

# State of California Action Plan for Disaster Recovery

California Department of Housing and Community Development

March 2019

Submitted to the U.S. Department of Housing and Urban Development (HUD)  
to fulfill requirements related to Community Development Block Grant  
Disaster Recovery (CDBG-DR) Funds in Response to  
2017 Disasters (FEMA DR-4344 and DR-4353).



ReCoverCA

## State of California Unmet Needs Action Plan

### Contents

I.	Executive Summary .....	1
1.	October 2017 Wildfires (DR-4344).....	1
2.	December Wildfires, Mudflows, and Debris Flows (DR-4353).....	2
3.	Ongoing Threat .....	2
4.	Anticipated Unmet Recovery Needs .....	3
5.	Proposed Uses of CDBG-DR Funds.....	4
6.	Conclusion .....	7
II.	Needs Assessment.....	7
1.	Background .....	7
2.	Summary of Disaster Impacts.....	11
a.	October 2017 Wildfires (DR-4344) .....	11
b.	California Wildfires, Flooding, Mudflows, And Debris Flows (DR-4353).....	13
c.	HUD Designated Most Impacted and Distressed Areas .....	14
3.	Resilience Solutions and Mitigation Needs.....	17
a.	Housing Resilience .....	17
b.	Infrastructure Resilience .....	18
4.	Demographic Profile of Impacted Counties.....	19
5.	Impacts on Low- and Moderate-Income Populations .....	23
a.	Social Vulnerability Index.....	27
6.	Housing Impact .....	31
a.	Cost Burdened Households .....	33
b.	Homeless Persons.....	34
c.	Mobile Housing Units.....	36
d.	California Social Service Programs.....	38
e.	2-1-1 California .....	38
f.	California HOPE Program .....	40
g.	Disaster CalFresh .....	40
h.	Insurance.....	40
7.	Impact on Vulnerable Populations .....	52

---

- a. Population with Disabilities.....53
- b. Elderly Population .....55
- c. Population with Limited English Proficiency .....56
- 8. Analysis of Housing Unmet Need .....58
  - a. Overview of Data Sources .....58
  - b. Limitations of Data .....58
  - c. FEMA Individual Assistance.....59
  - d. Small Business Administration Disaster Loans .....68
  - e. California Department of Forestry and Fire Protection Damage Assessment Data.....72
  - f. Homeowner Insurance .....73
  - g. Summary of Impacts .....75
  - h. Alternative Methodology .....76
  - i. Infrastructure Impact.....79
  - j. Economic Impact .....83
  - k. Small Business Administration (SBA) Business Disaster Loans.....94
  - l. Impact on Public Services.....98
  - m. Mitigation and Resilience .....99
  - n. Unmet Needs Summary.....100
- III. General Requirements .....102
  - 1. Rehabilitation/Reconstruction of Public Housing, Affordable Housing and other forms of Assisted Housing.....102
    - a. Identification of Impacted Areas .....102
    - b. Public Housing Needs.....102
    - c. Sources of Funding for Affordable Housing Unmet Needs .....102
    - d. Affordable Rental Housing Needs .....103
    - e. Affordable Rent, Tenant Income Limits, and Minimum Affordability Period .....103
    - f. Fair Housing .....104
    - g. Demonstrable Hardship .....104
    - h. Not Suitable for Rehabilitation.....105
  - 2. Housing for Vulnerable Populations.....105
    - a. Emergency Shelters and Transitional Housing.....105
    - b. Permanent Supportive Housing .....105
    - c. Housing for Homeless and Persons At-Risk of Homelessness.....106

---

d. Promote Housing for Vulnerable Populations.....	106
3. Displacement of Persons and/or Entities .....	109
4. Protection of People and Property .....	109
5. Construction Standards .....	112
a. Green Building Standards .....	112
b. Residential Construction Standards .....	113
c. Small Business Rehabilitation Construction Standards .....	113
d. Elevation Standards.....	113
e. Appeals Process .....	114
6. Planning and Coordination .....	114
a. Long-term Recovery Planning.....	115
b. Statewide Planning Efforts .....	115
c. Coordination with Local and Regional Planning Efforts .....	117
7. Resilience to Natural Hazards .....	120
8. Leveraging Funds.....	121
IV. Proposed Disaster Recovery Programs .....	127
1. Allocation of Funds .....	127
a. Method of Distribution .....	129
b. HCD Administered .....	129
c. Subgrantee Administered.....	129
d. Criteria to Determine Method of Distribution.....	130
e. Program Allocations.....	130
f. Unmet Needs.....	131
2. Housing Recovery Programs.....	131
a. Owner Occupied Housing Rehabilitation and Reconstruction Program .....	132
b. Multifamily Housing Program .....	138
3. Infrastructure Recovery Programs .....	145
a. FEMA-Public Assistance Match Infrastructure Program .....	145
4. Economic Revitalization Programs .....	150
a. Workforce Recovery Program .....	150
b. Small Business Recovery Program.....	152
5. Remaining Unmet Needs .....	154
6. Long-term Commitments .....	154



---

V. Citizen Participation .....	154
1. Publication.....	155
2. Consideration of Public Comments.....	155
3. Citizen Complaints .....	156
4. Substantial Amendment .....	156
5. Non-substantial Amendment .....	156
6. Community Consultation .....	156
a. Tribal Consultation .....	157
b. Stakeholder Consultation .....	157
c. Local Government Consultation .....	157
d. Public Meetings .....	158
e. Stakeholder and Public Meeting Comments.....	159
7. Public Website.....	161
8. Waivers .....	161
VI. Administration and Planning.....	162
1. Application Status.....	162
2. Program Budget .....	163
3. Program Income .....	163
4. Projection of Expenditures and Outcomes.....	164
VII. Certification and Risk Analysis .....	166
1. CDBG-DR Certifications .....	166
2. SF-424 .....	168
VIII. Appendices .....	168

## List of Figures

Figure 1: DR-4344 and DR-4353 Unmet Needs Summary .....	8
Figure 2: Federally Declared Disaster Areas .....	8
Figure 3: FEMA DR-4344 Disaster Declaration .....	9
Figure 4: FEMA DR-4353 Disaster Declaration .....	10
Figure 5: LNU Complex Fires, October 2017 - DR-4344 .....	12
Figure 6: Wind Complex Fires, October 2017 – DR-4344 .....	12
Figure 7: DR-4353 Wildfires, Debris Flows, and Mudflows .....	14
Figure 8: Most Impacted Counties & Zip Codes .....	16
Figure 9: Income/Economic Demographics .....	20
Figure 10: Housing Demographics .....	20
Figure 11: Demographics .....	22
Figure 12: Education Demographics .....	23
Figure 13: Low- and Moderate-Income Analysis .....	24
Figure 14: Northern California Low- and Moderate-Income Areas .....	26
Figure 15: Southern California Low- and Moderate-Income Areas .....	27
Figure 16: Social Vulnerability Index (SoVI) of Impacted Counties .....	28
Figure 17: Key Factors of the Overall Social Vulnerability Index (SoVI) Scores .....	29
Figure 18: Map of SoVI By Census Tract – Northern California .....	30
Figure 19: Map of SoVI by Census Tract – Southern California .....	31
Figure 20: Cost Burden .....	33
Figure 21: Affected Continuum of Care Entities .....	35
Figure 22: 2017 Point-in-Time Count .....	36
Figure 23: Mobile Housing Units in Impacted Counties .....	37
Figure 24: DR-4353 2-1-1 Call Volume .....	39
Figure 25: DR-4344 2-1-1 Call Volume .....	39
Figure 26: D-SNAP New Applicants for DR-4344 & DR-4354 .....	40
Figure 27: Total Number of Reported Claims and Direct Incurred Losses by Insurance Type ...	43
Figure 28: Insurance Claims and Losses in Disaster Areas .....	45
Figure 29: DR-4344 Total Home Loans Approved by SBA .....	48
Figure 30: DR-4353 Total Home Loans Approved by SBA .....	48
Figure 31: Total Home Loans Approved by SBA in Most Impacted Areas .....	49
Figure 32: Hud Assisted Housing In Impacted Areas .....	50
Figure 33: Public housing authorities in DR-4344 area .....	52
Figure 34: Public housing authorities in DR-4353 area .....	52
Figure 35: DR-4344 Noninstitutionalized Persons with a Disability .....	54
Figure 36: DR-4353 Noninstitutionalized Persons with a Disability .....	55
Figure 37: Population 65 Years and Over .....	55
Figure 38: Population 65 Years and Over .....	56
Figure 39: DR-4344 Spanish Language Spoken at Home By Ability to Speak English (Ages 5+) .....	57
Figure 40: DR-4353 Spanish Language Spoken at Home by Ability to Speak English (Ages 5+) .....	57

Figure 41: Total FEMA Individual Assistance Applications .....	60
Figure 42: Serious Unmet Housing Need Multipliers (Provided by HUD).....	61
Figure 43: FEMA IA Damage Category by Owner and Renter Households.....	61
Figure 44: FEMA IA Major/Severe Damage by County (4344) – Northern California.....	62
Figure 45: FEMA IA Major/Severe Damage by Census Tract (4344) – Orange County Only ....	63
Figure 46: FEMA IA Major/Severe Damage by County (4353) .....	64
Figure 47: FEMA IA Owner occupied Households with Unmet Needs.....	65
Figure 48: FEMA IA Owner occupied Households by Damage Category – No Insurance .....	65
Figure 49: FEMA IA Renter occupied Unmet Need by Income Category .....	66
Figure 50: FEMA IA BY DAMAGE CATEGORY (NO INSURANCE, UNDER 50 PERCENT AMI) .....	67
Figure 51: FEMA IA BY Damage Category .....	67
Figure 52: FEMA IA Unmet Need by Category for 4344 and 4353 .....	68
Figure 53: SBA Disaster Home Loan – Median Cost to Rebuild by Type .....	69
Figure 54: SBA Average Real Estate Loss by Impacted County .....	69
Figure 55: SBA Applicants & Real Estate Loss by County for 4344 and 4353.....	70
Figure 56: SBA Loan Status by Type of Verified Loss.....	70
Figure 57: SBA Ratio Calculation .....	71
Figure 58: SBA Commercial Loan – Real Estate by NAICS Code .....	72
Figure 59: CAL FIRE Damage by Property Category .....	72
Figure 60: CAL FIRE Residential Structure Damage Survey by County.....	73
Figure 61: Residential Insurance Claims Resulting from 4344 and 4353 Disasters .....	74
Figure 62: Residential Insurance Claims by County .....	75
Figure 63: Impact Summary by Data Source.....	76
Figure 64: MEDIAN HOME VALUE, 2012-2016 ACS 5 YEAR ESTIMATE.....	78
Figure 65: Alternative Owner occupied Calculation .....	79
Figure 66: FEMA Cost Share by Disaster.....	81
Figure 67: Local Share Unmet Needs for FEMA Public Assistance 4344 Only, August 2018 ....	82
Figure 68: Local Share Unmet Needs for FEMA Public Assistance 4353 Only, August 2018 ....	82
Figure 69: Local Share Unmet Needs for FEMA Public Assistance 4344 and 4353, August 2018 .....	82
Figure 70: DR-4344 2016-2017 Employment .....	84
Figure 71: DR-4353 2016-2017 Employment .....	84
Figure 72: Most Impacted and Distressed Area 2016-2017 Employment .....	85
Figure 73: Disaster Unemployment Claims in Impacted Areas.....	87
Figure 74: Commercial Property Insurance Claims .....	88
Figure 75: DR-4344 Agricultural Losses.....	90
Figure 76: DR-4353 Agricultural Losses.....	91
Figure 77: Estimated Tourism Impacts DR-4344.....	93
Figure 78: Estimated Tourism Impacts DR-4344.....	93
Figure 79: Estimated Tourism Impacts .....	93
Figure 80: Total Business Loans Approved by SBA .....	94
Figure 81: SBA Business/EIDL Loan Approval Map.....	95
Figure 82: DR-4344 Business Loans Approved by SBA.....	96

---

Figure 83: DR-4354 Business Loans Approved by SBA.....	97
Figure 84: Business Loans Approved by SBA in Most Impacted and Distressed Areas .....	97
Figure 85: DR-4344 and DR-4353 HMGP Projects .....	100
Figure 86: Unmet Needs Summary – HUD Methodology .....	101
Figure 87: Unmet Needs Summary – Alternative Methodology .....	101
Figure 88: Fire Hazard Severity Zones in State Responsibility Areas.....	111
Figure 89: Safety Elements by Impacted County.....	118
Figure 90: Summary of State Housing Related Programs Complementary to CDBG-DR.....	123
Figure 91: Summary of Federally Funded Programs Administered by HCD .....	126
Figure 92: CDBG-DR Funding Summary .....	128
Figure 93: CDBG-DR Programs Summary.....	129
Figure 94: Total Unmet Housing Recovery Need .....	132
Figure 95: Owner occupied Housing Recovery Applicant Prioritization .....	136
Figure 96: Unmet Owner occupied Housing Recovery Need.....	138
Figure 97: Per Unit CDBG-DR Funding Limit .....	139
Figure 98: MultiFamily Housing Recovery by Subgrantee Allocation.....	140
Figure 99: Unmet Rental Housing Recovery Need.....	145
Figure 100: PA Match Program Allocation by Subgrantee Allocation .....	147
Figure 101: Unmet Infrastructure Recovery Need .....	149
Figure 102: Workforce Recovery Program Prioritization.....	151
Figure 103: CDBG-DR Funding Summary .....	163
Figure 104: Budget Schedule Key.....	165



## I. Executive Summary

In April 2018, the U.S. Department of Housing and Urban Development (HUD) announced that the State of California will receive \$212 million in funding to support long-term recovery efforts following the devastation of wildfires, flooding, mudflows and debris flows in October and December of 2017. This Action Plan covers the \$124 million in Community Development Block Grant-Disaster Recovery (CDBG-DR) funds appropriated under Public Law 115-123 to support the State of California's unmet recovery needs related to the Federal Emergency Management Agency (FEMA) Major Disaster Declarations DR-4344 in October 2017 and DR-4353 in December 2017. The California Department of Housing and Community Development (HCD) is the lead and responsible agency for administering the CDBG-DR funds allocated to the State of California.

DR-4344 and DR-4353 were sparked by persistently dry environmental conditions due to record high temperatures and exacerbated by strong winds blowing from desert counties to the east. The 12 impacted counties—eight counties in Northern California and four counties in Southern California—cooperated extensively in completing this assessment, even as some were managing new fire events in 2018.

Although the State of California has a long history of extreme weather occurrences, it was unprecedented to experience multiple diverse and record-breaking weather events such as drought, mud and debris flows, and floods within a two-year timeline. The Thomas Fire (DR-4353) was the largest fire to occur in California's history at the time. It is now the second largest, surpassed by the Mendocino Fire Complex which started on July 27, 2018, and was finally contained on September 20, 2018. In November 2018, the Camp Fire became the deadliest fire in California history, with 86 confirmed deaths.<sup>1 2</sup>

### 1. October 2017 Wildfires (DR-4344)

The October 2017 fires spanned from the north coast of the San Francisco Bay Area, to the northern Central Valley and Orange County. Fires included the Central Lake-Napa Unit (LNU) Complex (including the Pocket, Tubbs, Nuns, and Atlas fires) in Sonoma and Napa Counties, the Mendocino Lake Complex (including the Redwood Valley and Sulphur fires), and Wind Complex (Cascade and Laporte, Lobo, and McCourtney fires) in the Tri-County region including Butte, Nevada and Yuba Counties, as well as the Canyon fire in Orange County.

The October 2017 wildfires burned over 200,000 acres combined and destroyed 8,922 structures, with the Central LNU Complex fire responsible for much of the damage. The areas affected sustained approximately \$8.6 billion in property damages and losses, as reported

---

<sup>1</sup> California Department of Forestry and Fire Protection, 12/12/2018 – Largest Fires - [http://www.fire.ca.gov/communications/downloads/fact\\_sheets/Top20\\_Acres.pdf](http://www.fire.ca.gov/communications/downloads/fact_sheets/Top20_Acres.pdf)

<sup>2</sup> California Department of Forestry and Fire Protection 12/12/18 – Most Destructive Fires [http://www.fire.ca.gov/communications/downloads/fact\\_sheets/Top20\\_Destruction.pdf](http://www.fire.ca.gov/communications/downloads/fact_sheets/Top20_Destruction.pdf)

through insurance claims. During and after the disaster, cities and counties responded with services and shelters for those displaced to help begin the process of recovery. However, one year later a survey of households with insurance claims showed 53 percent had not completed the dwelling portion of their claim and 62 percent still planned to rebuild.

## **2. December Wildfires, Mudflows, and Debris Flows (DR-4353)**

The December 2017 fires, mudflows, and debris flows impacted counties across Southern California. Fires include the Thomas Fire, impacting Ventura and Santa Barbara Counties, the Rye Fire and Creek Fire in Los Angeles County, and Lilac fire in San Diego. Following the fires, debris and mudflows severely impacted the footprint of the Thomas Fire, devastating the Montecito area in Santa Barbara County.

Across all the Southern California fires, a total of 308,383 acres were burned, with the Thomas Fire alone becoming the largest single fire in California history at 281,893 acres burned, until the Mendocino Fire Complex in 2018. The devastation created by the fires was exacerbated by heavy rains that followed, resulting in massive mud and debris flows. Electricity, gas, cellular telephone, internet, drainage, sewer and water service were all compromised, homes were destroyed, lives were lost, and communities were displaced.

## **3. Ongoing Threat**

The State of California is experiencing a heightened risk of fire danger due to drought, tree mortality, and an increase of severe weather events. Starting in 2013, Governor Edmund G. Brown Jr. declared a State of Emergency to take precautions against severe drought conditions across the state.<sup>3</sup> Drought severely impacted the health of California's forests. In December 2017, the U.S. Forest Service and the California Department of Forestry and Fire Protection (CAL FIRE) announced that a total of 129 million trees died due to drought and bark beetles across 8,900,000 acres of the state. The ongoing drought conditions inhibited tree recovery, making forests vulnerable to bark beetles and increasing the wildfire risk for California communities. Although Governor Brown lifted the Drought State of Emergency in April 2017 following the substantial winter storms in 2017, the number of dead trees remains an ongoing threat.

In April of 2018, UCLA released a study on California's climate future, which included a prediction of increased "climate whiplash," defined as the non-incremental transition between very dry and very wet weather. This condition was a contributing factor to the Thomas Fire mudflow, where intense rain followed a period of prolonged drought. Southern California is particularly vulnerable to this condition, due to the hot, dry Santa Ana winds, which occur in the fall and are historically mitigated by rainfall. Prolonged drought made the region susceptible to fire and the fanning effect of the Santa Ana winds, creating conditions for the flooding and mudslides that occurred after the fire, killing 20 people. Ground soils were unable to effectively absorb water runoff due to drought

---

<sup>3</sup> "Governor Brown Declares Drought State of Emergency," <https://www.gov.ca.gov/2014/01/17/news18368/>, 1/17/14.

conditions, and wildfires removed vegetation that would normally slow down and help absorb rainfall.<sup>4</sup>

California's Fourth Climate Change Assessment projected that climate change will make forests more susceptible to extreme wildfires, especially if greenhouse gas emissions continue to rise.<sup>5</sup> Anthropogenic or human factors, such as ignitions, infrastructure, and development at the wildland-urban interface also contribute to the presence and characteristics of wildfires; approximately 85 percent of all fire ignitions in California are the result of human activity, with the rest due to lightning.

The state must prepare for a changing climate and increased threat of frequent and extreme weather events, as another record-breaking fire complex burned less than a year after DR-4344 and DR-4353. Verisk Analytics gauged the risk to residential properties in California and found "more than 2,000,000 homes—about 15 percent of all housing units in the state—have a high to extreme risk of wildfire damage. In seven counties, mostly in Northern California, more than two-thirds of all homes were in jeopardy."<sup>6</sup>

#### 4. Anticipated Unmet Recovery Needs

The Needs Assessment section details quantified losses resulting from the disasters, resources available to address the identified losses (as of the publication of this document), and the remaining unmet recovery needs. As shown in the table below, the recovery needs far exceed the available resources.

Recognizing the requirement included in the Federal Register Notice to address housing needs first, HCD has determined that repairing and rebuilding owner-occupied and rental housing is the priority for CDBG-DR funding currently available to California.<sup>7</sup> Furthermore, the geographic breadth of the disasters and the diversity of the impacted communities creates unique circumstances relative to the ability to address localized needs and practical challenges related to the delivery of assistance to residents.

HCD is committed to pursuing additional resources, including additional CDBG-DR funding, and leveraging other resources to support the statewide recovery effort. In addition, HCD is continuing to coordinate closely with local, state, and federal partners with respect to ongoing data collection efforts, identifying resources, and understanding how unmet needs evolve over time.

---

<sup>4</sup> UCLA, "Study Forecasts a Severe Climate Future for California," <http://newsroom.ucla.edu/releases/california-extreme-climate-future-ucla-study>.

<sup>5</sup> Governor's Office of Planning and Research, the State of California Energy Commission and the California Natural Resources Agency, "California's Fourth Climate Change Assessment," <http://www.climateassessment.ca.gov/>.

<sup>6</sup> Finch II, Michael, Sacramento Bee, "These California counties have the highest concentration of homes vulnerable to wildfire." August 6, 2018, <https://www.sacbee.com/news/state/california/fires/article216076320.html>.

<sup>7</sup> Federal Register Notice 83 FR 5846 Department of Housing and Urban Development, February 9: <https://www.gpo.gov/fdsys/pkg/FR-2018-02-09/pdf/2018-02693.pdf> (pg.1), Federal Register Notice 83 FR 40314 Department of Housing and Urban Development, August 14: <https://www.gpo.gov/fdsys/pkg/FR-2018-08-14/pdf/2018-17365.pdf> (pg.1).

The following figure provides a summary of disaster impacts from DR-4344 and DR-4353 using HUD’s unmet recovery needs methodology as outlined in the August 14, 2018 Federal Register Notice.<sup>8</sup> Using this conservative estimate, the total unmet recovery needs are over \$922 million.

Category	Total Impact	Proposed CDBG-DR Funding	Other Resources Available	Unmet Need
				<i>(total impact less applied or anticipated resources)</i>
Housing	\$209,630,395	\$114,415,447	\$23,723,406	\$71,491,542
Infrastructure	\$592,197,307	\$3,531,803	\$557,523,980	\$31,141,524
	\$1,118,748,393	\$0	\$648,572,968	\$470,175,425
Economic	\$123,619,322	\$0	\$33,084,100	\$90,535,222
Agriculture	\$259,438,082	\$0	N/A	\$259,438,082
Total	\$2,303,633,499	\$117,947,250	\$1,262,904,454	\$922,781,795

Given the data challenges presented in the housing unmet needs section below, including the limited Federal Emergency Management Agency (FEMA) Individual Assistance (IA) and Small Business Administration (SBA) home loan registrations, HCD has proposed an alternative methodology for a more holistic portrait of unmet recovery needs. The Housing category includes the alternative methodology of using the boots-on-the-ground damage assessment conducted by CAL FIRE across the disaster impacted communities, which HCD believes shows a more accurate portrait of total housing impacts from the disasters. Using the alternative methodology, the State of California faces over \$2.5 billion in unmet recovery needs related to DR-4344 and DR-4353.

