assistance. This includes a description of all exceptions that may be provided on case-by-case basis.
- Associated national objectives for each program.
- Description of the maximum amount of assistance (i.e., award cap) available to a beneficiary under each of the disaster recovery programs.
- Projected uses for the CDBG-DR funds, by responsible entity, activity, and geographic area.
- Identify all allocation criteria involved in method of distribution to local governments or Indian tribes. The criteria must be identified in the action plan or substantial amendment and approved by HUD before distributing the funds to a local government or Indian tribe.
- Identify all criteria, and the relative importance of each criterion, and any eligibility requirements, used to select applications for funding. This is applicable to applications solicited for programs carried out directly.

The amendment must also provide the description of resale or recapture requirements and for which activity the use is proposed if this differs from the description provided in the initial action plan. The resale or recapture requirements must clearly describe the terms of resale or recapture and the specific circumstances under which resale or recapture will be used.

Non-substantial Amendment
The grantee will identify criteria for nonsubstantial amendments here. Nonsubstantial amendments include allocating or reallocating funding under the cap established by the grantee, nontechnical changes, and other administrative updates. The nonsubstantial amendments must be numbered sequentially and posted on the grantee’s website. The grantee must also notify HUD five business days before the amendment becomes effective.

A non-substantial amendment is an amendment to the plan that includes technical corrections and clarifications and budget changes that do not meet the monetary threshold for substantial amendments to the plan and does not require posting for public comment. HCD will number the non-substantial amendment sequentially and post it to their website for five (5) business days before notifying HUD and allow HUD five (5) business days to review before the change is effective.

All amendments will be numbered sequentially and posted to the website into one final, consolidated plan.

Performance Reports

HCD will provide HUD with quarterly performance reports in DRGR on the 30th of the month following the reporting quarter. Each subrecipient receiving CDBG-DR funds will provide HCD with monthly reports on the performance of all activities. HCD will review these reports and provide a quarterly summary as part of the quarterly performance report submitted to HUD. All quarterly performance reports will be posted on HCD's website pursuant to III.B.8.a.

HCD will post the projected expenditures and outcomes by quarter through the performance period in the Program Policies and Procedures as required by III.A.6.B of the Universal Notice. HCD will compare the actual expenditures and outcomes submitted as part of the quarterly performance to each Programs' projected expenditures and outcomes on a quarterly basis to monitor the performance of the grant and expenditure timelines.