### 5. Proposed Uses of CDBG-DR Funds

CDBG-DR funds may be spent on a variety of housing, infrastructure and economic revitalization projects and programs. However, per HUD guidance, and given the extent of unmet housing needs resulting from the 2017 disaster events, the state will prioritize housing and housing related needs first. Additionally, the state will use a portion of their funds to provide critical infrastructure, to ensure that housing and housing related recovery infrastructure projects are prioritized.

HCD is proposing to spend the majority of funds on housing recovery (92 percent), with three percent spent on critical infrastructure projects approved by FEMA. The remaining five percent will be used to pay for required grant administration functions.

Due to federal regulations, all funds must be spent in areas that were impacted by the October 2017 fires or December 2017 fires and mudslides. Of this, 80 percent must be spent in locations HUD has identified as the Most Impacted and Distressed (MID) Areas.

Finally, at least 70 percent of funds must be spent to benefit low-to-moderate income persons. For its housing recovery, the state will launch two programs: an Owner-Occupied Rehabilitation and Reconstruction Program and a Multifamily Housing Program. The owner-occupied program

<sup>8</sup> Ibid (pg 9).



will allow affected residents to apply directly to the state for gap financing grants up to \$150,000 to repair or rebuild their homes. The multifamily housing program will allow local governments to identify, select, and submit potential projects to the state for eligibility and compliance review, approval, and funding. Local governments that receive funds will then work with qualified developers and contractors to construct the developments. The multifamily program is aimed at renters who were affected by the disasters. The multifamily program allocation was calculated based on the impact to renters in disaster-affected areas. Specific allocations are detailed below:

Allocation Summary	Total \$	\$ to MID	% to MID	\$ Outside of MID	% Outside of MID
Sonoma County	\$4,698,809	\$4,698,809	100%	\$0	0%
<i>City of Santa Rosa</i>	\$38,469,772	\$38,469,772	100%	\$0	0%
Ventura County	\$2,756,047	\$2,756,047	100%	\$0	0%
<i>City of Ventura</i>	\$4,601,064	\$4,601,064	100%	\$0	0%
Mendocino County	\$6,591,778	\$6,235,730	95%	\$356,048	5%
Yuba County	\$1,666,091	\$1,622,677	97%	\$43,413	3%
Napa County	\$420,094	\$0	0%	\$420,094	100%
<i>City of Napa</i>	\$2,889,774	\$2,851,517	99%	\$38,257	1%
Lake County	\$1,157,983	\$1,114,570	96%	\$43,413	4%
Santa Barbara County	\$588,504	\$57,028	10%	\$531,476	90%
<i>City of Santa Barbara</i>	\$848,011	\$848,011	100%	\$0	0%
Butte County	\$679,013	\$0	0%	\$679,013	100%
Los Angeles County	\$590,987	\$0	0%	\$590,987	100%
Nevada County	\$424,028	\$0	0%	\$424,028	100%
San Diego County	\$405,845	\$0	0%	\$405,845	100%
<i>Total</i>	\$66,787,799	\$63,255,225	94.71%	\$3,532,575	5.29%

The owner-occupied program is aimed at impacted homeowners. Together, the two programs will support the recovery of individual households and the revitalization of communities. HCD will coordinate with HUD-certified housing counseling organizations to ensure information and services are made available to both renters and homeowners.

The CDBG-DR funding proposal primarily addresses the unmet housing recovery need, but HCD acknowledges the remaining unmet need for other recovery priorities. The allocations by broader recovery program are expressed below.

# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



Program	Unmet Need	Percentage of Unmet Need	Program Allocation	Percentage of Total
Total CDBG-DR Funds	\$1,040,729,043		\$124,155,000	
Administration	N/A	N/A	\$6,207,750	5.0%
Program Allocations	N/A	N/A	\$117,947,250	95.0%
Housing Programs	\$185,906,989	18%	\$114,415,447	92.2%
Infrastructure	\$34,673,327	3%	\$3,531,803**	2.8%
Mitigation	\$470,175,423	45%	N/A*	
Economic Revitalization	\$90,535,222	9%	\$ -	0%
Agriculture	\$259,438,082	25%	\$ -	0%
Total CDBG-DR Funds	\$1,040,729,043	100%	\$124,155,000	100.0%

\*Mitigation will be addressed in the subsequent mitigation  
 \*\* Funding for PA Match Program is limited to the match required for categories D and F

These recovery priorities are further developed into individual programs. The program summary includes funding considerations for the 80 percent funding requirement to MID areas as well as the requirement to expend 70 percent of grant funds on low- to moderate-income individuals or families.

Item Breakdown	Summary		Most Impacted and Distressed		LMI Requirements	
	Total \$	% Total CDBG-DR Funds	Minimum \$ to MID	Maximum \$ Outside of MID	\$ LMI (Minimum)	% LMI (Minimum)
Total CDBG-DR Funds	\$124,155,000	100 %	\$99,324,000	\$24,831,000	\$86,908,500	70.00%
Administration Costs	\$6,207,750	5.00%	\$4,966,200	\$1,241,550	\$4,345,425	70.00%
Housing Programs	\$114,415,447	92.16%	\$91,532,358	\$22,883,089	\$82,563,075	72.16%
Owner Occupied Rehab and Reconstruction	\$47,627,648	38.36%	\$38,102,118	\$9,525,530	\$34,368,480	72.16%
Multifamily Housing	\$66,787,799	53.79%	\$53,430,239	\$13,357,560	\$48,194,595	72.16%
Infrastructure Program	\$3,531,803	2.84%	\$2,825,442	\$706,361	\$0	0.00%
FEMA PA Match Program	\$3,531,803	2.84%	\$2,825,442	\$706,361	\$0	0.00%

## **6. Conclusion**

To fulfill the requirements of the allocation of CDBG-DR funding appropriated through Public Law 115-123, the State of California is required to submit an Action Plan for Disaster Recovery to HUD. The Action Plan must identify disaster impacts and unmet recovery needs, provide an overview of the rules and regulations associated with CDBG-DR funding, outline the proposed uses of the funds and how funds will be distributed to impacted residents and communities, and afford citizens with an opportunity to comment on the state's recovery plan. The following Action Plan outlines HCD's proposed activities to support recovery efforts across the State of California for DR-4344 and DR-4353. The proposed activities include a state operated Owner Occupied Housing Rehabilitation and Reconstruction program, Multifamily Housing, and FEMA Public Assistance Match programs that will be implemented through the local governments.

## **II. 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 October 2017 and December 2017 fires, mudflows, and debris flows. The two presidentially declared disasters covered by this needs assessment include the FEMA declarations DR-4344 and DR-4353.

This 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 the February 9, 2018 and subsequent August 14, 2018 notice. The assessment is based on data provided by state and federal agencies, impacted jurisdictions, local nonprofits, the Census Bureau, Small Business Administration (SBA), FEMA, and other sources.

The needs assessment includes specific details about unmet needs within the eligible and Most Impacted and Distressed communities. This includes details for housing, infrastructure, and economic revitalization. This assessment takes into consideration pre-disaster needs in addition to unmet recovery needs resulting from the wildfires. 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. The needs assessment also examines measures that will increase resilience and mitigate or protect against future disasters.

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.

### **1. Background**

The State of California completed the following unmet needs assessment to identify the long-term needs and priorities for CDBG-DR funding allocated as a result of the wildfire events in 2017. The needs assessment evaluates the effects of two major wildfire events in 2017, DR-4344 in October and DR-4353 in December, as well as for the subsequent damage from mudslides and debris

flows that resulted from the December wildfires. Twelve jurisdictions, which include seven areas designated as Most Impacted and Distressed, are included in the FEMA Disaster Declarations as outlined in the following table.

**FIGURE 1: FEDERALLY DECLARED DISASTER AREAS**

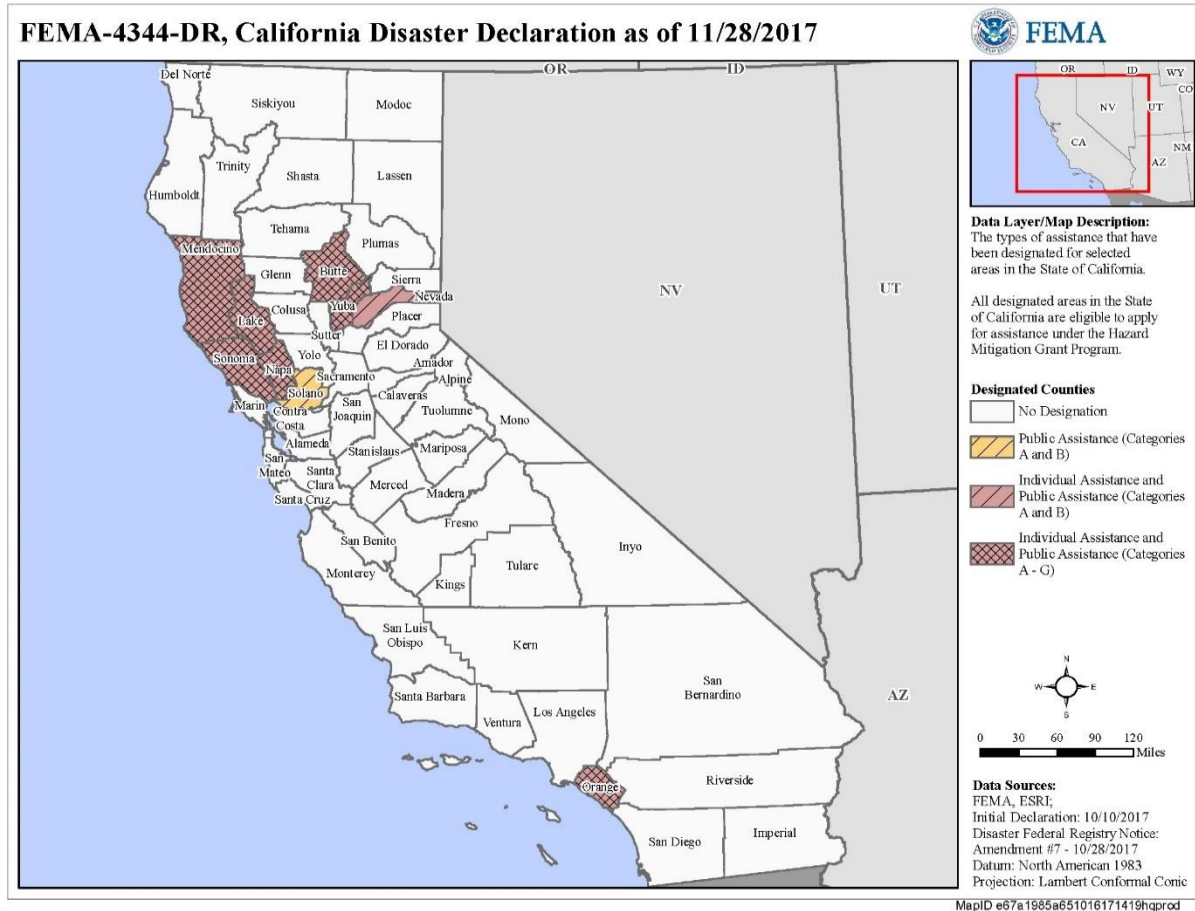
Federally Declared Disaster Areas		Most Impacted and Distressed Areas	
DR-4344	DR-4353	County	Zip Code
Butte County	Los Angeles County	Sonoma County	95470
Lake County	San Diego County	Ventura County	95901
Mendocino County	Santa Barbara County		94558
Napa County	Ventura County		95422
Nevada County			93108
Orange County			
Sonoma County			
Yuba County			

Source: FEMA

The following FEMA maps illustrate each federally declared disaster area and the type of FEMA funding approved for each impacted county.

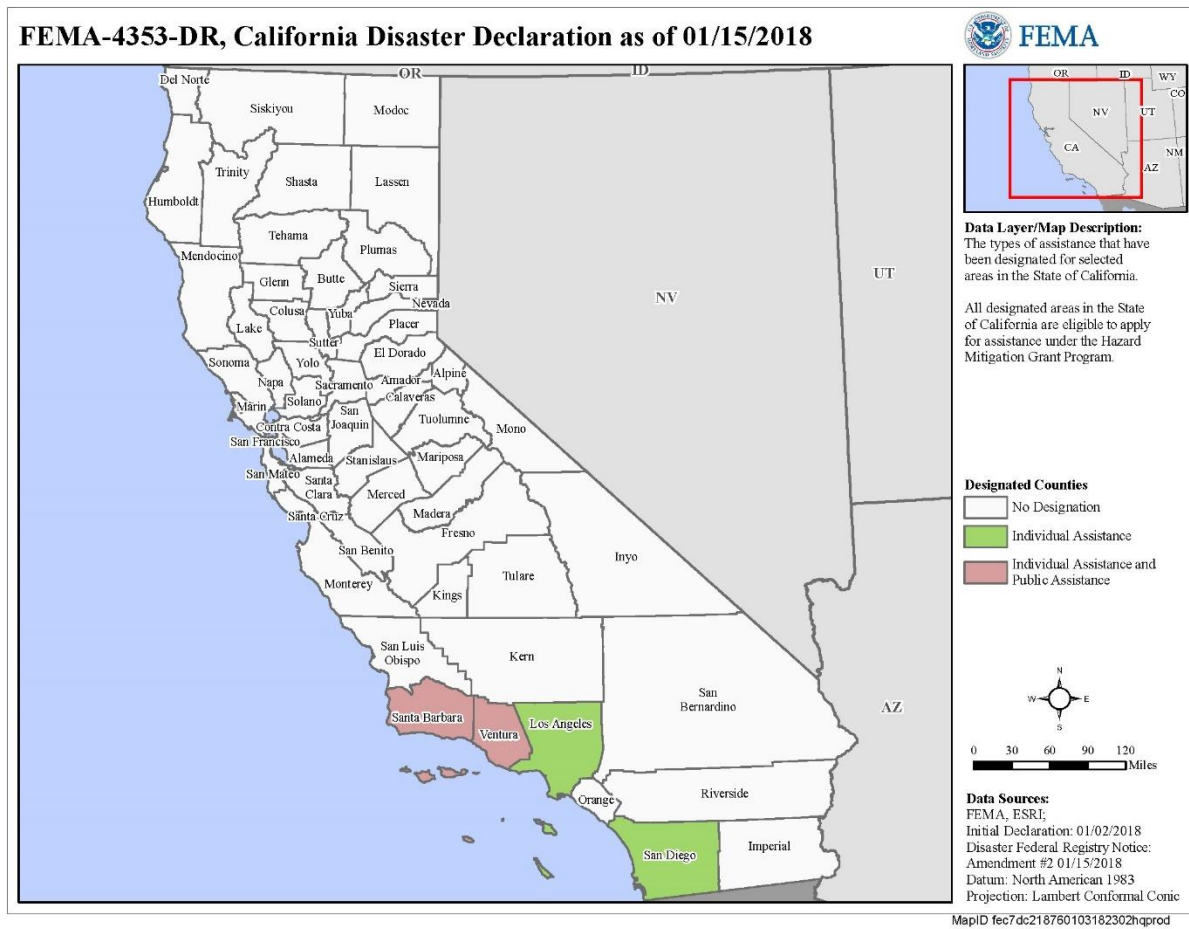


FIGURE 2: FEMA DR-4344 DISASTER DECLARATION



Source: FEMA, <https://www.fema.gov/disaster/4344>

FIGURE 3: FEMA DR-4353 DISASTER DECLARATION



Source: FEMA, <https://www.fema.gov/disaster/4353>

## 2. Summary of Disaster Impacts

The wildfire events of 2017 had a dramatic impact on the State of California. The wildfires and subsequent disasters took place across northern and southern California over a span of approximately three months. The following provides an overview of the disasters and impacts on the people, property, and infrastructure by FEMA disaster declaration.

### a. October 2017 Wildfires (DR-4344)

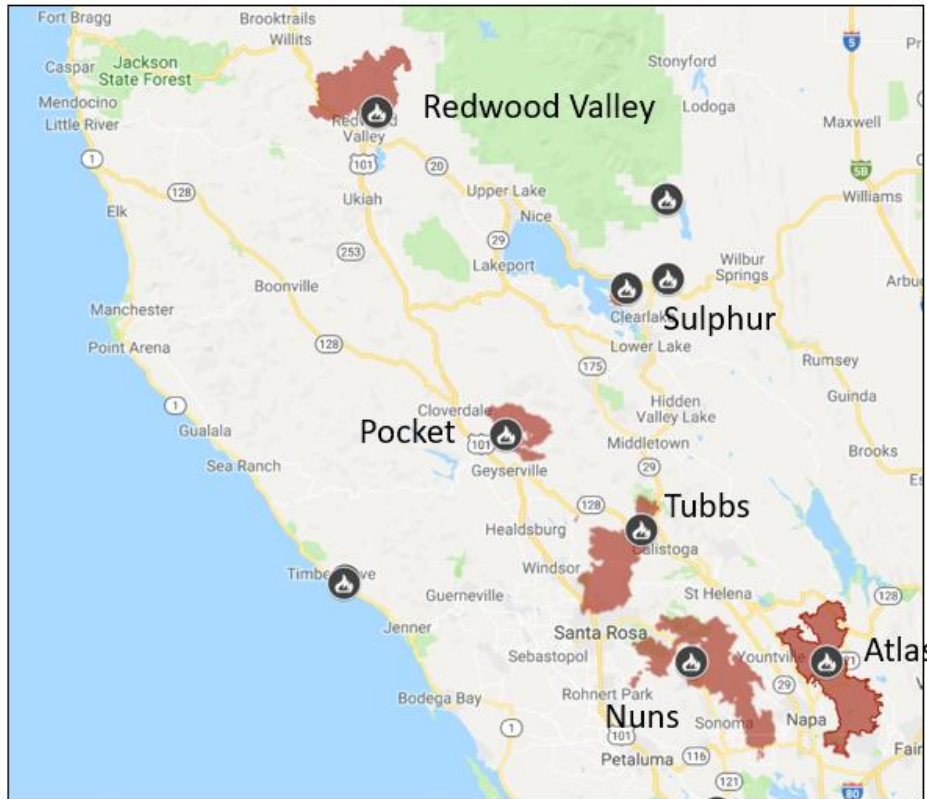
The DR-4344 wildfires occurred between the 8<sup>th</sup> and 31<sup>st</sup> of October 2017.<sup>9</sup> The primary fires during this disaster event were the Atlas, Canyon II, Cascade, Cherokee, La Porte, Lobo, Patrick, Redwood Complex, Sulphur, and the Tubbs. The counties impacted were Butte, Lake, Mendocino, Napa, Nevada, Orange, Sonoma, and Yuba. The fires burned vehicles, destroyed homes, businesses, and entire neighborhoods; and left behind ash and hazardous materials that posed an immediate threat to public health and safety. The fires burned over 200,000 acres and destroyed an estimated 7,050 parcels and 8,922 structures. The Central LNU Complex fire was responsible for the highest number of destroyed structures (7,010) within Napa and Sonoma Counties; 41 lives were lost, and 44 injuries sustained as a result of the disaster.

The following maps illustrate the locations of fires included in the DR-4344 declaration.

---

<sup>9</sup> Governor's Office of Emergency Services and FEMA Region IX, *California Wildfires, Floods, & Mudflow Incident Strategic Plan*, March 2018.

FIGURE 4: LNU COMPLEX FIRES, OCTOBER 2017 - DR-4344



Source: CAL FIRE, <http://www.fire.ca.gov/general/firemaps>

FIGURE 5: WIND COMPLEX FIRES, OCTOBER 2017 – DR-4344



Source: CAL FIRE, <http://www.fire.ca.gov/general/firemaps>



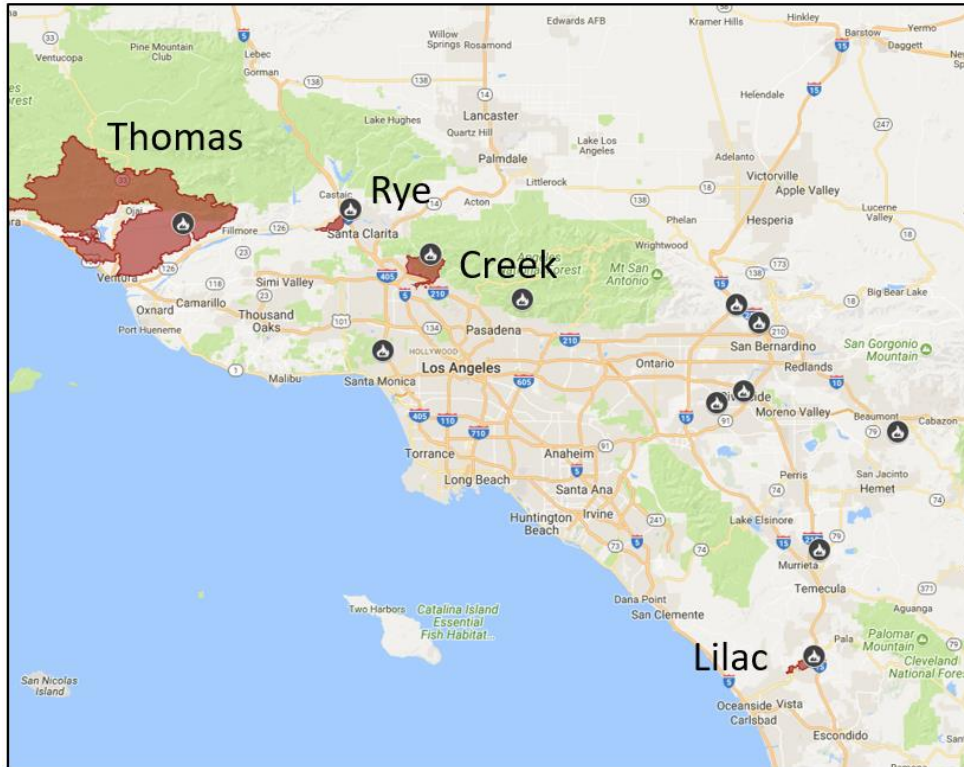
## b. California Wildfires, Flooding, Mudflows, And Debris Flows (DR-4353)

DR-4353 occurred in December 2017. The primary fires during this disaster were the Thomas, Creek, Rye, Little Mountain, Skirball, Lilac, and Liberty. The counties impacted were Los Angeles, San Diego, Ventura, and Santa Barbara Counties. A total of 308,383 acres were burned. The Thomas Fire impacted Ventura and Santa Barbara Counties and became the largest single fire in California history at 281,893 acres burned. The disaster destroyed over 1,000 residences and was initially granted an Emergency Declaration FEMA-3396-EM-CA. This was upgraded to a Major Declaration FEMA-4353-DR-CA with amendments to include Individual Assistance for Santa Barbara, Ventura, San Diego, and Los Angeles Counties along with Public Assistance on January 2, 2018. The fires impacted electricity, gas, cellular telephone, internet, drainage, sewer and water service. In many cases, electrical lines were powered down, and gas service was shut off to neighborhoods at the request of fire officials, while in others, service was disrupted by the fire.

Wildfires have profound effects on the hydrologic response of watersheds by changing the infiltration characteristics and erodibility of the soil. By consuming the vegetative cover and reducing soil infiltration, wildfires significantly increase the risk of damaging runoff, erosion, sedimentation, landslides, debris flows, and rockfalls generated from burned hillslopes. In early January 2018, heavy rains over the burn scar areas of Southern California led to massive debris flows in Santa Barbara County, resulting in 75 destroyed residences, multiple missing individuals, 20 fatalities, and numerous road closures including a two-week closure of Highway 101 in Santa Barbara County.

The following map illustrates the location of fires and debris and mudflows included in FEMA DR-4353.

**FIGURE 6: DR-4353 WILDFIRES, DEBRIS FLOWS, AND MUDFLOWS**



Source: CAL FIRE, <http://www.fire.ca.gov/general/firemaps>

c. HUD Designated Most Impacted and Distressed Areas

HUD requires that 80 percent of CDBG-DR funding be spent within areas designated as Most Impacted and Distressed. HUD determines the Most Impacted and Distressed areas using the following factors:<sup>10</sup>

- Areas where FEMA has allocated FEMA Individual Assistance/Individual Household Program
- Areas with concentrated damage 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
  - Disaster meeting the Most Impacted threshold
  - One or more county that meets the definition of Most Impacted and Distressed
  - An aggregate of Most Impacted zip codes of \$10 million or more

<sup>10</sup> Federal Register Notice 83 FR 40314 Department of Housing and Urban Development, August 14, 2018 <https://www.gpo.gov/fdsys/pkg/FR-2018-08-14/pdf/2018-17365.pdf>.

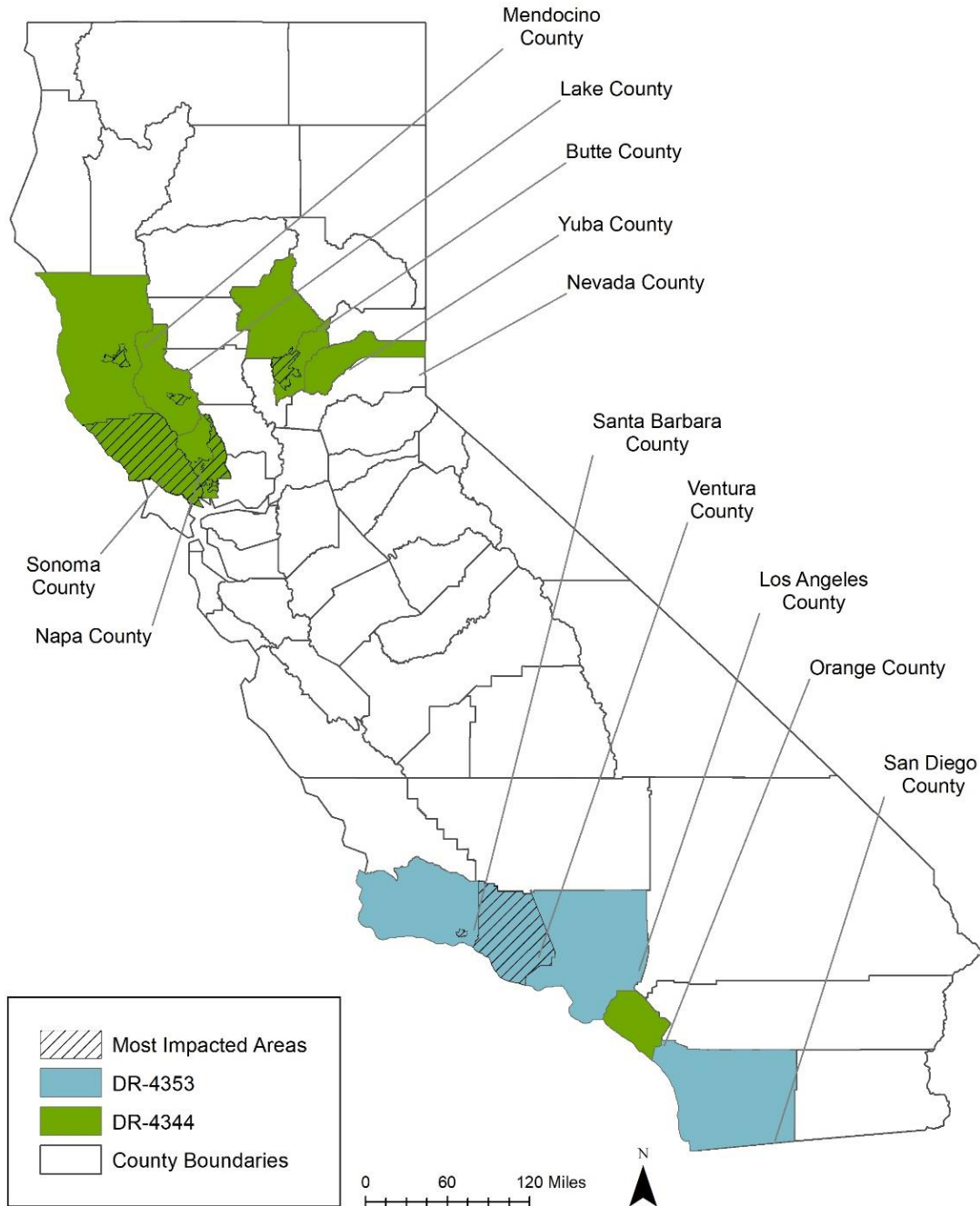
---

HUD designated Sonoma and Ventura counties, as well as five zip codes (93108, 94558, 95422, 95470, and 95901) as the Most Impacted and Distressed areas from the DR-4344 and DR-4353 disasters. The following provides further details about the location of the Most Impacted and Distressed zip codes:

- 95470 – Mendocino County
- 95901 – Predominantly Yuba County
- 94558 – Predominantly Napa County
- 95422 – Predominantly the City of Clearlake in Lake County
- 93108 - City of Montecito, located in Santa Barbara County

The following is a map of the most impacted counties and zip codes.

**FIGURE 7: MOST IMPACTED COUNTIES & ZIP CODES**



Source: Department of Housing and Urban Development, U.S. Census TIGER Files 2018

### 3. Resilience Solutions and Mitigation Needs

California has a long history of addressing the hazards of earthquakes, floods, wildfires and droughts in its planning, zoning, building standards, and infrastructure investments. These measures are continuously updated as understanding of hazard risk improves.

It is imperative to mitigate the effects of climate change on local, regional, and state levels. A commitment to address these effects comes with a necessary and increased cost for housing and community infrastructure investments. Resilience considerations in housing and infrastructure recovery are detailed below.

#### a. Housing Resilience

Housing resilience measures are enshrined in state legislation, including requirements for local building codes, such as the Wildland-Urban Interface building codes (WUI codes) addressing wildfire risk since 2005. California continues to be a national leader in implementing statewide policy to both prepare for climate change and reduce greenhouse gas emissions and has dedicated substantial resources to mitigating the impacts of climate change.

All housing rebuilt under programs provided in this Action Plan must comply with applicable WUI codes, which offer specific material, design and construction standards to maximize ignition-resistance.<sup>11</sup> The 2019 Build Energy Efficiency Standards for residential properties, which mandates solar power systems in all newly constructed residential housing is yet another standard enforced by California to address human development and climate change.<sup>12</sup>

Most of the homes destroyed in the fires were built more than ten years ago and only insured for a replacement value, which means replacement of the homes as it was built at the time of purchase. However, in the past decade California has adopted new building codes to increase the resilience of homes. Specific resilience measures were adopted in 2015 and 2016 in SB 379 and SB 246, requiring integration of climate adaptation and resilience strategies in city and county planning relative to public safety; and better coordination among state, local, and regional climate adaptation efforts. Increased home resilience leads to a reduction in loss due to wildfire, flood, earthquake, mudslide, or other natural disaster; and safeguards the federal investment of CDBG-DR funds in the housing recovery process.

The median cost of replacing a single-family home is \$300,000, before accounting for resilience measures. Single family home resilience solutions are expected to add approximately \$30,000 to the total cost per home, according to the California Building Industry Association.<sup>13</sup> These costs may be even greater in areas with significant wildfire vulnerabilities such as those impacted by

---

<sup>11</sup> CAL FIRE, "Wildland Hazard & Building Codes,"

[http://www.fire.ca.gov/fire\\_prevention/fire\\_prevention\\_wildland\\_codes](http://www.fire.ca.gov/fire_prevention/fire_prevention_wildland_codes).

<sup>12</sup> California Energy Commission, "2019 Building Energy Efficiency Standards,"

<https://www.energy.ca.gov/title24/2019standards/>.

<sup>13</sup> California Building Industry Association, "California New Home Construction: Cost Impact of Recently Adopted and Proposed Building Standards." Interview with California Building Industry Association, August 2018.

the 2017 wildfire events. Resilience solutions add ten percent to the cost of rebuilding and these costs are unlikely to be covered by insurance.

The primary means of wildfire resilience is the creation of defensible space around the perimeter of a structure. Defensible space is the reduction of fire fuels such as grass, shrub, trees, and other plant matter that may ignite during a fire and damage or destroy property. An analysis of the cost of removing one square foot of assorted fuels<sup>14</sup>, adjusted for the State of California prices<sup>15</sup> and including an allowance for increased labor costs to comply with federal wage requirements as well as allow for costs for long term defensible space planning and implementation, supports \$0.70 a square foot applicable to the lot size rather than the structure size. HCD will ensure that the costs of defensible space creation are considered for each project funded with CDBG-DR funds, including single-family construction and multi-family rental projects. Consideration will be given to applicants or contractors that present an alternative calculation to develop defensible space.

### b. Infrastructure Resilience

All recovery programs considered under this Action Plan will align with Executive Order B-30-15 and the state's Integrated Climate Adaptation and Resiliency Program, which direct state agencies to account for current and future climate conditions, including an increased likelihood of natural disasters, in all infrastructure investment. Infrastructure resilience standards and requirements include:

- Guidelines for infrastructure investments outlined in the *Planning and Investing for a Resilient California Guidebook*, developed under Executive Order B-30-15, which provides guidance for making climate informed infrastructure investments.<sup>16</sup>
- California's Climate Safe Infrastructure Working Group (established in 2016 under Assembly Bill 2800) delivered its report in September 2018, providing guidance on how engineers should address climate change impacts and future climate scenarios in infrastructure design.<sup>17</sup>

HCD ensures that resilient infrastructure is a component of the recovery by reviewing the long-term viability and resilience component of proposed infrastructure recovery projects. The damage caused by DR-4353 and DR-4344 was primarily due to fires. At this time HCD is prioritizing FEMA PA match for Category D and F projects only, which is discussed in Section II, part 8(i). Maintenance drainage facilities by the state is limited to those facilities that are located within public rights of way, or drainage easements that are deeded to the city, state, or locality. Residents

---

<sup>14</sup> National Institute of Standards and Technology, "The Costs and Losses of Wildfires: A Literature Review," <https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.1215.pdf>

<sup>15</sup> Building Component Cost Community, "Location Factors," <https://bc3.pnnl.gov/location-factors>

<sup>16</sup> Governor's Office of Planning and Research, "Executive Order B-30-15 Guidance," <http://opr.ca.gov/planning/icarp/resilient-ca.html>.

<sup>17</sup> California Natural Resources Agency, "Paying It Forward: The Path Toward Climate-Safe Infrastructure In California," <http://resources.ca.gov/climate/climate-safe-infrastructure-working-group/>.



must take it upon themselves to maintain and/or restore the natural drainage course on their property.

HCD will require that mitigation costs are a part of the project scope and supports the \$0.70 a square foot calculation for defensible space in infrastructure projects. HCD will consider alternative calculations provided by funding applicants or contractors.

#### **4. Demographic Profile of Impacted Counties**

The demographic profile for the State of California, as well as the federally declared disaster areas and Most Impacted and Distressed counties and zip codes, was compiled using 2012-2016 American Community Survey (ACS) Five Year Estimates. This data provides the most recent five-year data, which is available down to the block group level. Appendix E provides further detail for figures found in this section.

The State of California is home to approximately 38.7 million people. Of that, approximately 18.9 million live in the impacted counties and 1.5 million live in the Most Impacted and Distressed areas. Nearly half (48.9 percent) of California's population is located within the DR-4344 and DR-4353 federally declared disaster areas. Furthermore, approximately 3.9 percent of California's population is located within the HUD identified Most Impacted and Distressed areas.

The Most Impacted and Distressed areas tend to be more affluent and less diverse than the impacted counties and the state as a whole.

In 2016, the median household income of the Most Impacted and Distressed areas was \$68,970, approximately \$4,000 lower than the statewide median household income of \$72,952. In comparison, the 2016 median income of the entire federally declared disaster area was \$59,470. Additionally, per capita income within the Most Impacted and Distressed areas was \$36,659, \$5,200 higher than the statewide per capita income and \$6,000 higher than the federally declared disaster area per capita income. Poverty levels were lowest within the Most Impacted and Distressed areas; 10.9 percent had income in the past 12 months below poverty level, compared to 15.8 percent statewide and 45 percent in the federally declared disaster areas (as shown in Figure 8).

**FIGURE 8: INCOME/ECONOMIC DEMOGRAPHICS**

Income/Economic Demographics	California		DR-4344 & DR-4353		MID	
	Estimates	Percent	Estimates	Percent	Estimates	Percent
Median Household Income (2016 dollars)	\$72,952	(X)	\$59,465	(X)	\$68,970	(X)
Per capita Income (2016 dollars)	\$31,458	(X)	\$30,567	(X)	\$36,659	(X)
Income in the past 12 months below poverty level	6,004,257	15.8%	8,367,728	45.0%	148,469	10.88%

Source: American Community Survey, 2012-2016 Five Year Estimates

Median value of owner occupied units within the Most Impacted and Distressed areas is \$428,025, which is roughly \$20,000 higher than the median household value of both the state and federally declared disaster areas. Median gross rent is also highest within the Most Impacted and Distressed areas with a value of \$1,345 per month, which is \$48 higher than that of the state and \$95 higher than that of the federally declared disaster areas.

The Most Impacted and Distressed areas have the highest proportion of owner occupied households (67.7 percent) compared to the state (49.8 percent) and the federally declared disaster areas (47.4 percent), while the proportion of renter households is comparable at 43.2 percent, slightly higher than the state (42.3 percent) but lower than the federally declared disaster areas, where renter occupied households comprise 46 percent (see Figure 9).

**FIGURE 9: HOUSING DEMOGRAPHICS**

Housing Demographics	California		DR-4344 & DR-4353		MID	
	Estimates	Percent	Estimates	Percent	Estimates	Percent
Total Housing Units	13,911,737	100%	6,706,644	100%	562,489	100%
Owner Occupied Average Household Size:	2.99	(X)	2.78	(X)	2.68	(X)
Renter Occupied Average Household Size:	2.91	(X)	2.85	(X)	2.90	(X)
Owner occupied	6,929,007	49.8%	3,181,828	47.4%	380,710	67.7%
Renter occupied	5,878,380	42.3%	3,083,499	46.0%	242,807	43.2%

<b>FIGURE 9: HOUSING DEMOGRAPHICS (CONTINUED)</b>						
	California		DR-4344 & DR-4353		MID	
Median Value of owner occupied housing units (2016 dollars)	\$409,300	(X)	\$405,000	(X)	\$428,025	(X)
Median Gross Rent (2016 dollars)	\$1,297	(X)	\$1,250	(X)	\$1,345	(X)
Total households	12,807,387	100%	6,265,327	100%	623,517	100%
Civilian non-institutionalized population without health insurance	4,804,193	12.4%	2,643,796	13.98%	170,705	11.3%
Estimate of non-institutionalized population with a disability	4,028,190	10.4%	1,858,092	9.8%	146,342	9.7%
Language other than English Spoken at Home, Over Age of 5	15,910,680	44.0%	8,546,658	48.2%	471,830	33.3%
2016 Building Permits	50,216	(X)	15,622	(X)	1,357	(X)

Source: American Community Survey, 2012-2016 Five Year Estimates

The Most Impacted and Distressed areas have a significantly higher White population and significantly lower African American and Asian population than the State of California and the federally declared disaster areas, while the proportion of Hispanic or Latino population is relatively consistent.

As seen in Figure 10, the White population comprises 78 percent of the Most Impacted and Distressed areas, which is 16 and 17 percentage points higher than that of the state and federally declared disaster areas respectively. By comparison, the African American population comprises just 1.7 percent of the Most Impacted and Distressed areas, which is approximately 4 percent lower than both the state and federal disaster declared areas. In addition, the Asian population within the Most Impacted and Distressed areas is only 5.7 percent, whereas it comprises 13.9 percent and 13.4 percent of the state and federally declared disaster areas respectively. At 35.2 percent, the Hispanic or Latino population comprises a significant proportion of the Most Impacted and Distressed areas, consistent with the proportion of the state (38.6 percent) and declared disaster areas (41.4 percent).

One third (33.3 percent) of the population five years and over within the Most Impacted and Distressed areas spoke a language other than English at home in 2016. This percentage is lower than the 44 percent of the state population five years and over, as well as the 48.2 percent of the

federally declared disaster areas population five years and over that spoke a language other than English at home.

**FIGURE 10: DEMOGRAPHICS**

Demographics	California		DR-4344 & DR-4353		MID	
	Estimates	Percent	Estimates	Percent	Estimates	Percent
Total Population	38,654,206	100%	18,911,724	100%	1,510,517	100%
Under 5 years	2,499,561	6.5%	1,184,758	6.26%	90,323	6.0%
65 years and over	4,976,982	12.9%	2,436,133	12.88%	225,700	14.9%
White alone	23,680,584	61.3%	11,498,534	60.80%	1,178,543	78.0%
Black or African American alone	2,261,835	5.9%	1,089,356	5.76%	26,023	1.7%
American Indian and Alaska Native alone	285,512	0.7%	124,595	0.66%	14,395	1.0%
Asian alone	5,354,608	13.9%	2,541,678	13.44%	85,560	5.7%
Native Hawaiian and Other Pacific Islander alone	150,908	0.4%	56,555	0.30%	3,519	0.2%
Two or More Races	1,787,159	4.6%	783,475	4.14%	69,165	4.6%
Hispanic or Latino	14,903,982	38.6%	7,830,037	41.40%	531,217	35.2%
Population 16 years and over in civilian labor force	19,391,320	63.4%	9,676,110	51.16%	779,422	51.6%

Source: American Community Survey, 2012-2016 Five Year Estimates

Educational attainment for the population 25 years and over is highest within the Most Impacted and Distressed areas compared to the federally declared disaster areas and the state. The percentage of people who did not graduate high school is also smallest within the Most Impacted and Distressed areas (Figure 11). Most of the population in the Most Impacted and Distressed

areas have some level of tertiary education, whereas 33.5 percent have some college or associate degree and 32.1 percent have a bachelor’s degree or higher. Comparatively, the percentage of population 25 and over with some college or associate degree is under 30 percent, both within the state and federally declared disaster areas. The percentage of population with a bachelor’s degree or higher is 32 percent in the state and highest in the federally declared disaster areas at 33 percent.

**FIGURE 11: EDUCATION DEMOGRAPHICS**

Education Demographics	California		DR-4344 & DR-4353		MID	
	Estimates	Percent	Estimates	Percent	Estimates	Percent
Population 25 years and over:	25,554,412	100%	12,620,177	100%	1,019,666	100%
Less than high school graduate	4,572,963	17.9%	2,367,246	18.8%	154,931	15.2%
High School graduate (includes equivalency)	5,260,904	20.6%	2,486,971	19.7%	195,926	19.2%
Some college, associate's degree	7,544,058	29.5%	3,597,779	28.5%	341,908	33.5%
Bachelor's degree or higher	8,176,487	32.0%	4,168,181	33.0%	326,901	32.1%

Source: American Community Survey, 2012-2016 Five Year Estimates

## 5. Impacts on Low- and Moderate-Income Populations

All projects supported by CDBG-DR funds must meet one of the program’s three National Objectives:<sup>18</sup>

1. Benefiting low-and moderate-income (LMI) persons
2. Aiding in the prevention or elimination of slums or blight
3. Meeting a need or having particular need (urgent need)

HUD defines LMI households as households whose gross income does not exceed 80 percent of Area Median Income (AMI), adjusted for family size. Seventy percent of CDBG-DR funds must be spent to benefit LMI households. The following section provides an overview of the number and location of LMI households within the disaster impacted areas.

The vast majority of counties designated within DR-4344 and DR-4353 do not meet the threshold of 50 percent of LMI persons. However, approximately 64 percent of persons in zip

<sup>18</sup> CDBG Guide to National Objectives and Eligible Activities, “Chapter 3: Meeting a National Objective” <https://www.hudexchange.info/onecpd/assets/File/CDBG-National-Objectives-Eligible-Activities-Chapter-3.pdf>.

code 95422, located in Clearlake are considered LMI. Additionally, the majority of funding associated with the Multifamily Housing Program will directly benefit renters, particularly LMI populations. The Owner-Occupied Program will employ a tiered eligibility approach to prioritize LMI homeowners. More specifics regarding the LMI needs in the disaster impacted areas will be available after survey data is collected and the prioritization approach will be refined to ensure CDBG-DR funds assist those with the greatest need. The following table provides additional information on persons designated as LMI in each of the impacted counties and Most Impacted and Distressed areas.

**FIGURE 12: LOW- AND MODERATE-INCOME ANALYSIS**

	Total Low and Moderate Income Persons <sup>19</sup>	Total Population	Percentage Low-to-Moderate Income
State of California	16,425,750	35,810,780	45.9%
Federally Declared Disaster Areas			
DR-4344	1,853,113	4,047,470	45.8%
Butte County	91,744	213,515	43.0%
Lake County	29,325	63,590	46.1%
Mendocino County	39,085	85,745	45.6%
Napa County	53,140	128,560	41.3%
Nevada County	34,920	97,385	35.9%
Orange County	1,378,719	2,924,945	47.1%
Sonoma County	194,985	464,245	42.0%
Yuba County	31,195	69,485	44.9%
DR-4353	7,101,260	13,686,460	51.9%
Los Angeles County	5,277,550	9,571,375	55.1%
San Diego County	1,296,585	2,918,225	44.4%
Santa Barbara County	191,410	398,045	48.1%
Ventura County	335,715	798,815	42.0%

<sup>19</sup> Total Potential Low-to-Moderate Income Persons are persons with the potential for being deemed Low, Moderate and Medium income. Department of Housing and Urban Development, American Community Survey 5-Year 2006-2010 Low and Moderate Income Summary Data, <https://www.hudexchange.info/programs/acs-low-mod-summary-data/>.

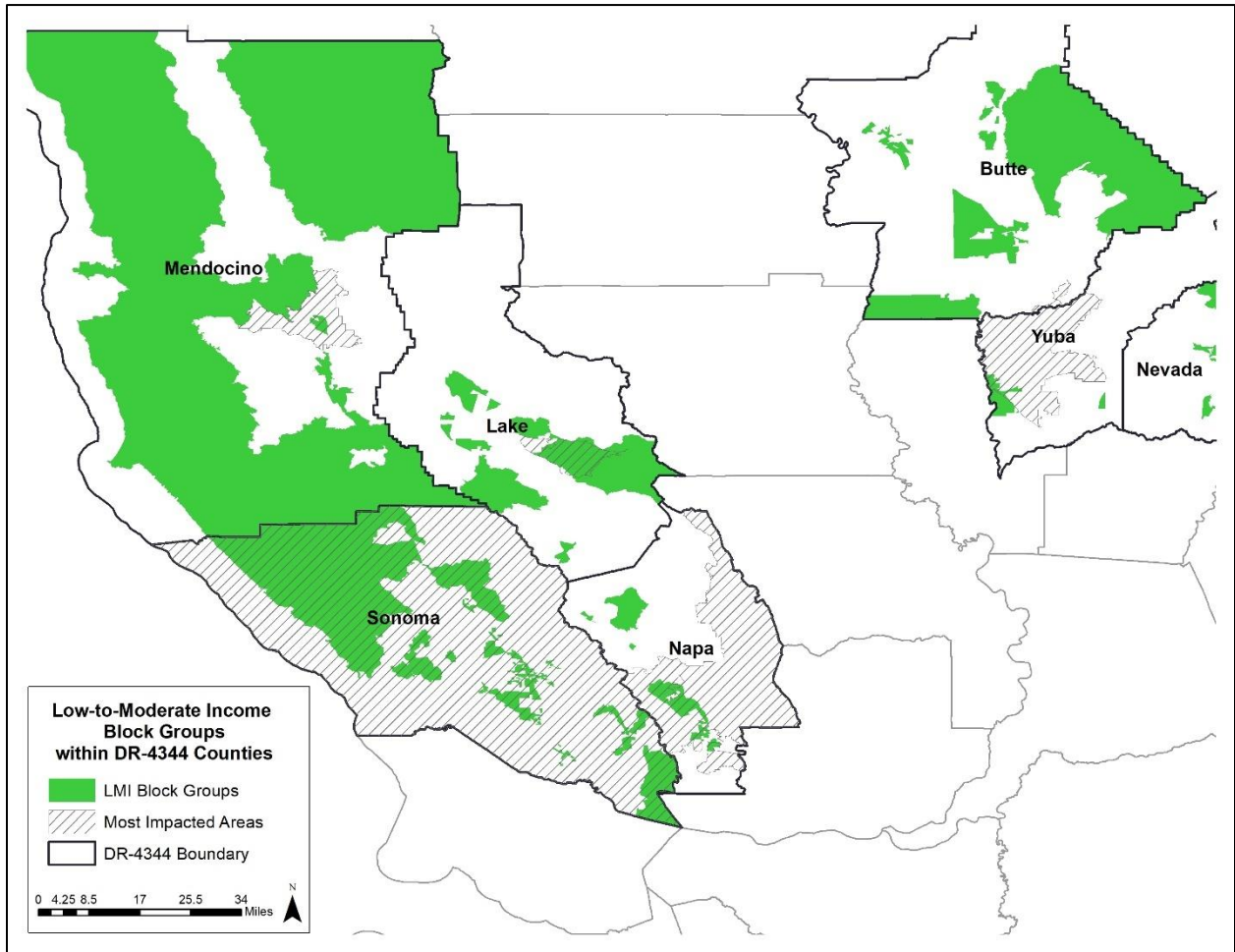


	Total Low and Moderate Income Persons <sup>19</sup>	Total Population	Percentage Low-to-Moderate Income
DR-4344 and DR-4353 Total	8,954,373	17,733,930	50.5%
Most Impacted and Distressed Areas			
County			
Sonoma County	194,985	464,245	42.0%
Ventura County	335,715	798,815	42.0%
Zip Code			
95470	3,195	8,765	36.5%
95901	21,790	49,395	44.1%
94558	30,225	71,450	42.3%
95422	9,765	15,280	63.9%
93108	4,385	15,650	28.0%
Most Impacted and Distressed Areas Total	600,060	1,423,600	42.2%

*Source: American Community Survey 5-Year 2006-2010 Low and Moderate-Income Summary Data*

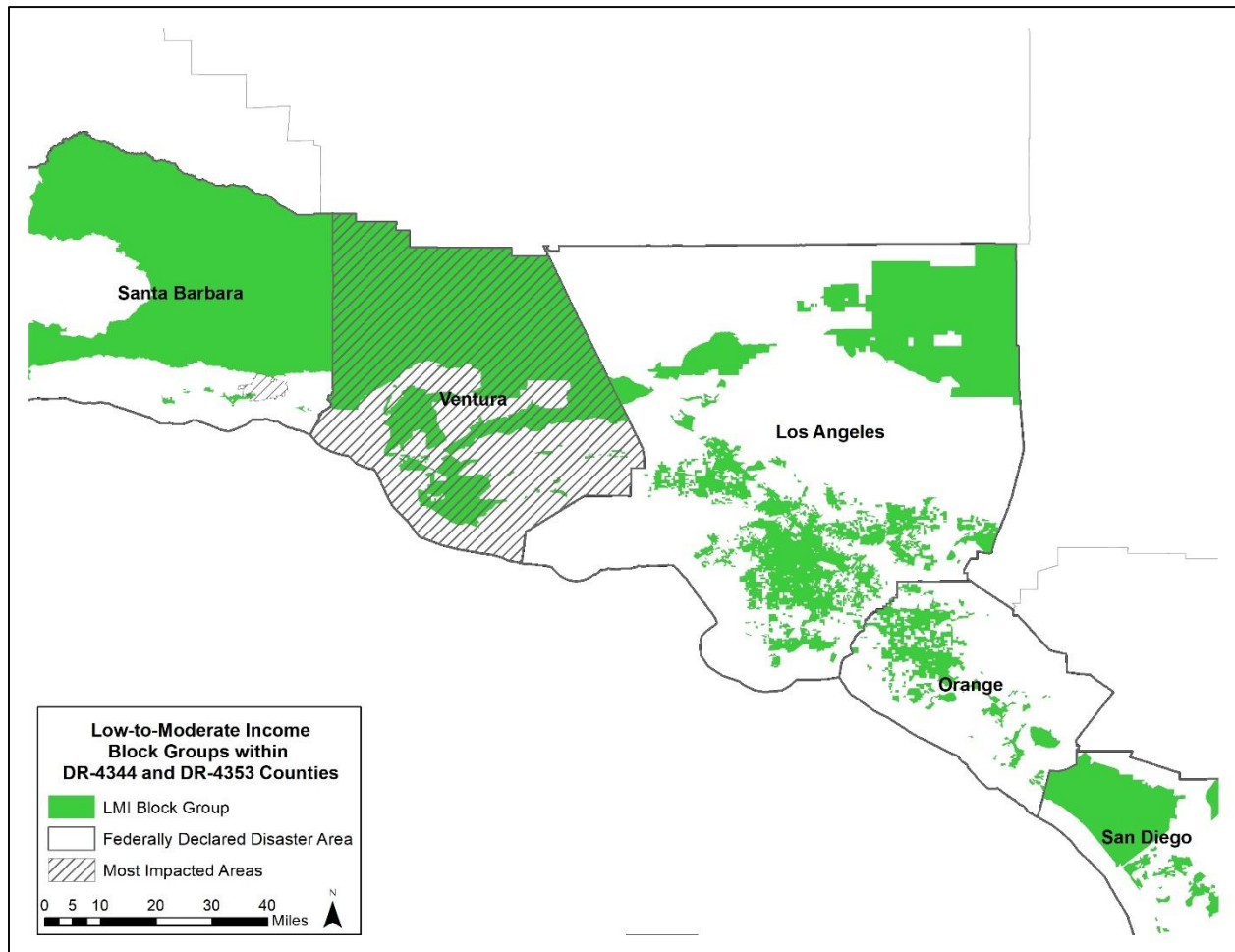
While the table above provides an analysis of LMI population at the county and state level, the following maps provide a more detailed analysis of LMI populations at the census block group level. The green areas on the maps highlight areas that have over 50 percent LMI individuals. Appendix E provides the number of LMI individuals at the census block group level.

FIGURE 13: NORTHERN CALIFORNIA LOW- AND MODERATE-INCOME AREAS



Source: American Community Survey 5-Year 2006-2010 Low and Moderate-Income Summary Data, U.S. Census Bureau

FIGURE 14: SOUTHERN CALIFORNIA LOW- AND MODERATE-INCOME AREAS



Source: American Community Survey 5-Year 2006-2010 Low and Moderate-Income Summary Data, U.S. Census Bureau

### a. Social Vulnerability Index

The Social Vulnerability Index (SoVI) identifies vulnerabilities in communities and compares social factors, by geography, that may determine a community's uneven ability to prevent suffering and loss after a disaster. SoVI indexes can be used to determine the location and amount of additional need required. SoVI compares socioeconomic status; housing composition and disability; minority status and language; and housing and transportation metrics, all taken from Census ACS five year data. In combination with other data sources, social vulnerability is an important metric in disaster recovery resource allocation because it provides an understanding of where limited resources may have the most impact.

An analysis of SoVI in the 12 impacted counties indicates that in DR-4344 four counties, Yuba, Lake, Mendocino and Butte, have “high” levels of pre-existing social vulnerability due in large part to the relatively higher proportion of persons below poverty compared to the rest of the impacted counties (20-25 percent compared to 9-12 percent). These four counties also have higher

proportions of institutionalized persons with disabilities and one of the four, Lake County, has an extremely high proportion (24 percent) of mobile home units compared to the DR-4344 average of 9.56 percent mobile home units. One of the eight DR-4344 counties, Napa, has a "medium" SoVI and the remaining three, Orange, Sonoma, and Nevada, have "low" levels.

Of the four DR-4353 counties, Los Angeles and Santa Barbara show "high" SoVI levels influenced heavily by large proportions of minority populations and high numbers of crowded housing with more people than rooms (Figure 16). Los Angeles and, at "medium" social vulnerability, San Diego, have increased SoVI rankings because of relatively high percentages of housing in structures with ten or more units (Figure 16). Ventura has the lowest index score ranking in the DR-4353 area but still scores higher than four out of the eight DR-4344 counties (Figure 15). SoVI is an important tool in the disaster recovery planner's toolbox and will help equip the state's team to engage vulnerable populations in the planning process and to allocate funds where they will help mitigate pre-existing socially vulnerable areas.

**FIGURE 15: SOCIAL VULNERABILITY INDEX (SOVI) OF IMPACTED COUNTIES**

Social Vulnerability Index (SoVI)			
County	Total Population	Sum of All Series Themes	Overall SoVI® Percentile Ranking
DR-4344			
Yuba	73,897	9.5614	0.8421
Lake	64,076	9.2281	0.7895
Mendocino	87,409	8.7018	0.6842
Butte	223,877	7.9298	0.614
Napa	140,823	6.5088	0.3333
Orange	3,132,211	6.2807	0.2807
Sonoma	497,776	5.7719	0.193
Nevada	98,639	4.0175	0.0351
DR-4353			
Los Angeles	10,057,155	9.0526	0.7368
Santa Barbara	439,395	8.3684	0.6316
San Diego	3,253,356	6.7895	0.4211
Ventura	843,110	6.5614	0.3509

Source: University of South Carolina, SOVI 2010-2014

The following figure provides additional detail of selected SoVI factors. While SoVI considers many factors, poverty, disability status, minority households are all demographic factors considered in the index. For housing, SoVI considers higher concentrations of multifamily, mobile homes, and overcrowded households as having higher social vulnerability during disasters.

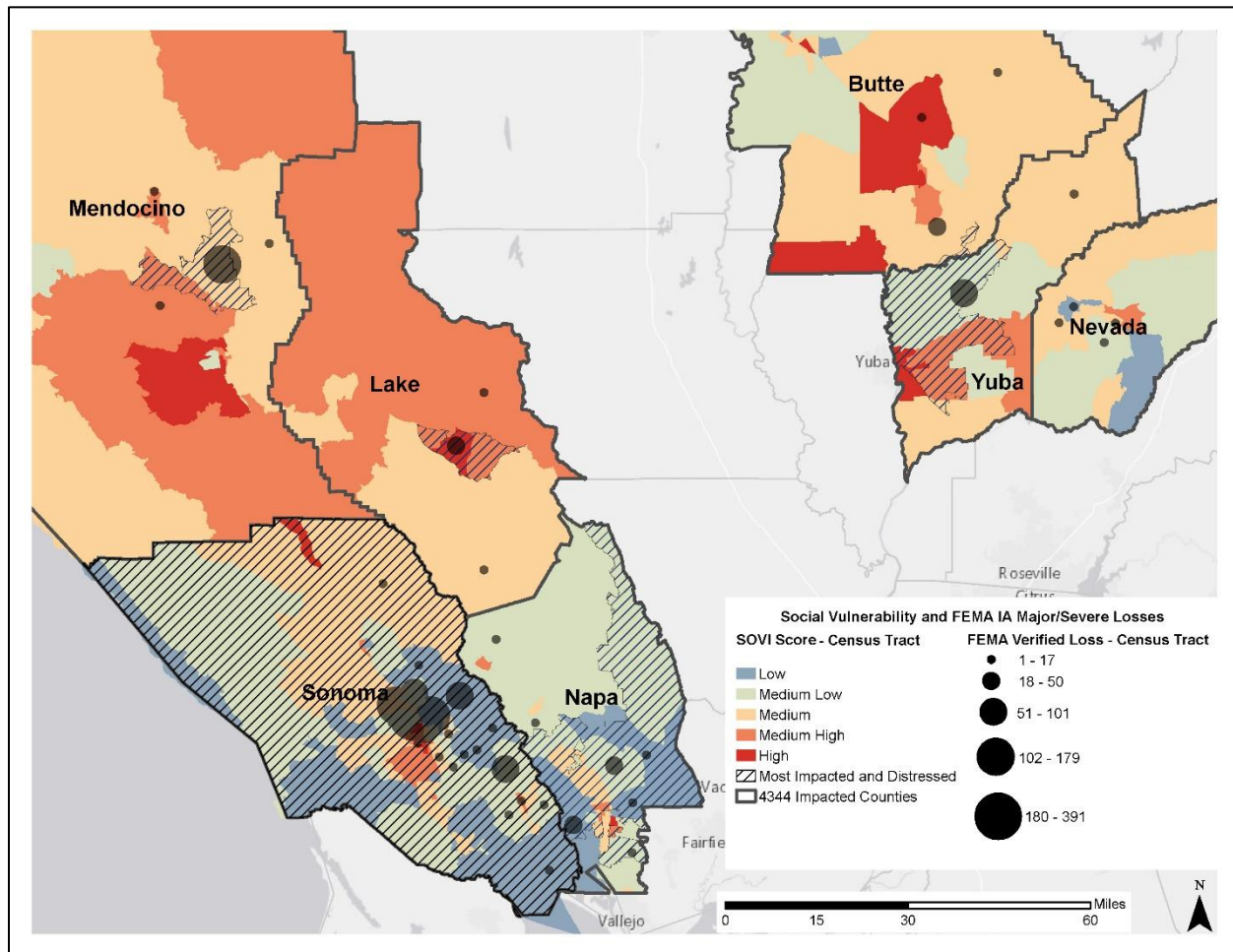
**FIGURE 16: KEY FACTORS OF THE OVERALL SOCIAL VULNERABILITY INDEX (SOVI) SCORES**

County	Socioeconomic Theme	Household Composition Theme	Minority Status/ Language Theme	Housing/ Transportation Theme		
	% persons below poverty estimate	% civilian noninstitutionalized population with a disability estimate	% minority estimate	% of housing in structures with 10 or more units estimate	% of mobile homes estimate	% of occupied housing units with more people than rooms estimate
<b>DR-4344</b>						
Yuba	20.8	16.9	43	5.6	9.5	7.5
Lake	24.6	21.5	27.7	2	23.4	3
Mendocino	20.2	16.9	33.6	4.1	11	5.1
Butte	21.3	17.2	26.6	7.9	12.7	2.9
Napa	8.8	11.1	46.3	8.3	6.8	5.6
Orange	12.5	8.5	58	18.7	2.7	8.9
Sonoma	11.2	11.9	35.6	8.9	4.9	5.1
Nevada	12.1	14.8	14.4	3.8	5.5	1.9
Average	16.4375	14.85	35.65	7.4125	9.5625	5
<b>DR-4353</b>						
Los Angeles	17.8	9.9	73.3	26.5	1.5	11.8
Santa Barbara	15.9	9.7	54.1	12.8	5.1	10.2
San Diego	14	9.9	53.3	20.7	3.6	6.4
Ventura	10.6	10.5	53.4	10.6	3.8	7
Average	14.575	10	58.525	17.65	3.5	8.85

Source: University of South Carolina, SOVI 2010-2014

The following figures overlay FEMA Individual Assistance (IA) applicants with Major and Severe Verified Losses for both owner-occupied and renter occupied households with the SoVI data at the Census Tract level. The FEMA IA applicants are summarized at the census tract level and represented by black dots, while the lower SoVI areas are in blue and higher SoVI areas are indicated by darker shades of red.

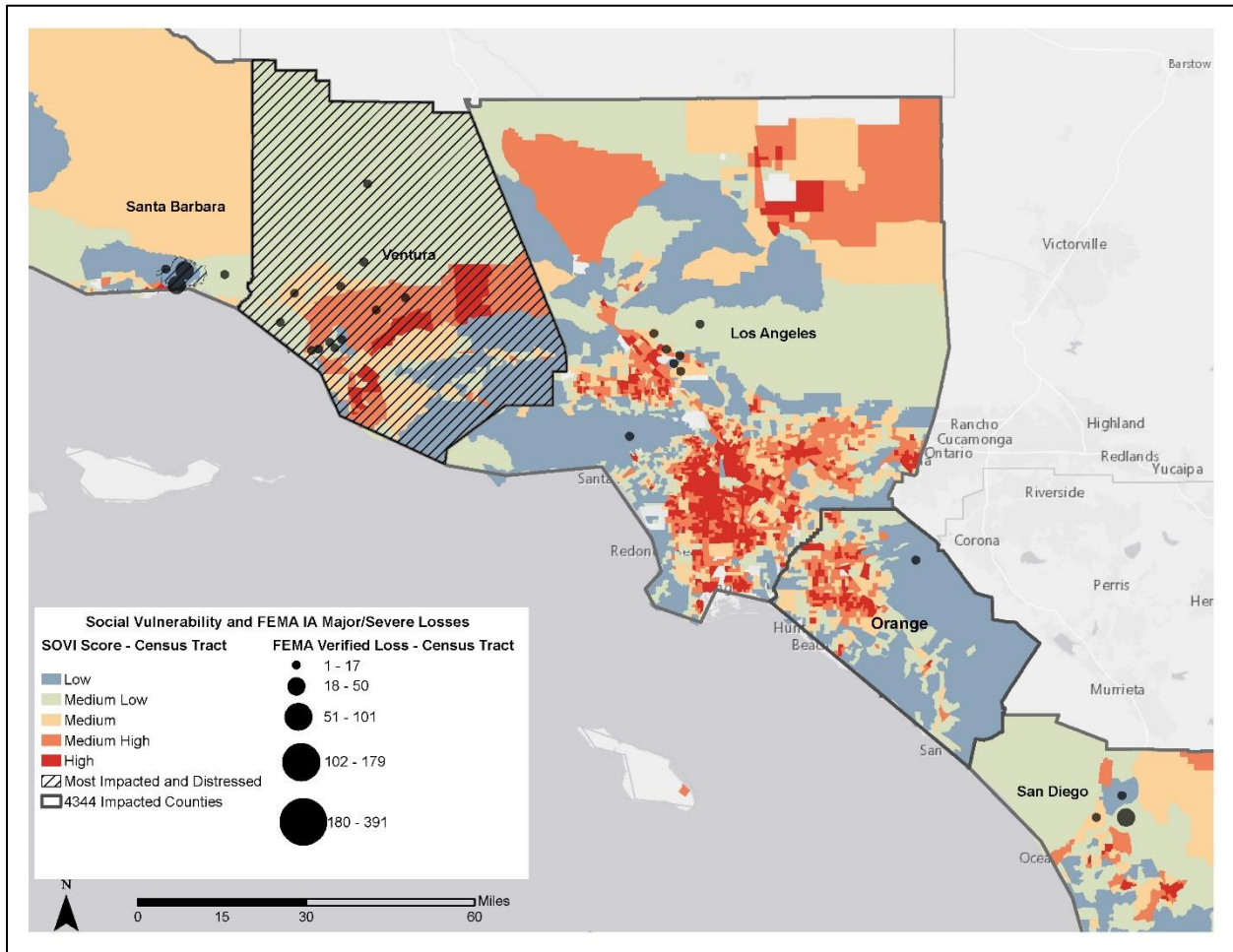
**FIGURE 17: MAP OF SOVI BY CENSUS TRACT – NORTHERN CALIFORNIA**



Source: University of South Carolina, SOVI 2010-2014



FIGURE 18: MAP OF SOVI BY CENSUS TRACT – SOUTHERN CALIFORNIA



Source: University of South Carolina, SOVI 2010-2014

## 6. Housing Impact

California was already experiencing an affordable housing crisis when D-4344 and D-4353 struck in the Fall and Winter of 2017, with vacancy rates extremely low, and rent and home prices disproportionate to average income. The October and December 2017 disasters exacerbated this crisis. In its annual report on vacancy rates, the Planning Department of Napa County, saw vacancy rates fall from an already extremely low two percent in August 2017 to one percent in August 2018.<sup>20</sup> After the disaster, limited available rental units generally went to fire displaced higher-income households, leaving low-income households even less likely to find housing than before the disaster. The location of the disasters presents unique challenges for addressing housing impacts.

<sup>20</sup> Napa Valley Register, “Napa’s rental vacancies bottom out at 1 percent” August 2018  
[https://napavalleyregister.com/news/local/napa-s-rental-vacancies-bottom-out-at-percent/article\\_bbf6a75a-8473-5748-8464-7526926927ac.html](https://napavalleyregister.com/news/local/napa-s-rental-vacancies-bottom-out-at-percent/article_bbf6a75a-8473-5748-8464-7526926927ac.html).

The disasters impacted households of all incomes and landscapes including dense urban neighborhoods and rural communities. While there are regional differences in the housing markets, all the impacted areas struggle to provide an adequate supply of affordable homes to area residents. Lake County, for example, noted the cumulative effect of the many wildfires since 2015 has been a gradual decrease in the number of available dwellings.

Vacancy rates for rental properties are low across the State of California. While vacancy rates vary in urban and rural areas, every disaster impacted community's rental stock has been impacted by displaced disaster survivors. As an example, before the fires in 2017, both Sonoma and Ventura counties had very low vacancy rental rates: 1.8 percent in Sonoma,<sup>21</sup> and 3.3 percent in Ventura.<sup>22</sup> Many communities have seen the fire impact on rental housing reflected in their Housing Choice Voucher programs, where voucher waitlists increased and voucher utilization rates decreased, pointing to a need for housing and lack of available housing stock. Sonoma County, for instance, had a voucher success rate of only 42 percent after DR-4344.<sup>23</sup> Mendocino County reported an already low voucher success rate of 60 percent dropping to a range of 30-40 percent after the disaster.<sup>24</sup>

As housing inventory decreases, housing prices typically increase. From September to October 2017, median rents increased by 32 percent across Sonoma County and 23 percent in Napa County.<sup>25</sup> Unaffected neighboring counties showed little change in median rent. After the fires, the cost to buy a home in Sonoma or Ventura counties increased, making homeownership further out of reach for many potential homebuyers. The first quarter 2018 median home price in Sonoma County was \$685,000 an increase from \$670,000 the previous quarter. Ventura County's post fire experience is similar: the cost of homeownership increased from a median price of \$645,000 in December 2017 to \$665,000 in April 2018<sup>26</sup> making homeownership out of reach to all but a quarter of Ventura County residents.<sup>27</sup>

The demand for affordable single family and multifamily housing outstrips supply in every county in California. HCD estimates that in the last 10 years, California has built an average of 80,000 homes a year, far below the 180,000 homes needed each year to keep up with growth.<sup>28</sup> The affordable housing crisis is demonstrated in a mis-match between income and housing costs, by overcrowded housing, and by the large number of homeless individuals and families.

---

<sup>21</sup> Sonoma County Economic Development Board, [Sonoma County Profile 2017](#).

<sup>22</sup> NAICapital, "[Ventura County Multifamily Market Outlook 3Q 2017](#)".

<sup>23</sup> Interview with Sonoma County Community Development Commission, June 2018.

<sup>24</sup> Interview with the Community Development Commission of Mendocino County, June 2018.

<sup>25</sup> Los Angeles Times, "After the flames, allegations of rent gouging fly in devastated wine country communities," January 2018, <http://www.latimes.com/local/lanow/la-me-ln-wine-country-rent-gouging-20180101-story.html>.

<sup>26</sup> Both Sonoma and Ventura data from California Association of Realtors, "[Median Prices of Existing Detached Homes Historical Data](#)" August 2018.

<sup>27</sup> Ibid. NAICapital.

<sup>28</sup> California Housing and Community Development Department, "California's Housing Future: Challenges and Opportunities," February 2018 [www.hcd.ca.gov/policy-research/plans-reports/docs/SHA\\_Final\\_Combined.pdf](http://www.hcd.ca.gov/policy-research/plans-reports/docs/SHA_Final_Combined.pdf).

a. Cost Burdened Households

HCD is specifically concerned about housing affordability and the high proportion of households statewide, and in the affected areas, considered to be cost burdened. Housing is considered “affordable” if the household rent (including utilities) is no more than 30 percent of its pre-tax income. Households spending more than 30 percent are “cost burdened” or “rent-stressed.” Those spending more than 50 percent of income on housing are “severely cost burdened” or “severely rent-stressed.” The National Low Income Housing Coalition (NLIHC) released a report in March of 2017 that finds minimum wage workers cannot afford a two bedroom rental unit at the average fair market rent, working a standard 40-hour work week, without paying more than 30 percent of their income for housing in any state in the country.<sup>29</sup> The minimum wage in California is \$11 per hour; however, a household must earn \$33 per hour to avoid paying more than 30 percent of income on housing (and utilities) to afford a two bedroom unit at the average statewide fair market rent of \$1,540 per month.<sup>30</sup> The following figure compares cost burden at the state level with DR-4344 and DR-4353 counties, as well as Most Impacted and Distresses areas for both renters and owners.

Within DR-4344 and DR-4353 federally declared disaster areas, a slightly higher percentage of renters experience cost burden (56 percent) or severe cost burden (30 percent) as compared to the state overall. Similarly, a slightly higher percentage of homeowners are cost burdened (36 percent) or severely cost burdened (16 percent) compared to the state overall. In total, 2.9 million households in DR-4344 and DR-4353 federally declared disaster areas are cost burdened, and 1.4 million are severely cost burdened.

By comparison, there are fewer cost burdened renters (28 percent) and severely cost burdened renters (27 percent) in the seven most impacted areas, compared to the state or disaster areas. Rates of homeowners experiencing cost burden (34 percent) and severe cost burden (14 percent) are generally consistent across all geographies. In total, 107,466 households in the most impacted areas are cost burdened, and 88,891 are severely cost burdened.

**FIGURE 19: COST BURDEN**

Cost Burden	State of California	DR-4344 Counties	DR-4353 Counties	DR-4344 & DR-4353 Total	Most Impacted and Distressed Areas
<b>Renters</b>					
Cost Burdened Renters	3,148,253	338,701	1,382,001	1,720,702	53,188
Percent of Renters with Cost Burden	54%	55%	56%	56%	28%
Severely Cost Burdened Renters	1,639,423	172,182	732,416	904,598	52,047
Percent of Renters with Severe Cost Burden	28%	28%	30%	30%	27%

<sup>29</sup> National Low Income Housing Coalition, The Gap: A Shortage of Affordable Homes, March 2017, [https://nlihc.org/sites/default/files/Gap-Report\\_2017.pdf](https://nlihc.org/sites/default/files/Gap-Report_2017.pdf).

<sup>30</sup> Department of Housing and Urban Development, FY 2018 California Fair Market Rent Summary, [https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2018\\_code/2018state\\_summary.odn](https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2018_code/2018state_summary.odn).

**FIGURE 19: COST BURDEN (CONTINUED)**

Cost Burden	State of California	DR-4344 Counties	DR-4353 Counties	DR-4344 & DR-4353 Total	Most Impacted and Distressed Areas
<b>Owners</b>					
Cost Burdened Owners	2,333,308	286,590	854,539	1,141,129	54,278
Percent of Homeowners with Cost Burden	34%	34%	37%	36%	34%
Severely Cost Burdened Owners	985,364	121,641	377,997	499,638	36,844
Percent of Homeowners with Severe Cost Burden	14%	14%	16%	16%	14%

Source: American Community Survey, 2012-2016 Five Year Estimates

**b. Homeless Persons**

When a disaster strikes, citizens living on the street are among the most vulnerable populations. The homeless population has little or no ability to evacuate, shelter in place, or stockpile resources such as food and medication. It also remains difficult to communicate emergency notifications to homeless persons, which gives little to no time for them to prepare for an impending disaster.

California has a large need for stable and affordable housing to serve the state’s homeless population. The state had the third highest homelessness rate in the nation with 34 in every 10,000 people in the state experiencing homelessness in 2017. According to HUD, in 2017, California’s total homeless population was 134,278, which was about one quarter of the national homeless population (553,742).<sup>31</sup>

In January of every year, a Point-in-Time (PIT) count is conducted to count the number of sheltered and unsheltered people experiencing homelessness nationwide. The count is conducted by Continuums of Care (CoCs) which are regional planning bodies that coordinate housing and services for homeless families and individuals. The following table provides a list of each CoC for the counties impacted by the disaster.

<sup>31</sup> Politifact California, “Has California’s homeless population ‘skyrocketed’? And how does it rate nationwide?”, <https://www.politifact.com/california/statements/2018/mar/27/travis-allen/has-californias-homeless-population-skyrocketed-an/>.

**FIGURE 20: AFFECTED CONTINUUM OF CARE ENTITIES**

CoC Number	Continuum of Care Name	Impacted County	2017 Total Homeless Count
CA-504	Santa Rosa/Petaluma/Sonoma County	Sonoma	2,835
CA-509	Mendocino County	Mendocino	1,238
CA-517	Napa City & County	Napa	315
CA-524	Yuba City & County/Sutter County	Yuba	760
CA-529	Lake County CoC	Lake	401
CA-603	Santa Maria/Santa Barbara County	Santa Barbara	1,860
CA-611	Oxnard/San Buenaventura/Ventura County	Ventura	1,152
CA-515	Roseville/Rocklin/Placer, Nevada Counties	Nevada	979
CA-518	Vallejo/Solano County	Solano	1,232
CA-519	Chico/Paradise/Butte County	Butte	1,195
CA-600	Los Angeles City & County	Los Angeles	55,188
CA-601	San Diego City and County	San Diego	9,160
CA-602	Santa Ana/Anaheim/Orange County	Orange	4,792

Source: Department of Housing and Urban Development, 2017

The federally declared disaster areas are covered by 13 CoCs. In the 2017 count, a total of 81,107 persons were counted as homeless (14,732 in emergency shelters, 9,390 in transitional housing, and 56,985 unsheltered). The most impacted areas are covered by seven CoCs, with a total of 8,561 persons counted as homeless (2,263 counted in emergency shelter, 854 in transitional housing, and 5,444 unsheltered). Sixty percent of people counted as experiencing homelessness were in areas that became FEMA declaration areas, but only six percent of the state’s total people experiencing homelessness were within Most Impacted and Distressed areas. This significant shift is explained by the concentration of homeless persons in the Los Angeles CoC, which was included in the FEMA declaration, but was not determined to be among the Most Impacted and Distressed areas.



**FIGURE 21: 2017 POINT-IN-TIME COUNT**

2017 Point-in-Time Count				
Scale of Data	Type of Shelter			Total Homeless
	Emergency Shelter	Transitional Housing	Unsheltered Homeless	
State Wide	26,854	15,782	91,642	134,278
FEMA Declaration Counties	14,732	9,390	56,985	81,107
Most Impacted Counties	2,263	854	5,444	8,561

Source: Department of Housing and Urban Development, CoC Housing Inventory Count Reports, 2017  
<https://www.hudexchange.info/programs/coc/coc-housing-inventory-count-reports/>

Updated PIT Counts for 2018 were not available as this Action Plan was being drafted; however, local research provided data on trends for Sonoma County. The homeless population in Sonoma County experienced an increase after the fires. According to the 2018 Homeless Census & Survey Results, the homeless population increased by 161 persons from 2,835 persons in 2017 to 2,996 persons in 2018. Overall, Sonoma saw a six percent increase in homelessness in the four months after the fires and an 11 percent increase in first time homeless persons. Chronically homeless individuals, (people with disabilities who have been homeless a year or more) also increased by 149 persons from 2017 to 2018. Survey results show that 21,482 individuals were precariously housed, 10,741 of which, were directly associated with the fire at the time of the survey. Of these individuals, 39 percent lost housing in the fires and 11 percent lost housing due to economic impact of the fires. A significant proportion of the impacted population (43 percent) are 55 years of age or more. In July 2018, Sonoma County declared a state of emergency around homelessness.<sup>32</sup> Other DR-4344 and DR-4353 impacted communities reported similar issues, with fires impacted informal housing in rural areas, increased reports of impacted residents doubling up with family members, or even moving out of the impacted area.

Social Advocates for Youth (SAY), a provider of housing programs for youth in Sonoma County, provided additional data to support an increase in homelessness within Sonoma County. SAY found that 315 youths aged 12 to 24 were impacted and 100 were displaced—many of whom were living in homeless encampments or staying on a couch and not eligible for FEMA support. SAY reported that 81 fire impacted youths accessed its short or long term housing after the fires. SAY also noted that the decrease in available rental housing stock resulting from fires has made it much more difficult for it to finding housing for youth; prior to the fires, it took an average of one to two weeks for its advocates to find housing for youth, and after the fires it now takes four to eight weeks (even with increased deposits).<sup>33</sup>

### c. Mobile Housing Units

CAL FIRE’s Damage Assessment of structures post disaster identified a total of 774 mobile housing units (MHU) damaged by the DR-4344 and DR-4353 disasters. As a state agency, HCD is responsible for developing and enforcing MHU regulations and laws. As of December 2017, HCD had identified 338 registered MHUs as completely destroyed, while the total number of units

<sup>32</sup> The Press Democrat, “Sonoma County Declares Homeless Emergency,” July 2018, <https://www.pressdemocrat.com/news/8515224-181/sonoma-county-declares-homeless-emergency>.

<sup>33</sup> Social Advocates for Youth, “Our Role in Short-term and Long-term Wildfire Recovery.” July 2018.

damaged remains unknown. 261 of the destroyed units were in Sonoma County. One mobile home park in Santa Rosa, Journey’s End, was condemned after three quarters of its units, which were mostly owned or rented by low-income seniors, were destroyed by fires. It has not been rebuilt. Also destroyed in Santa Rosa was the MHU senior living community, The Orchard. Delays in rebuilding have resulted in a class-action lawsuit brought by residents against the park owner. Many communities facing housing affordability crises have cited mobile home parks as a last remaining source of affordable housing, thus the loss of these units is of particular significance. In Santa Rosa, for instance, impacted mobile home parks were subject to a Mobile Home Rent Control Ordinance which helps govern rents and expenses. The following table lists the number of MHUs in impacted counties using Census ACS data. Butte, Lake and Mendocino counties have the highest percentage of the impacted Counties, but damage to this critical stock of affordable homes across the Counties disproportionately impact low-income households.

**FIGURE 22: MOBILE HOUSING UNITS IN IMPACTED COUNTIES**

<b>Mobile Housing Units</b>		
<b>County</b>	<b>Number of Units</b>	<b>% of Total Units in County</b>
DR-4344		
Butte	12,336	12.7%
Lake	8,338	23.4%
Mendocino	4,468	11.0%
Napa	3,749	6.8%
Nevada	2,948	5.5%
Orange	29,306	2.7%
Sonoma	10,175	4.9%
Yuba	2,654	9.5%
DR-4353		
Los Angeles	53,701	1.5%
San Diego	43,153	3.6%
Santa Barbara	7,859	5.1%
Ventura	10,908	3.8%

Source: American Community Survey, 2012-2016 5 Year Estimates

#### d. California Social Service Programs

Disasters exacerbate preexisting conditions in communities, particularly on low-income communities and the most vulnerable. The loss of property or possessions due to disaster can exacerbate health and mental health issues, creating additional challenges in a household and community's recovery process. Social service programs work to address these challenges by providing stability, opportunity and promoting physical and mental wellness in communities throughout California.

Before, during and after a disaster, social service programs allow California to ensure various forms of assistance are available to support affected communities and individuals in effectively identifying and addressing need. Social service professionals act as advocates and service providers to underserved populations, enabling people to access critical goods and services in order to become healthier and more self-sufficient. By ensuring access to needed resources, social services can help mitigate impacts of disasters on vulnerable populations. The following programs allow all Californians the opportunity to access aid from the local to the state level.

#### e. 2-1-1 California

The State of California has an extensive 2-1-1 network that provides residents with access to general information and referral to health and human services resources, as well as support during disaster events; information on evacuation, shelter, food, medical and recovery information. Approximately 96 percent of California residents have access to 2-1-1, including all but two of the DR-4344 and DR-4353 impacted counties. The service is free and available 24 hours a day, seven days a week.

In the disaster and post-disaster period, localities utilized 2-1-1 services to varying degrees, with many implementing other call services, such as disaster-specific emergency hotlines that were used in place of 2-1-1. Ventura County, for instance, implemented a hotline by which 14,000 calls were answered. Santa Barbara County reported that the County Office of Emergency Services opened an additional disaster-related public line at the time of the Thomas Fire. Los Angeles County reported that many other call services were utilized, including the Forest Service's help line. Also, some 2-1-1 services reported using a text-back service and did not differentiate between calls and texts received in data reporting.

The array of emergency service providers across communities is reflected in the data. Reports from 2-1-1 services in DR-4353 impacted counties indicated a 6 percent increase in call volume during the disaster period. On the other hand, DR-4344 impacted counties experienced a 47 percent decrease in call volume during the disaster period.

In a statewide 2017 Disaster Response After Action Report, 2-1-1 California documented the number of contacts made at 2-1-1's around the state regarding specific disasters. The report counts 4,051 contacts for DR-4344 (with only Sonoma and Butte reporting) and 24,192 contacts for DR-4353 (with Santa Barbara, Ventura, Los Angeles, and San Diego reporting).

**FIGURE 23: DR-4353 2-1-1 CALL VOLUME<sup>34</sup>**

DR-4353 Impacted County	Number of calls Pre-Disaster (2017 Q3)	Number of calls during disaster period (2017 Q4)	Number of calls Post-Disaster (2018 Q1)
Santa Barbara	1,592	6,193	8,921
San Diego <sup>35</sup>	51,750	66,018	55,028
Ventura	Not Reported		
Los Angeles	112,516	103,846	96,771
Total	165,858	176,057	160,720

Source: HCD County Interviews, June-July 2018.

**FIGURE 24: DR-4344 2-1-1 CALL VOLUME**

DR-4344 Impacted County	Number of calls Pre-Disaster (2017 Q3)	Number of calls during disaster period (2017 Q4)	Number of calls Post-Disaster (2018 Q1)
Nevada	Not Reported		
Butte	Not Reported		
Mendocino	Not Reported	120	Not Reported
Sonoma	11,458	5,968	6,985
Lake	N/A*	N/A*	N/A*
Yuba	N/A*	N/A*	N/A*
Napa	Not Reported		
Total	11,458	6,066	6,985

\*Lake and Yuba counties do not have 2-1-1 services

The majority of 2-1-1 service providers in impacted counties were unable to provide a quantified accounting of top caller needs in a parallel format. However, both quantified and anecdotal accounts from Sonoma, Los Angeles, Mendocino, and Santa Barbara found housing/shelter to be a top need during the disaster period. During the disasters, call centers including 911 and 2-1-1 were inundated with emergency calls. Local governments are working to strengthen their emergency communications services to prepare for future disasters.

<sup>34</sup> 2-1-1 services that provided data for this Action Plan include: United Way of Wine County, Volunteer Center of Sonoma County, Community Action Commission of Santa Barbara County, 2-1-1 San Diego, and 2-1-1 Los Angeles.

<sup>35</sup> San Diego 2-1-1 also reported a monthly increase of 104 percent from November to December of 2017 and noted that the high call volume was largely due to an emergency evacuation notice mistakenly sent to cell phones countywide.

f. California HOPE Program

Following the disasters, the California HOPE program was launched to provide outreach and counseling to those emotionally impacted by DR-4344 and DR-4353. California HOPE is a federally funded program that can send crisis counselors to meet people wherever they are (at home, school, business, etc.) to provide crisis counseling, resource navigation, and disaster recovery education. California HOP is funded by FEMA and is administered by the California State Mental Health Authority (CMHA). California HOPE counselors specialize in helping survivors understand their current reactions, reduce stress, receive emotional support, prioritize needs and solve problems, choose coping strategies, and connect with people and agencies who can help.

g. Disaster CalFresh

In the 30 day period following the disaster, food stamps were available through Disaster CalFresh (D-CalFresh), federally known as Disaster Supplemental Nutrition Assistance Program (D-SNAP), to meet temporary nutritional needs of disaster victims. Income eligibility for D-SNAP benefits is based on income received specifically during the disaster period. For DR-4344, 4,658 individuals were issued D-SNAP benefits, and for DR-4353, 5,366 individuals were issued D-SNAP benefits. These benefits were provided even to those who do not meet the requirements for traditional CalFresh benefits.

**FIGURE 25: D-SNAP NEW APPLICANTS FOR DR-4344 & DR-4354**

County	Number of Households Issued D-SNAP Benefits	Number of Persons Issued D-SNAP Benefits
Los Angeles	0	0
San Diego	9	29
Santa Barbara	160	430
Ventura	1,764	4,907
Butte	9	20
Lake	255	532
Mendocino	60	164
Napa	209	591
Nevada	16	31
Sonoma	1,205	3,261
Yuba	27	59

Source: California Department of Social Services, August 2018

h. Insurance

While a standard homeowners insurance policy does cover losses from a wildfire, many policies do not provide enough funding to replace the entire home. There are high rates of underinsured property owners (discussed in more detail below) and certain recovery and rebuilding needs (e.g. removal of burned vegetation from private property) that are not covered by standard homeowner’s policies.

In addition, the costs associated with meeting updated building codes and standards further exacerbate the gap between residential claim payouts and the actual cost to rebuild. Insurance coverage is sometimes confusing and highly dependent on the insurance company's specific coverages. In short, the reality facing many property owners is a shortfall of insurance funds available to rebuild their homes.

To alleviate the underinsured property issue, the state has enacted two new laws to help insured victims of wildfires. The first, AB 1799 (Chapter 69, Statutes 2018), requires that insurance companies provide standardized information to wildfire victims after they have suffered a loss, including information on the coverage they have paid for, their full insurance policy, endorsements, and their declaration page to better inform wildfire victims.

The second, AB 1797 (Chapter 205, Statutes 2018), requires that insurers writing residential property insurance conduct a replacement cost estimate on an every-other year basis. This would ensure policy holders are covered with current and timely estimates that accurately reflect their property's value.

These measures are forward looking and help relieve future issues relative to underinsured losses. However, homeowners currently seeking assistance through their insurance provider are not being adequately covered to fully recover from their losses.

*i. California Department of Insurance*

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 reviews and examining insurers doing business in California. CDI enforces insurance laws and has authority over how insurers and licensees conduct business in California.

HCD requested the following data from CDI to further inform analysis of the needs of impacted communities and have a better understanding of financial resources that have been provided to date. Data was requested in two tiers based on the importance of the data to completing the analysis of unmet needs. Tier 1 data was the highest priority and most important for the analysis.

Tier 1 Data Request:

- Payments and claims
  - Number of payments resulting from claims.
- Property conditions
  - Number of impacted single and multifamily properties.
  - Number of owner occupied properties and whether they are primary or secondary residences.
  - Number of impacted rental units.

Tier 2 Data Request:

- Payments and claims



- Comparison of payments to coverage limits.
- Identified cause of damage.
- Number of appealed claims or claims not accepted by homeowners.
- Number of mediation settlements.
- Number of claims paid directly to lenders in a forced mortgage payment.
- Property conditions
  - Construction type for each property.
  - Material used to construct each property.

CDI responded to the data request from HCD on June 20, 2018. Unfortunately, the data CDI collects is not as detailed as that requested, therefore, responses to many of the insurance claim questions were limited.

## California Department of Insurance Report Findings

CDI released *Trial by Fire* in 2018 that discusses the many ways in which climate change increases risk for insurers in California.<sup>36</sup> The report notes that, while current legislative proposals seek to specifically address wildfire-related insurance issues, climate change risks continue to multiply and combine, making it difficult for insurers to offer affordable insurance. The report also finds that insurers currently lack incentives to engage in analysis or implementation of large-scale resilience measures, which would aid in reducing risk.

The report discusses the potential for greenhouse gas reductions to reduce fire risk, and thus also reduce insurance risk. The report finds that in high fire risk parts of California, the acreage burned by wildfires is projected to quadruple by the end of the century under current emissions standards. The result is a projected 51 percent increase in residential premiums. The report also states that aggressive emission reduction efforts could stabilize the rate of wildfire acreage burned by the mid-century.

The report also discusses the potential for insurers to increase coverage costs or remove coverage from the marketplace altogether as physical risks of climate change become more severe. It finds that in response to recent wildfires, major insurers have started to withdraw from covering properties and have significantly increased premiums in the wildland urban interface area where destructive wildfires are more prevalent. To preserve affordability, reforms will be necessary—the report notes that planning and building code improvements and resilient development practices could reduce policyholders’ vulnerability.

CDI has proposed the following legislative reforms for insurance in high risk fire areas:

- Requiring insurers to issue or renew property insurance policies for residents in state identified high fire risk zones “if the property meets specific mitigation and defensible space criteria and any other underwriting guidelines” which would be issued by CDI.

---

<sup>36</sup> California Department of Insurance, [Trial by Fire: Managing Climate Risks Facing Insurers in the Golden State](#), 2019.

- Offering insurance premium credits to policyholders who face significant premium increases due to wildfire risk and who meet mitigation and defensible space criteria.
- Approving insurers’ wildfire risk models (used to determine availability and premium levels) only if they properly account for property area factors like fuel density, ground slope, accessibility to emergency responders, and mitigation efforts.

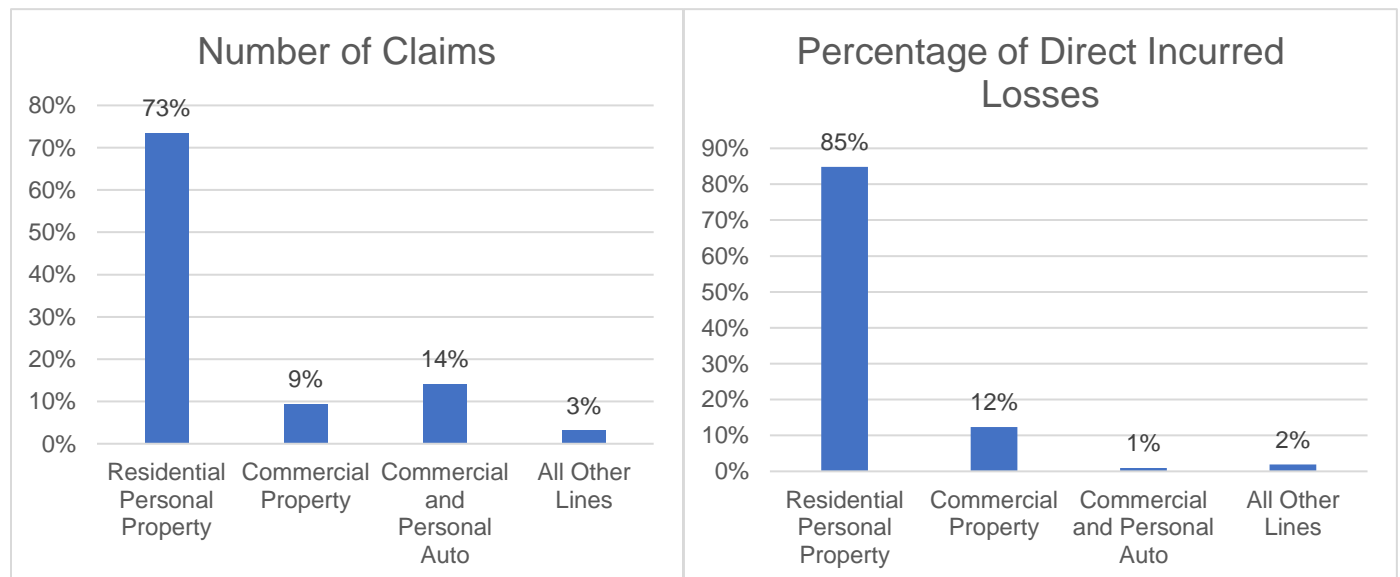
ii. *DR-4344 and DR-4353 Insurance Claims*

A total of 53,169 claims were filed with participating insurance companies for all personal and commercial lines of insurance, as a result of the October and December 2017 wildfires. There were approximately 39,034 residential claims, 4,991 commercial claims, 7,480 commercial and personal auto claims, and 1,664 claims for all other lines of insurance.

Participating insurance companies have recorded over \$10.4 billion in direct incurred losses to residential property related to the October and December wildfires. These amounts are subject to change as more claims are reported, settled, and closed.

A significantly greater proportion of claims, including claims resulting in total loss, are for residential property insurance. Most of these losses are from wildfire and smoke impacts.

**FIGURE 26: TOTAL NUMBER OF REPORTED CLAIMS AND DIRECT INCURRED LOSSES BY INSURANCE TYPE**



Source: California Department of Insurance, May 2018

The Montecito mudslides resulted in 2,520 claims filed for all personal and commercial lines of insurance. This included 1,674 residential personal property claims, 329 commercial property claims, 754 commercial and personal auto claims and 80 claims for all other lines of insurance.

Direct incurred losses to residential property for the Montecito mudslides are over \$540 million. This amount is subject to change as more claims are reported, settled and closed. HCD will

continue to work with CDI to evaluate available DR-4344 and DR-4353 insurance claim information as it becomes available.

*iii. Residential Insurance*

**State of California**

California residential property owners filed 39,034 residential personal property claims resulting from the October and December wildfires. Of these claims, 6,885 resulted in total loss and approximately \$10.6 billion was incurred in direct losses.

**DR-4344**

As seen in the following figure, DR-4344 accounted for 49 percent of total claims, 86 percent of claims resulting in total loss, and 80 percent of residential direct incurred losses in the state. DR-4344 incurred approximately \$8.6 billion in direct loss. Most of the claims within DR-4344 were from Sonoma County, which also had the highest number of claims that resulted in total loss (84 percent). In total, DR-4344 incurred approximately \$8.5 billion in direct losses. More than half of this amount went to Sonoma County (\$6.9 billion), followed by Napa County (\$1.2 billion). Butte County incurred the least loss with just 59 claims, 16 of which resulted in total loss and \$5.4 million in direct residential losses.

United Policyholders, a non-profit insurance information resource, conducted a survey from August to October 2018 of households who had filed insurance claims as a result of DR-4344 to assess progress a year after the disaster. Survey results represent 555 households or 1,335 individuals:

- 53 percent of respondents reported that they had not settled the dwelling portion of their claim.
- 62 percent of respondents still planned to rebuild.
- Of the 17 percent that did not plan to rebuild, 67 percent reported that their insurance company had restricted their benefits to buy elsewhere.
- 66 percent of respondents reported being underinsured to cover the full cost of rebuilding.<sup>37</sup>

This survey further illustrates the problem with underinsurance in impacted areas and adds additional context to the unmet needs analysis performed to inform the Action Plan.

**DR-4353**

DR-4353 accounted for 30 percent of total insurance claims, with 12 percent of claims categorized as a total loss, and 18 percent of direct incurred losses for a total of \$1.9 billion. Within DR-4353, residents of Ventura County filed the highest number of claims, a significant proportion of which, were claims resulting in total loss (79 percent). Ventura County incurred \$1.4 billion in direct losses, the highest amount within DR-4353. San Diego County had the lowest number of

---

<sup>37</sup> United Policyholders, "[North Bay Fires – 12 Month Survey Results](#)," October 2018.

residential personal property direct loss in DR-4353, with 70 claims claiming a total of \$90.7 million in direct losses.

**Most Impacted and Distressed Areas**

The total claims filed within the Most Impacted and Distressed areas represented 66 percent of claims filed in California. 95 percent of these claims resulted in total loss and approximately \$10.4 billion was incurred in direct losses to residential personal property. Approximately \$1 billion was incurred as a direct loss in the 94558 zip code, located in Napa County. This figure was the highest among zip codes. The 95422 zip code in Lake County, incurred the lowest amount of direct loss of DR-4344 impacted counties at \$48.3 million. The total direct loss to residential personal property within the Most Impacted and Distressed areas represented 98 percent of all direct incurred losses statewide.

**FIGURE 27: INSURANCE CLAIMS AND LOSSES IN DISASTER AREAS**

Residential Personal Property			
	Total Number of Claims	Number of Claims resulting in Total Loss	Direct Incurred Losses
State Total	39,034	6,885	\$10,644,793,283
Federally Declared Disaster Areas			
DR-4344	19,118	5,916	\$8,553,899,283
Butte County	59	16	\$5,399,325
Lake County	256	97	\$48,363,120
Mendocino County	546	200	\$142,895,509
Napa County	2,545	472	\$1,206,434,647
Nevada County	82	32	\$18,851,507
Orange County	461	29	\$75,813,493
Sonoma County	14,779	4,963	\$6,987,811,497
Yuba County	390	107	\$68,330,185
DR-4353	11,821	796	\$1,867,230,202
Los Angeles County	3,053	63	\$115,774,721
San Diego County	1,152	70	\$90,756,438
Santa Barbara County	2,768	36	\$243,723,765
Ventura County	4,848	627	\$1,416,975,278

DR-4344 and DR-4353 Total	30,939	6,712	\$10,421,129,485
Most Impacted and Distressed Areas			
<b>County</b>			
Sonoma County	14,779	4,963	\$6,987,811,497
Ventura County	4,848	627	\$1,416,975,278
<b>Zip Code</b>			
95470 (Mendocino County)	454	190	\$136,433,298
95901 (Yuba County)	341	102	\$65,773,458
94558 (Napa County)	1,927	384	\$1,025,101,359
95422 (Lake County)	244	97	\$48,302,660
93108 (Santa Barbara)	3,392	196	\$758,500,141
Most Impacted and Distressed Total	25,985	6,559	\$10,438,897,691

Source: California Department of Insurance, May 2018

#### iv. Property and Casualty Insurance

The CDI data shows that between 2016 and 2017 incurred loss as a result of fire increased 134 percent, from \$386 million to \$902 million. In addition, incurred loss for Homeowners Multiple-Peril insurance also significantly increased going from approximately \$4 billion 2016 to \$15 billion in 2017 or 281 percent. Multiple peril insurance coverage bundles together multiple coverages that typically would be needed with each other, such as fire, lightning, explosion/implosion.

Statewide, the increase in loss has outpaced the increase in premiums paid from policy holders. The earned premium from 2016 to 2017 increased only 0.17 percent, rising from \$931,691,877 to \$933,262,145. The average earned premium since 1991 is \$762,902,274 and has not varied greatly since a highpoint in 2007 of \$1,167,122,132.

The CDI approximates the health of the insurance industry using a combination of factors. These factors include 1) expense ratios, or the cost of salaries and benefits for insurance company staff, 2) defense and cost containment, or the cost of case research, including legal fees and specific costs of deciding individual cases, and 3) loss ratio, or the cost of premiums earned by insurance companies divided by the cost of losses incurred and paid.

According to the combined ratio calculation, California's insurance industry has overextended by a combined ratio of 132.14 percent in 2017, meaning the total losses paid out by insurance companies, combined with their operating costs, have exceeded the amount earned through premium collection. This ratio is applied industrywide and not to a specific insurance company. Insurance companies are able to absorb losses such as these due to years in which the combined ratio is less than 100 percent, allowing insurance companies to save and invest their profits.

However, multiple years with high combined ratios could eventually lead to problems paying insurance claims. The 2017 combined ratio is a historic high for the dataset provided by the CDI, which extends to 1991.

*v. Small Business Assistance (SBA) Disaster Home Loans*

Another resource for homeowners that sustained damage from the wildfires are SBA disaster loans. These loans are the basic form of federal disaster assistance for homeowners with good credit history and income, whose private property sustained damage that is not fully covered by insurance. Homeowners and renters whose property was damaged by a presidentially declared disaster can apply for an SBA low interest loan. Interest rates on these loans are determined by law and are assigned on a case by case basis.

Interest rates are 1.75 percent if the applicant does not have credit available elsewhere and 3.5 percent if credit is available elsewhere for loans related to the disasters. Home loans are limited to the lesser of \$200,000 or the uninsured disaster loss for the repair or replacement of real estate, and \$40,000 maximum to repair or replace personal property, including vehicles.<sup>38</sup> Mitigation loans are another source of funding from the SBA and are available to qualified applicants to cover the cost of improvements that protect the property against future damage.

Examples of work that mitigation loans fund include retainage walls, seawalls, sump pumps, and other items that help reduce future losses. Mitigation loan funds are in addition to the SBA disaster home loan and cannot exceed 20 percent of the home loan amount.

## State of California

The State of California received 4,148 SBA home loan applications for assistance after the October wildfires. 1,406 loans were approved as of June 17, 2018, totaling \$163.2 million. 1,265 applications were declined, 23 were in process, and 966 applications were withdrawn. Additionally, 488 applications were issued a summary decline. A summary decline is issued if the ability to repay the loan is not evident after a preliminary analysis of the home loan application. The applicant is then referred to the Individuals and Households Program (IHP), for further assistance.

## DR-4344

SBA received 3,314 home loan applications within the DR-4344 counties in response to the disasters in October of 2017. As of June 17, 2018, 1,055 of these applications have been approved, 1,027 have been declined, 14 applications were in process, and 834 applications have been withdrawn. 384 applications were issued a summary decline.

SBA approved home loans within DR-4344 amount to \$126.3 million. A breakdown of the approved loans is categorized by county in the following table.

---

<sup>38</sup> Federal Register Notice 82 FR 48874, U.S. Small Business Administration, October 12, 2017. "[California Declaration # 15352 and #15353](#)".



**FIGURE 28: DR-4344 TOTAL HOME LOANS APPROVED BY SBA**

Total Home Loans Approved by SBA	
County	Total Home Loans
Butte County	\$532,100
Lake County	\$453,900
Mendocino County	\$6,182,800
Napa County	\$6,776,400
Nevada	\$137,400
Orange County	\$353,100
Sonoma County	\$107,943,700
Yuba County	\$3,968,000
Total	\$126,347,400

Source: U.S. Small Business Administration, 2018

**DR-4353**

Within DR-4353, SBA received 834 home loan applications in response to the wildfires and corresponding disasters in December 2017. As of June 17, 2018, 351 of these applications have been approved, 238 have been declined, 9 applications were in process, and 132 applications have been withdrawn; 104 applications were issued a summary decline.

SBA approved home loans within DR-4353 amount to \$36.9 million. A breakdown of the approved loans is categorized by county in the table on the following page.

**FIGURE 29: DR-4353 TOTAL HOME LOANS APPROVED BY SBA**

Total Home Loans Approved by SBA	
County	Total Home Loans
Los Angeles County	\$1,688,200
San Diego County	\$4,234,100
Santa Barbara County	\$6,844,000
Ventura County	\$24,122,100
Total	\$36,888,400

Source: U.S. Small Business Administration, 2018

**Most Impacted and Distressed Areas**

Between November 2017 and June 2018, 3,818 home applications were received within the Most Impacted and Distressed areas. Of these applications, 1,319 home loan applications have been approved, 1,152 were declined, 19 were in process, and 895 applications have been withdrawn; 433 applications were issued a summary decline.

SBA approved home loans for the Most Impacted and Distressed areas amount to \$155.4 million. A breakdown of the approved loans is categorized by county and zip code in the following table.

**FIGURE 30: TOTAL HOME LOANS APPROVED BY SBA IN MOST IMPACTED AREAS**

Total Home Loans Approved by SBA	
County	Total Home Loans
Sonoma County	\$107,943,700
Ventura County	\$24,122,100
Zip Code	
95470 (Mendocino County)	\$5,954,000
95901 (Yuba County)	\$3,739,300
94558 (Napa County)	\$6,696,800
95422 (Lake County)	\$405,900
93108 (Santa Barbara)	\$6,490,500
Total	\$155,352,300

Source: U.S. Small Business Administration, 2018

*vi. Public Housing Assistance (PHA) Data*

No public housing units were impacted by DR-4344 or DR-4353, however Housing Choice Voucher program units were minimally impacted by both disasters.

Despite minimal physical damage to units, an overarching theme reported by many local housing authorities was the loss of rental housing stock available for Housing Choice Voucher holders. Sonoma County reported that the voucher holder success rate for finding a unit declined to 42 percent after the disaster. Mendocino County similarly reported that their voucher holder success rate had dropped from around 60 percent to the 30 to 40 percent range. The Santa Rosa Housing Authority saw a 112 percent increase in the number of applicants for their Housing Choice Voucher program from May 2016 to May 2018. Napa County noted that damage to rental housing stock has seemingly caused the overall vacancy rate to drop from two percent to one percent post disaster and a subsequent increase in rent. Yuba County reported no damage to public housing but did note severe impact to a renter occupied trailer park, where many renters did not have renter’s insurance and were left without resources to find alternate housing. The following

figures provide an overview of the number of HUD assisted properties in the disaster impacted counties.

### DR-4344

10.5 percent (30,832) of California’s Housing Voucher participants reside within DR-4344. DR-4344 also contains 10.5 percent (28,827) of the state’s LIHTC units and 1.1 percent (335) of its public housing.

### DR-4353

DR-4353 contains a significant amount of California’s housing assistance population - 41.8 percent (122,353) of the state’s Housing Choice Voucher participants, 35.6 percent (97,406) of its LIHTC units and 6.3 percent (1,920) of public housing dwelling units.

Collectively, 52.3 percent (153,185) of Housing Choice Voucher participants reside within the federally declared disaster areas. They also contain 46.2 percent (126,233) of LIHTC units and 7.4 percent (2,255) of public housing dwelling units statewide.

### Most Impacted and Distressed Areas

Most Impacted and Distressed areas contain 4.5 percent (13,236) of Housing Choice Voucher participants, 5.0 percent (13,524) of the state’s LIHTC units and 1.2 percent (358) of public housing dwelling units.

**FIGURE 31: HUD ASSISTED HOUSING IN IMPACTED AREAS**

	Total Housing Choice Vouchers	Total Impacted Housing Choice Voucher Program Units	Total LIHTC Units	Total Impacted LIHTC Units	Total Public Housing Dwelling Units	Total Impacted Public Housing Dwelling Units
State of California	292,639	39	273,297	2	30,561	0
Federally Declared Disaster Areas						
DR-4344	30,832	38	28,827	0	335	0
Butte County	2,041	0	1,894	0	27	0
Lake County	237	2	742	0	15	0
Mendocino County	1,046	0	642	0	13	0
Napa County	1,373	3	1,504	2	18	0
Nevada County	289	0	1,214	0	20	0

	Total Housing Choice Vouchers	Total Impacted Housing Choice Voucher Program Units	Total LIHTC Units	Total Impacted LIHTC Units	Total Public Housing Dwelling Units	Total Impacted Public Housing Dwelling Units
Orange County	20,911	0	16,108	0	151	0
Sonoma County	4,228	33	5,921	0	80	0
Yuba County	707	0	802	0	11	0
DR-4353	122,353	1	97,406	0	1,920	0
Los Angeles County	82,477	0	66,608	0	1,499	0
San Diego County	27,184	0	22,231	0	47	0
Santa Barbara County	5,723	1	2,829	0	96	0
Ventura County	6,969	0	5,738	0	278	0
DR-4344 and DR-4353 Total	153,185	39	126,233	2	2,255	0
Most Impacted and Distressed Areas						
County						
Sonoma County	4,228	33	5,921	0	80	
Ventura County	6,969	0	5,738	0	278	
Zip Code						
95470	44	0	-		-	
95901	578	0	505	0	-	
94558	1,048	0	764	0	-	
95422	157	0	596	0	-	
93108	212	0	-		-	
Most Impacted and Distressed Areas Total	13,236	33	13,524		358	

Source: Source: Department of Housing and Urban Development, [egis-hud.opendata.arcgis.com](https://egis-hud.opendata.arcgis.com)

**Public Housing Authority Consultation**

To support the unmet needs assessment, HCD reached out to 12 Housing Authorities within the impacted areas to understand the unmet needs faced by PHAs as a result of the disasters. The authorities HCD contacted are identified in Figures 32 and 33.

**FIGURE 32: PUBLIC HOUSING AUTHORITIES IN DR-4344 AREA**

DR-4344	Public Housing Authority
Butte County	Housing Authority of the County of Butte
Lake County	Lake County Department of Social Services, Area Agency on Aging
Mendocino County	Community Development Commission of Mendocino County (CDC)
Napa County	Housing Authority of the City of Napa
Nevada County	-
Orange County	Housing Authority of City of Anaheim,
Sonoma County	Sonoma County Housing Authority, City of Santa Rosa Department of Housing and Community Services
Yuba County	Yuba County Health and Human Services

**FIGURE 33: PUBLIC HOUSING AUTHORITIES IN DR-4353 AREA**

DR-4353	Public Housing Authority
Los Angeles County	Housing Authority of the County of Los Angeles
San Diego County	Housing Authority of the County of San Diego
Santa Barbara County	Housing Authority of County of Santa Barbara
Ventura County	Housing Authority of City of San Buenaventura Housing Authority of City of Santa Paula

**7. Impact on Vulnerable Populations**

The American Public Health Association has found that low-income immigrants are much less likely to receive general public benefits such as cash benefits, food stamps, and health coverage. Post-disaster low-income immigrants face additional barriers to disaster relief based on immigration status, limited English proficiency, and fear of compromising future efforts for permanent legal status.<sup>39</sup> The Public Policy Institute of California reported that as of 2014 an

<sup>39</sup> American Public Health Association, “Addressing the Needs of Immigrants in Response to Natural and Human-Made Disasters in the United States,” <https://www.apha.org/policies-and-advocacy/public-health-policy->

estimated 2.35 to 2.6 million undocumented workers were living in California, comprising a quarter of all undocumented immigrants in the US and one in ten workers in California.<sup>40</sup> Ineligible for FEMA aid, and unlikely to apply for other public assistance, it is unknown how many undocumented immigrants were impacted by 2017 wildfires.

Community organizations in Northern and Southern California formed to provide private aid to the impacted undocumented population; the 805 UndocuFund in Santa Barbara/Ventura, and the UndocuFund for Fire Relief in Sonoma County. As of July 2018, 805 UndocuFund had provided direct aid to over 200 families and still had a waiting list of 1,100 families. As of October 2018, UndocuFund Sonoma County had provided aid to almost 1,900 families. UndocuFund Sonoma County reported that after receiving assistance, families continued to face struggles in securing adequate housing, transportation, and mental health support.<sup>41</sup>

Lost wages and the inability to apply for unemployment has impacted undocumented workers in the agricultural industry. Napa reported that the greatest fire impact in their community was to low-income workers employed in the wine and hospitality industries, disproportionately impacted by wage losses due to existing financial burden and lack of reserves. In Ventura, 140 farms experienced physical and production losses, resulting in an estimated loss of \$200 million. In 2016, the Farm Bureau of Ventura County estimated that their farms employed 36,000 field workers, 91 percent of whom were born in Mexico.<sup>42</sup> Though invisible in reported loss data, undocumented immigrants are disproportionately employed in the agriculture industry, sustaining economic and other losses in Ventura and other impacted jurisdictions.

#### a. Population with Disabilities

Disabled people are among the groups considered as being more at risk of suffering negative effects from natural disasters, such as earthquakes, landslides, floods and droughts, etc. Indeed, disabled people are often not reached in time by the early warning systems that alert the public, which contributes to their vulnerability.<sup>43</sup> Some of the reasons disabled people experience difficulty and are vulnerable include: inability to evacuate immediately without difficulty in the event of a sudden disaster; absence of an individual preparedness plan for natural disasters; availability of another person to help them evacuate; lack of awareness of their community's disaster preparedness plan and; lack of consultation during the preparation of disaster preparedness plans.

The Census' ACS assesses six disability types:<sup>44</sup>

- Hearing Difficulty, deaf or having serious difficulty hearing.

---

[statements/policy-database/2014/07/23/17/36/addressing-the-needs-of-immigrants-in-response-to-natural-and-humanmade-disasters-in-the-us](#), November 2006.

<sup>40</sup> Public Policy Institute of California, "Undocumented Immigrants in California," <http://www.pplic.org/publication/undocumented-immigrants-in-california/>, March 2017.

<sup>41</sup> UndocuFund for Fire Relief in Sonoma County, "Our Impact," <http://undocufund.org/impact/>.

<sup>42</sup> Farm Bureau of Ventura County, "[Frequently Asked Questions about Ventura County Agriculture](#)," March 2016.

<sup>43</sup> Ideas for Development, "Persons with Disabilities: Among the First Victims Of Natural Disasters," <https://ideas4development.org/en/persons-disabilities-among-first-victims-natural-disasters/> December 2014.

<sup>44</sup> U.S. Census Bureau, "How Disability Data are Collected from the American Community Survey," <https://www.census.gov/topics/health/disability/guidance/data-collection-acs.html>.



- Vision difficulty, blind or having serious difficulty seeing, even when wearing glasses.
- Cognitive Difficulty because of a physical, mental, or emotional problem, having difficulty remembering, concentrating, or making decisions.
- Ambulatory Difficulty, having serious difficulty walking or climbing stairs.
- Self-care difficulty, having difficulty bathing or dressing.
- Independent living difficulty, because of a physical, mental, or emotional problem, having difficulty doing errands alone such as visiting a doctor’s office or shopping.

As seen in Figure 34 which shows the number and percentage of noninstitutionalized persons with a disability within the impacted counties, the proportion of disabled persons within both DR-4344 and DR-4353 impacted counties is approximately 10 percent.

In DR-4344 Counties with the highest percentages of disabled persons include Lake, Butte, Mendocino and Yuba. The proposed CDBG-DR programs detailed in the Action Plan articulate prioritization for persons with disabilities impacted by the disasters. Programs have an obligation to comply with all relevant federal laws that prohibit discrimination on the basis of disability and require physical accessibility and the provision/allowance of reasonable accommodations and reasonable modifications, including the federal Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act

**FIGURE 34: DR-4344 NONINSTITUTIONALIZED PERSONS WITH A DISABILITY**

DR-4344	Total Civilian Noninstitutionalized Population	Total Civilian Noninstitutionalized Population with a Disability	Percent of Total Noninstitutionalized Population with a Disability
Butte County	221,452	38,196	17.2%
Lake County	63,400	13,627	21.5%
Mendocino County	86,630	14,598	16.9%
Napa County	138,899	15,370	11.1%
Nevada County	97,667	14,411	14.8%
Orange County	3114,968	265,805	8.5%
Sonoma County	493,344	58,655	11.9%
Yuba County	71,472	12,114	16.9%
Total	4,287,832	432,776	10.1%

Source: American Community Survey, 2012-2016 5 Year Estimates

The disabled population within each DR-4353 county is roughly the same; around 10 percent. Though this is a relatively small proportion of the population, they would require special monitoring as they are particularly vulnerable.

**FIGURE 35: DR-4353 NONINSTITUTIONALIZED PERSONS WITH A DISABILITY**

DR-4353	Total Civilian Noninstitutionalized Population	Total Civilian Noninstitutionalized Population with a Disability	Percent of Total Noninstitutionalized Population with a disability
Los Angeles County	9,988,629	984,716	9.9%
San Diego County	3,154,251	310,902	9.9%
Santa Barbara County	432,111	42,011	9.7%
Ventura County	836,448	87,687	10.5%
Total	14,411,439	1,425,316	9.9%

Source: American Community Survey, 2012-2016 5 Year Estimates

**b. Elderly Population**

Senior households also face special challenges and are disproportionately affected in the face of disaster. Challenges range from owner occupied households not having insurance as the mortgage is likely paid off, to persons unable to take medication due to lack of electricity, which is needed to properly store medications. The following table shows that within DR-4344, people aged 65 and over comprise 14.3 percent of the population, 42.3 percent of whom live alone.

**FIGURE 36: POPULATION 65 YEARS AND OVER**

DR-4344	Population 65 Years and Over	Percent of Total Population 65 Years and Over	Percent of Population 65 Years and Over Living Alone
Butte County	38,145	17.0	49.2%
Lake County	13,122	20.5	49.5%
Mendocino County	16,542	18.9	53.5%
Napa County	23,949	17.0	46.8%
Nevada County	23,093	23.4	44.8%
Orange County	412,701	13.2	38.5%
Sonoma County	83,344	16.7	52.7%

Yuba County	8,463	11.5	42.3%
Total	619,359	14.3	42.3%

Source: American Community Survey, 2012-2016 5 Year Estimates

The elderly population within DR-4353 comprises 12.5 percent, of whom 40.2 percent live alone, as seen in Figure 37.

**FIGURE 37: POPULATION 65 YEARS AND OVER**

DR-4353	Population 65 Years and Over	Percent of Population 65 Years and Over	Percent of Population 65 Years and Over Living Alone
Los Angeles County	1,227,202	12.2	39.6%
San Diego County	413,435	12.7	41.4%
Santa Barbara County	61,517	14.0	47.1%
Ventura County	114,620	13.6	38.9%
Total	1,816,774	12.5	40.2%

Source: American Community Survey, 2012-2016 5 Year Estimates

### c. Population with Limited English Proficiency

Limited English Proficiency (LEP) persons are people who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English. LEP persons are especially vulnerable in the face of disaster as they may not be able to effectively participate in or benefit from federally assisted programs. Title VI of the Civil Rights Act of 1964 requires recipients of federal financial assistance to take reasonable steps to ensure meaningful access of LEP persons.

HCD conducted a four-factor analysis using 2011 to 2015 ACS data to determine the proportion of population within impacted counties that were LEP. The analysis uses thresholds of a minimum of 1,000 persons or at least five percent of the population who speak a language other than English at home and also speak English less than “very well” to determine the proportion of persons who are LEP.

Results of the analysis showed that within DR-4344, Lake, Mendocino, Napa, Orange, Sonoma and Yuba counties and in DR-4353, Los Angeles, San Diego, Santa Barbara and Ventura counties met the 1,000 persons or five percent LEP persons threshold for Spanish language only. No other languages spoken at home met the threshold within impacted counties. The following tables show the proportions of persons who speak Spanish at home and speak English less than “very well” within the impacted counties.

Within DR-4344, Napa and Orange counties have the highest populations of LEP persons, both exceeding 10 percent, while all counties within DR-4353 have greater than 10 percent of LEP

persons. These persons may require special attention and outreach for participation in federal assistance programs. HCD will ensure that all citizens have equal access to information about the programs, including persons with disabilities (vision and hearing impaired) and LEP. A Spanish version of the Action Plan will also be available. Language access services and the availability of accessible features and reasonable accommodations for persons with disabilities will be provided to applicants through program case management. HUD LEP Guidance will be included within program policies (<https://www.hud.gov/sites/documents/FINALLEP2007.PDF>).

**FIGURE 38: DR-4344 SPANISH LANGUAGE SPOKEN AT HOME BY ABILITY TO SPEAK ENGLISH (AGES 5+)**

DR-4344	Estimate Speak English Less than "Very Well"	Percent Speak English Less than "Very Well"
Butte County	6,134	2.9%
Lake County	3,444	5.7%
Mendocino County	7,070	8.6%
Napa County	18,708	14.1%
Nevada County	1,709	1.8%
Orange County	342,794	11.7%
Sonoma County	42,419	9.1%
Yuba County	4,700	7.0%
<b>Total</b>	<b>426,978</b>	<b>10.6%</b>

Source: American Community Survey, 2012-2016 5 Year Estimates

**FIGURE 39: DR-4353 SPANISH LANGUAGE SPOKEN AT HOME BY ABILITY TO SPEAK ENGLISH (AGES 5+)**

DR-4353	Estimate Speak English Less than "Very Well"	Percent Speak English Less than "Very Well"
Los Angeles County	1627,354	17.3%
San Diego County	305,260	10.1%
Santa Barbara County	62,844	15.4%
Ventura County	105,811	13.5%
<b>Total</b>	<b>2,101,269</b>	<b>15.4%</b>

Source: American Community Survey, 2012-2016 5 Year Estimates

Since persons who speak Spanish at home and speak English less than "very well" were the only group to meet the threshold within impacted counties, HCD will conduct targeted outreach to these persons, such as translating pertinent materials to Spanish and having a Spanish language

translator available at public meetings. HCD will also provide translation services for additional languages if requested in advance.

## 8. Analysis of Housing Unmet Need

### a. Overview of Data Sources

Both DR-4344 and DR-4353 led to significant impacts to housing. The geographic spread of the disasters across the State of California also presents challenges for having consistent data to understand housing unmet needs. This section examines the data available to understand impacts to housing across the disaster area. Sources include: FEMA Individual Assistance, SBA, California's Department of Forestry and Fire Protection (CAL FIRE) Damage Inspection, and insurance claim information provided by the California Department of Insurance.

### b. Limitations of Data

As with all disasters, data availability and quality are critical to understanding damages and provide a portrait of unmet recovery needs. To fully understand the disaster, HCD will use a combination of data sources. The following provides an overview of pros and cons of using particular data sources:

- FEMA Individual Assistance (IA) – Households voluntarily register for FEMA Individual Assistance. Total FEMA IA registrations for both DR-4353 and DR-4344 was 29,363 applicants. However, of the 29,363 applicants, only 3,048 households have a FEMA Verified Loss (FVL) over \$0. While the gap between the number of applicants and households with a verified loss does not represent the full scale of the disaster impacts, the data available at the household level, including income and damage, allows for an analysis that follows the unmet needs calculation outlined in the Federal Register Notice. FEMA IA includes both renters and owners. FEMA Verified Loss awards only provide assistance for repair and replacement to make the home habitable.
- Small Business Administration – Similar to FEMA IA, the SBA disaster loan program is a voluntary program available to impacted households. As a loan program, SBA residential loan registrations skew towards homeowners. However, compared to FVL inspections, which only cover the cost for repair and replacement, SBA loan amounts are based on an inspection that covers the full cost to restore a home. To date, 3,971 households have registered for SBA home loans.
- CAL FIRE Damage Inspection – As the state fire agency, CAL FIRE deploys inspectors after all disasters within the State of California. Using ArcGIS, inspectors use parcel maps to document damage by property. The damage inspection includes parcel, address, structure type, construction type, damage categories, and vegetation clearance information for all impacted properties. This parcel by parcel survey includes commercial, mobile home, outbuildings and detached structures, and residential structures. For purposes of this analysis, HCD limited the CAL FIRE data to residential structures, including Single Family, Multifamily, and Mobile Home structures. This parcel level assessment provides a more robust picture of structural damage but does

not include damage estimate amounts or information on the household resident. The Damage Inspection Worksheet can be found in Appendix D.

- California Department of Insurance Claims – While floods and hurricanes can rely on National Flood Insurance Program data, fire damage must be collected from individual insurance companies. HCD requested address level insurance claim information for disaster impacted households through the California Department of Insurance, but household level information on claims was not available. However, the CA Department of Insurance collected information from individual insurance companies on claims by zip code. As better data becomes available, HCD will provide an updated estimate of claims by household. This data covers a large period of time and does not guarantee that claims are disaster related.

This section presents an analysis of FEMA IA, SBA, CAL FIRE and CA Department of Insurance data to reflect damage caused by DR-4344 and DR-4353 as well as demonstrate the ongoing unmet recovery needs of residents impacted by the disasters. Ultimately, no one data source accurately captures the population impacted by DR-4344 and DR-4353. This Action Plan and unmet needs analysis captures a point in time and reflects the best available data at the time of its publication. In addition to using the process outlined for understanding housing unmet needs provided by HUD, HCD presents an alternative methodology using CAL FIRE’s damage collection data. However, in an effort to understand the application population for housing programs, HCD is proposing a program survey period prior to launching its Homeowner Rehabilitation and Reconstruction Program to capture an accurate portrait of remaining unmet housing recovery needs.

### c. FEMA Individual Assistance

The IA data provided by FEMA on May 24, 2018, was used to quantify housing applicants impacted by DR-4344 and DR-4353. This analysis updates the Methodology for Funding Allocation under Public Law 115-123 provided by HUD to HCD in April 2018, which used FEMA IA data from February 2018. This section presents the unmet needs calculation for renter and owner households. FEMA received 29,363 total applicants for both DR-4344 and DR-4353, including 18,035 owner occupied households (61 percent) and 11,251 renter occupied households (38 percent). Of the 29,363 total FEMA IA applicants, only 3,971 (14 percent) of applicants had an FVL above \$0. FVL is based on calculations taken from an inspector. The Stafford Act limits FEMA home repair assistance to expenses that return an eligible applicant’s pre-disaster home to a safe, sanitary, and secure condition, not necessarily pre-disaster conditions. Of households with an FVL above \$0, 1,037 were owner occupied (34 percent) and 2,009 (66 percent) were renter occupied.



**FIGURE 40: TOTAL FEMA INDIVIDUAL ASSISTANCE APPLICATIONS**

FEMA Individual Assistance	4344	4353	Total
Total Registrations	25,292	3,904	29,196
Total FVL Over \$0	2,217	831	3,048
Total with Unmet Needs	4,673	727	5,400
Average FVL	\$34,605	\$25,385	\$29,995

Source: FEMA, May 2018

*i. Damage Categories*

The Federal Register Notice provides damage categories for both owner occupied and renter occupied households for calculating unmet recovery needs. The following outlines the damage categories by owner occupied and renter occupied households:

**Owner Occupied Households**

- 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
- Major High:
  - \$15,000 to \$28,800 of FEMA inspected real property damage
- Severe:
  - Greater than \$28,800 of FEMA inspected real property damage or determined destroyed

**Renter Occupied Households**

- 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
- Major Low:
  - \$3,500 to \$4,999 of FEMA inspected personal property damage
- Major High:
  - \$5,000 to \$8,999 of FEMA inspected personal property damage
- Severe:
  - Greater than \$9,000 of FEMA inspected personal property damage

For its unmet housing need calculation, HUD only considers Major Low, Major High and Severe damage categories for both owner and renter households. These multipliers are based on the average unmet housing needs less assistance from FEMA and SBA provided for repair and reconstruction to homes with serious unmet needs. The following figure provides HUD’s serious unmet housing needs multipliers by damage category for the State of California.

**FIGURE 41: SERIOUS UNMET HOUSING NEED MULTIPLIERS (PROVIDED BY HUD)**

State	Major Low	Major High	Severe
California	\$40,323	\$55,812	\$124,481

The following figure provides a breakdown of total unmet needs for owner occupied and renter occupied households using FEMA IA data and the unmet needs multipliers previous provided. These totals are for households with a FVL over \$0. Only a fraction of the FEMA registrants has a FVL above \$0, with 1,037 owner occupied households and 2,009 renter occupied households, for a total of 3,046 households across DR-4344 and DR- 4353 disaster areas.

**FIGURE 42: FEMA IA DAMAGE CATEGORY BY OWNER AND RENTER HOUSEHOLDS**

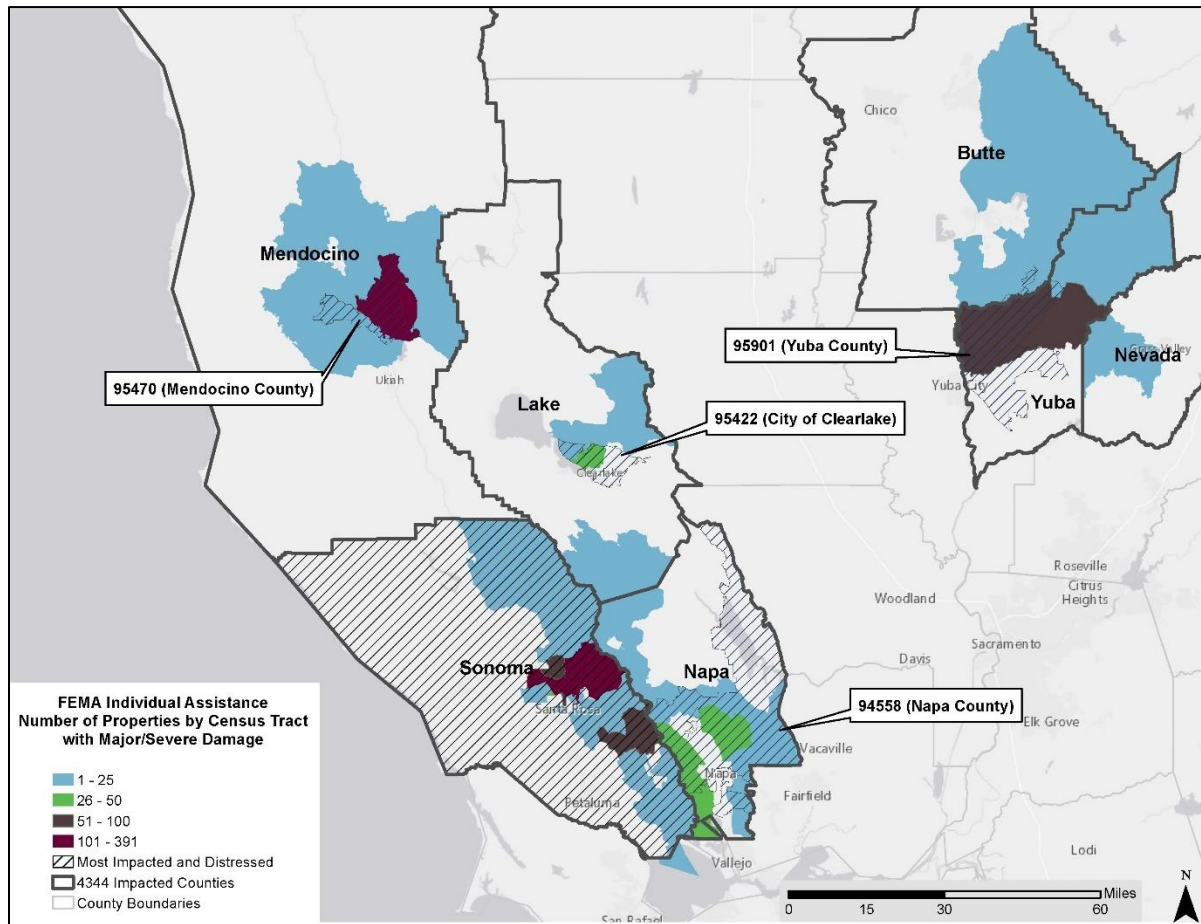
FEMA IA Damage Category	Owner Occupied	Renter Occupied	Total
Minor-High	102	235	337
Minor-Low	249	182	431
Major-High	59	590	649
Major-Low	38	311	349
Severe	589	691	1,280
Grand Total	1,037	2,009	3,046

Source: FEMA May 2018

The following figures show maps for both DR-4344 and DR-4353 disaster impacts. The maps include Major-Low, Major-High, and Severe damaged owner occupied and renter occupied properties by Census Tract. Light blue shows tracts with under 25 FEMA IA Major/Severe properties, green indicates 26 to 50 properties, dark grey 51 to 100 properties, and dark purple shows the highest concentration of damage with 100 to 391 properties by census tract.

Figure 43 shows the concentration of damage for DR-4344 impacted counties in Northern California. In addition to the damage categories, the map shows Most Impacted and Distressed areas using a cross hatch. These areas are by zip code and by county (Sonoma).

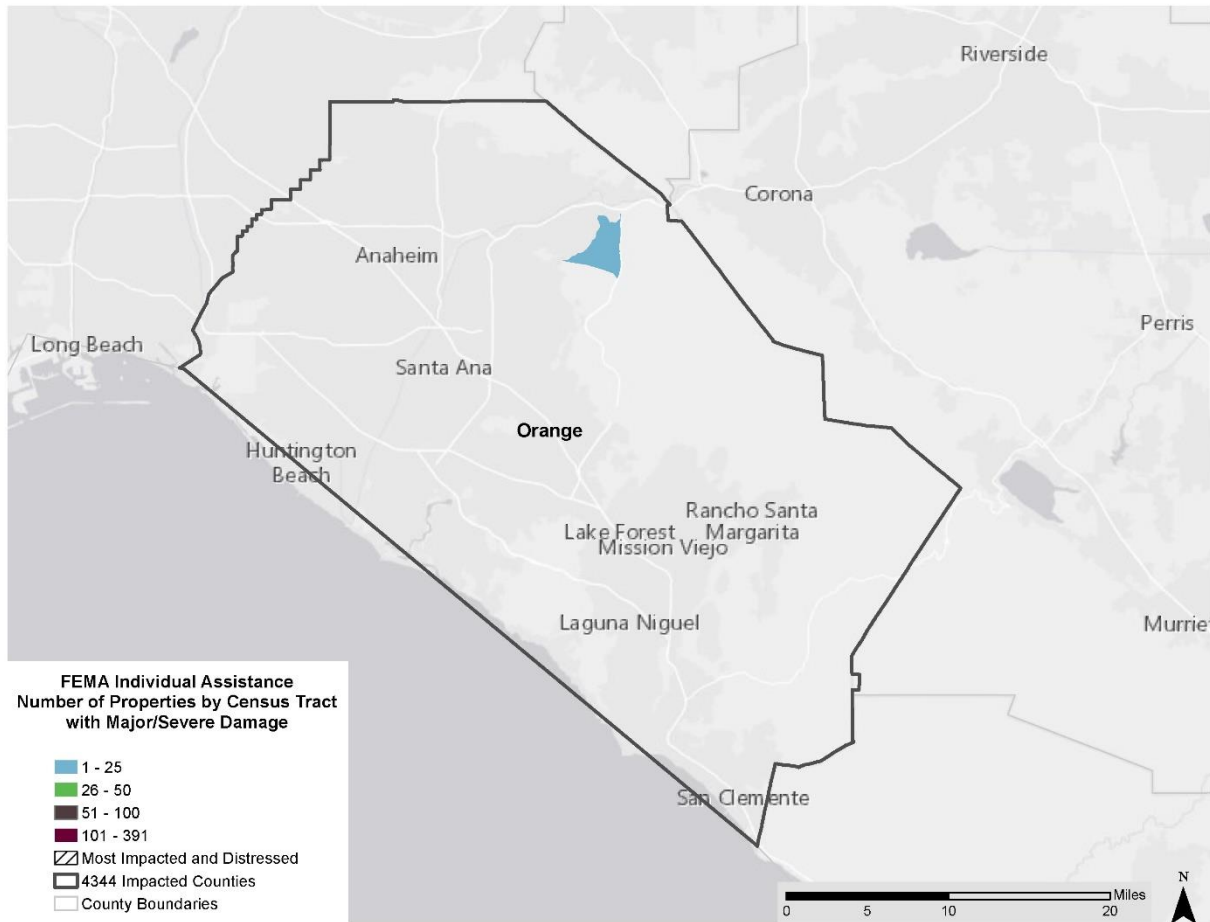
FIGURE 43: FEMA IA MAJOR/SEVERE DAMAGE BY COUNTY (4344) – NORTHERN CALIFORNIA



Source: FEMA, U.S. Census Bureau, ESRI

The scope of DR- 4344 that spread across northern California counties also included Orange County in southern California. The following figure shows the FEMA IA registrations that have Major/Severe damage in Orange County. Only one census tract, noted in blue, shows the FEMA IA registrations in Orange County.

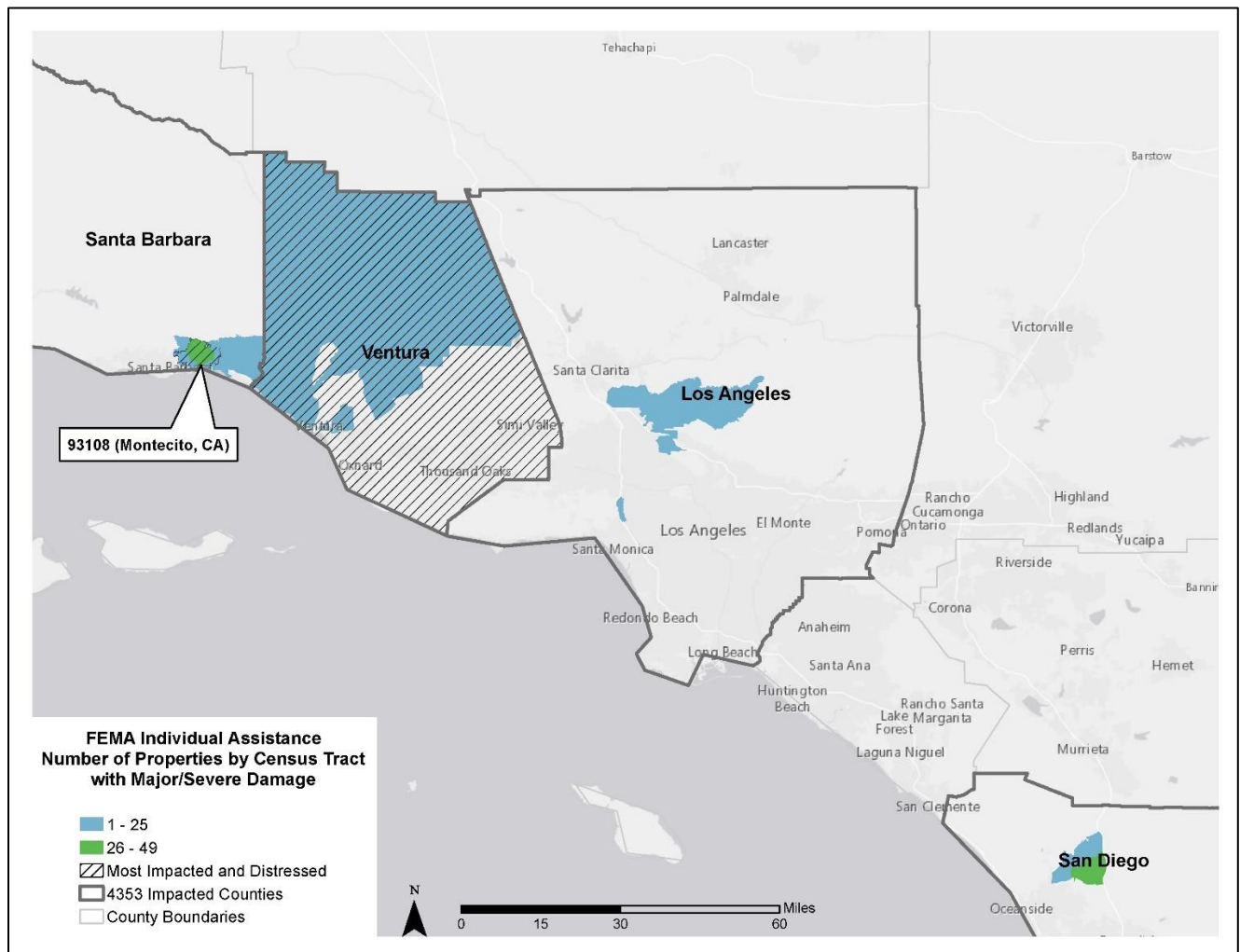
**FIGURE 44: FEMA IA MAJOR/SEVERE DAMAGE BY CENSUS TRACT (4344) – ORANGE COUNTY ONLY**



Source: Source: FEMA, U.S. Census Bureau, ESRI

Figure 45 shows the FEMA IA registrations with Major/Severe damage for DR-4353 in Southern California. The green areas show areas with the most FEMA IA registrations with Major/Severe damage. The cross hatched areas show the Most Impacted and Distressed Areas in Southern California, including Ventura County and Montecito in Santa Barbara County.

**FIGURE 45: FEMA IA MAJOR/SEVERE DAMAGE BY COUNTY (4353)**



Source: FEMA, U.S. Census Bureau, ESRI

The following figure provides an overview of owner occupied household unmet need for Major Low, Major High and Severe damage categories. HUD requires that HCD must spend a minimum of 70 percent of the total CDBG-DR grant to benefit LMI populations. Based on the self-reported FEMA IA data for owner occupied households, 53 percent of owner occupied households are below the 80 percent Area Median Income threshold. Thirty-six percent of owner occupied FEMA IA registrants have a household income over 80 percent Area Median Income. Based on the limited population of voluntary FEMA IA registrants, the owner occupied household unmet need across both disasters is \$78,144,491.

*ii. Owner occupied Households*

**FIGURE 46: FEMA IA OWNER OCCUPIED HOUSEHOLDS WITH UNMET NEEDS**

Owner Occupied	Total Major/Severe	% Total Count	Unmet Need	% Total Unmet Need
Under 30% AMI	140	20%	\$16,198,011	21%
30 to 50% AMI	102	15%	\$11,704,718	15%
50 to 80% AMI	123	18%	\$14,409,690	18%
Over 80% AMI	247	36%	\$27,781,138	36%
No Income Reported	74	11%	\$8,050,934	10%
<b>Total</b>	<b>686</b>		<b>\$78,144,491</b>	

Source: FEMA, May 2018

Of the 18,035 owner occupied households that registered for FEMA IA, 1,037 owner occupied households have a registered FVL. Of those 1,037 owner occupied households, 23 percent (239) households did not have insurance. This figure does not reflect the reality on the ground for owner occupied households impacted by DR-4344 and DR-4353.

**FIGURE 47: FEMA IA OWNER OCCUPIED HOUSEHOLDS BY DAMAGE CATEGORY – NO INSURANCE**

Owner occupied, No Insurance	Major/Severe	% No Insurance
Under 30% AMI	70	29%
30 to 50% AMI	51	21%
50 to 80% AMI	36	15%
Over 80% AMI	49	21%
No Income Reported	33	14%
<b>Total</b>	<b>239</b>	

Source: FEMA, May 2018

*iii. Renter occupied Households*

Of the 3,046 households registered with FEMA IA that have an FVL, 2,009 (66 percent) are renter occupied households. While owner occupied households face strong obstacles to rebuild, renter occupied households are less likely to have insurance that covers losses during a disaster. Of the renter occupied FEMA IA registrants, 62 percent have a household income under 80 percent Area Median Income. Within the LMI renter occupied households, renters earning under 30 percent Area Median Income represent 28 percent of the total Major-Low, Major-High, and Severe households that registered with FEMA IA. Using the limited sample size of renter occupied households that registered for FEMA IA and have an FVL above \$0 and Major or Severe damage, renter occupied households show \$131,485,904 in total damage.



**FIGURE 48: FEMA IA RENTER OCCUPIED UNMET NEED BY INCOME CATEGORY**

Income	Total Major/Severe Applicants	% Total	Total Damage	% Total
Under 30% AMI	452	28%	\$33,620,164	26%
30 to 50% AMI	247	16%	\$20,161,466	15%
50 to 80% AMI	291	18%	\$25,279,796	19%
Over 80% AMI	379	24%	\$33,846,198	26%
No Income Reported	223	14%	\$18,578,280	14%
<b>Total</b>	<b>1,592</b>		<b>\$131,485,904</b>	

Source: FEMA, May 2018

The Federal Register Notice allocates \$124 million in CDBG-DR Funds for the State of California. This \$124 million is intended to address the remaining unmet needs of communities most impacted by a disaster. Unmet housing needs are calculated by HUD as “the number of housing units with unmet needs times the estimate cost to repair those units less repair funds already provided by FEMA and SBA.” Using the calculation outlined by the Federal Register Notice and HUD, the following section provides an overview of unmet housing needs using HUD’s unmet needs methodology.

The following figure uses HUD’s methodology for Funding Allocation using FEMA IA data. This analysis limits the unmet needs for owner occupied households to those without insurance that have Major or Severe damage categories and renter occupied households to those with Major or Severe damage categories and household incomes under 50 percent AMI. HCD does not believe this presents an accurate portrait of damages for owner occupied or renter occupied households.

For owner occupied households, limiting the analysis to homeowners without insurance undercounts the true impacts for homeowners across the State of California that have identified underinsurance as a major issue with rebuilding post FEMA 4344 and 4353 disasters. For renter occupied households, limiting the analysis to 50 percent AMI and below does not reflect the high cost areas involved in these disasters. Furthermore, as described in Section IV – Proposed Disaster Recovery Programs, HCD will target renters at 80 percent AMI and below through its Multifamily Program guidelines.

**FIGURE 49: FEMA IA BY DAMAGE CATEGORY (NO INSURANCE, UNDER 50 PERCENT AMI)**

Damage Category	Owners without Insurance		Rental - Under 50% AMI Only		Total	
	Count	Total Damage	Count	Total Damage	Count	Total Damage
Major-Low	10	\$403,230	177	\$7,137,171	187	\$7,540,401
Major-High	38	\$2,120,856	267	\$14,901,804	305	\$17,022,660
Severe	191	\$23,775,871	255	\$31,742,655	446	\$55,518,526
Total	239	\$26,299,957	699	\$53,781,630	938	\$80,081,587

The following figure presents both owner occupied and renter occupied FEMA IA registrants including the count of properties with Major Low, Major High and Severe Verified Losses using the HUD provided damage multipliers. The first figure shows a breakdown of owner occupied, renter occupied and total households with FVL over \$0. In total, 2,278 households have an FVL over \$0 and fall into Major or Severe damage categories. Figure 41 shows the HUD Serious Unmet Housing Need Multipliers. Based on FEMA IA applicants, the current damage estimate using HUD Multipliers is \$209,630,395 for both owner-occupied and renter-occupied households across the 4344 and 4353 disaster areas.

*iv. Unmet Needs by Owner Occupied and Renters*

**FIGURE 50: FEMA IA BY DAMAGE CATEGORY**

Damage Category	Owner		Rental		Total	
	Count	Total Damage	Count	Total Damage	Count	Total Damage
Major-Low	38	\$1,532,274	311	\$12,540,453	349	\$14,072,727
Major-High	59	\$3,292,908	590	\$32,929,080	649	\$36,221,988
Severe	589	\$73,319,309	691	\$86,016,371	1,280	\$159,335,680
Total	686	\$78,144,491	1,592	\$131,485,904	2,278	\$209,630,395

Source: FEMA, May 2018

The following figure presents owner occupied, renter occupied and total households that registered for FEMA IA, have an FVL over \$0, and have remaining unmet needs. In total 1,941 households including 672 owner occupied households (26 percent) and 1,269 renter occupied households (74 percent) for a total unmet housing need, using HUD’s methodology, of \$185,906,989. The \$124 million of CDBG-DR funds are intended to address unmet recovery needs and address housing needs first.

HCD believes that the number of FEMA IA registrations severely undercounts the damage caused by the 4344 and 4353 disasters and does not represent a full picture of unmet recovery needs from these disasters. However, even when using the narrow approach of households that signed up for FEMA IA, have an FVL over \$0, meet the Major/Severe damage category threshold, and show an unmet recovery need, the \$124 million allocated will not cover the \$185,906,989 in housing unmet recovery need.

**FIGURE 51: FEMA IA UNMET NEED BY CATEGORY FOR 4344 AND 4353**

Damage Category	Owner		Rental		Total	
	Count	Unmet Need	Count	Unmet Need	Count	Unmet Need
Major-Low	32	\$1,290,336	222	\$8,951,706	254	\$10,242,042
Major-High	52	\$2,902,224	448	\$25,003,776	500	\$27,906,000
Severe	588	\$73,194,828	599	\$74,564,119	1,187	\$147,758,947
Total	672	\$77,387,388	1,269	\$108,519,601	1,941	\$185,906,989

Source: FEMA, May 2018

#### d. Small Business Administration Disaster Loans

SBA offers home loans to residents within disaster impacted areas and received a total of 3,971 applicants for homeowner assistance. Of the total applicants, 2,263 were owner occupied (68 percent) and 1,276 were renter occupied (32 percent). However, of the 3,971 applicants, only 2,281 have a verified loss over \$0 (57 percent). Nearly all the properties with a verified loss are owner occupants (2,263), while very few renters have verified losses (16 percent).

While FEMA IA only considers the cost to make a home habitable, SBA inspections account for the full cost to repair the home. HUD notes that SBA’s inspections reflect “full repair costs, it is presumed to reflect the full cost to repair the home, which is generally more than the FEMA estimates on the cost to make the home habitable.”<sup>45</sup> Within the SBA disaster home loan, HCD considers the following as real estate verified losses:

- Real Estate Repair – Verified loss to rehabilitate real estate
- Manufactured Housing – Verified loss to rehabilitate/replace manufactured housing
- Reconstruction – Verified loss to rebuild real estate on current site

The following figure provides a breakdown of the different cost categories available within the SBA disaster home loan data, showing the median cost to rebuild based on verified loss by type of loss.

<sup>45</sup> Federal Registrar Notice 83 FR 40314, Appendix A, HUD <https://www.gpo.gov/fdsys/pkg/FR-2018-08-14/pdf/2018-17365.pdf>, August 2018.

**FIGURE 52: SBA DISASTER HOME LOAN – MEDIAN COST TO REBUILD BY TYPE**

Type of Loss	Median Verified Loss
Real Estate Loss <sup>46</sup>	\$314,968
Manufactured Housing	\$112,925
Real Estate Repair	\$15,500
Reconstruction	\$329,789

Source: SBA, August 2018

The following figure shows the average real estate loss by county impacted by DR-4344 and DR-4353.<sup>47</sup>

**FIGURE 53: SBA AVERAGE REAL ESTATE LOSS BY IMPACTED COUNTY**

County	Average Real Estate Loss	Count of Real Estate Loss
Butte	\$134,187	25
Lake	\$154,014	85
Los Angeles	\$157,753	87
Mendocino	\$242,176	221
Napa	\$319,230	208
Nevada	\$181,050	17
Orange	\$257,701	25
San Diego	\$221,828	91
Santa Barbara	\$281,938	174
Sonoma	\$359,745	2,634
Ventura	\$377,694	488
Yuba	\$182,945	90
Statewide	\$338,142	4,145

Source: SBA, August 2018

The following figure shows the total number of applicants for SBA’s disaster home loan program

<sup>46</sup> Real Estate Loss is defined as a median of the following types of rebuild types: Manufactured Housing, Real Estate Repair and Reconstruction.

<sup>47</sup> Includes Manufactured Housing, Real Estate Repair and Reconstruction.

by County and provides a comparison of the total number of applicants with real estate losses for all loans.

**FIGURE 54: SBA APPLICANTS & REAL ESTATE LOSS BY COUNTY FOR 4344 AND 4353**

County	SBA	
	SBA - Total Applicants	Total with Real Estate Losses
Butte	25	10
Lake	85	27
Los Angeles	87	43
Mendocino	221	100
Napa	208	111
Nevada	17	8
Orange	25	5
San Diego	91	62
Santa Barbara	174	78
Sonoma	2,634	1,567
Ventura	488	317
Yuba	90	43
<b>Total</b>	<b>4,145</b>	<b>2,371</b>

Source: SBA, August 2018

However, the following figure provides an additional break down of these figures, showing the total number approved and denied loans by type of loss. Of 3,292 SBA disaster home loan applications, 1,730 loans were denied. Common reasons for denial of SBA loans include lack of repayment ability, lack of credit, and ineligible properties (including second homes).

**FIGURE 55: SBA LOAN STATUS BY TYPE OF VERIFIED LOSS**

Type of Loss	Loan Status	Description	Count
Real Estate Loss	Approved	SBA Applicants with a real estate verified loss	639
	Denied	SBA Applicants without a real estate verified loss (estimate)	624
Reconstruction Loss	Approved	SBA Applicants with verified Reconstruction Losses	823
	Denied		1,030
Manufactured Loss	Approved	SBA applicants with verified Manufactured Home Loss	100
	Denied		76
Total	Total Approved	Total Verified Loss of FEMA Applicants referred to SBA	1,562
	Total Denied		1,730
	Total		3,292

Source: SBA, August 2018

*i. SBA Ratio*

HUD has accepted an SBA Ratio as a subset of FEMA IA applicants that have both an SBA-established Verified Loss and a FEMA Real Property FEMA Verified Loss to establish a ratio, including Major and Severe HUD-defined damage categories. This ratio allows HCD to use the SBA inspection, which covers the cost of bringing the home back to pre-disaster condition, while FEMA inspections are based on the amount needed for a homeowner to move back into the home. The following figure shows the number of households that registered with both FEMA IA and SBA and calculates the SBA Ratio. The SBA helps provide a more consistent damage estimate for properties inspected by both SBA and FEMA IA.

**FIGURE 56: SBA RATIO CALCULATION**

Damage Category	Number of Registrations (Both FEMA & SBA)	Total SBA Verified Loss	Total Real Property FEMA Verified Loss
Major-High	16	\$2,659,873	\$341,247
Major-Low	12	\$2,228,662	\$121,349
Severe	249	\$72,838,580	\$35,880,682
SBA Ratio			
Average of Severe Properties Only	249	\$292,524	\$144,099
SBA Ratio (SBA FVL/FEMA Real Property FVL)			2.03

Source: SBA, August 2018; FEMA, May 2018

*ii. Renter occupied households*

In addition to SBA home loans, SBA offers disaster business loans to businesses in impacted areas. The economic impact section provides a more detailed analysis of business impacts and unmet needs. However, the business loans include applicants for real estate related businesses, which provide insight into impacts to rental properties and landlords. To understand businesses that rent properties, HCD examines the following North American Industry Classification System categories:<sup>48</sup>

- Lessors of Residential Buildings and Dwellings (NAICS Code 531110).
- Lessors of Other Real Estate Property - includes manufactured, renting as industry (NAICS Code 531190).

<sup>48</sup> US Census Bureau, North American Industry Classification System, <https://www.census.gov/cgi-bin/sssd/naics/naicsrch?input=planning&search=2017+NAICS+Search&search=2017>.



Using these categories, the following figure shows that a total of 194 businesses applied for SBA business loans to assist with recovery from the 4344 and 4353 disasters. A majority of these applications (175) are for lessors of residential buildings and dwellings.

**FIGURE 57: SBA COMMERCIAL LOAN – REAL ESTATE BY NAICS CODE**

SBA Application Type	Disaster		
	4344	4353	Total
Lessors of Residential Buildings and Dwellings (NAICS Code 531110)	143	32	175
Lessors of Other Real Estate Property - includes manufactured, renting as industry (NAICS Code 531190)	14	5	19
<b>Total</b>	<b>157</b>	<b>37</b>	<b>194</b>

Source: SBA, August 2018

e. California Department of Forestry and Fire Protection Damage Assessment Data

CAL FIRE conducts a parcel survey of properties impacted by fires and natural disasters using ArcGIS and ArcCollector. The Damage Inspection Worksheet includes property addresses, the incident (disaster) name, and selected information about the damaged property. For DR-4344 and DR-4353, CAL FIRE surveyed a total of 12,550 properties.<sup>49</sup> This on-the-ground analysis has its limitations: they are not conducted by building inspectors, the assessment is done immediately post-disaster, and inspectors are only able to survey properties that are accessible. Despite these factors, the data presents a clearer picture of damage than either SBA or FEMA IA. CAL FIRE damage assessments are conducted by inspectors on the ground post-disaster, while SBA and FEMA IA are voluntary application processes. The following figure breaks down the structures surveyed.

**FIGURE 58: CAL FIRE DAMAGE BY PROPERTY CATEGORY**

Structure Type	Inspected Properties	% of Inspected Properties
Commercial	303	2%
Mobile Home	774	6%
Multifamily	243	2%
Other	41	0%
Outbuilding <sup>50</sup>	3,243	26%
Single Family	7,946	63%
<b>Total</b>	<b>12,550</b>	

<sup>49</sup> CAL FIRE conducted Damage Inspections of all fires and mudslides identified in FEMA 4344 and 4353 disaster declarations. This data was compiled to present a full picture of the statewide disaster.

<sup>50</sup> Outbuilding is defined as a building or structure that is less than 120 square feet in size and not used for human habitation.

[https://govt.westlaw.com/calregs/Document/ID3038F208C5911E2BD79AA7206D382EB?viewType=FullText&originalContext=documenttoc&transitionType=CategoryPageItem&contextData=\(sc.Default\)](https://govt.westlaw.com/calregs/Document/ID3038F208C5911E2BD79AA7206D382EB?viewType=FullText&originalContext=documenttoc&transitionType=CategoryPageItem&contextData=(sc.Default))

Source: CAL FIRE Damage Assessment, August 2018

For purposes of the housing unmet needs analysis, HCD only focuses on structures categorized as Mobile Homes, Multifamily, or Single Family. Combined, these residential categories total 8,963 residential structures. The following table provides an additional breakdown of these residential properties, showing the number of residential structures by damage category. The number of destroyed properties reflect the fire severity, with a total of 7,503 destroyed properties statewide (84 percent of residential properties surveyed).

**FIGURE 59: CAL FIRE RESIDENTIAL STRUCTURE DAMAGE SURVEY BY COUNTY**

County	1-9%	10-25%	26-50%	51-75%	Destroyed	No Access	No Damage	Total
Butte	0	2	0	0	36	0	0	38
Lake	5	0	0	0	131	0	0	136
Los Angeles	32	20	7	9	66	0	68	202
Mendocino	12	3	1	0	313	0	0	329
Napa	61	20	4	4	622	0	287	998
Nevada	0	3	0	0	29	0	0	32
San Diego	29	21	2	2	114	0	0	168
Santa Barbara	127	108	1	97	158	2	2	495
Sonoma	218	56	19	11	5,143	0	68	5,515
Ventura	95	52	25	14	748	0	2	936
Yuba	0	0	1	0	143	0	0	144
Total	579	285	60	137	7,503	2	427	8,993

Source: CAL FIRE Damage Assessment, August 2018

#### f. Homeowner Insurance

HCD requested address level information about claims and payouts from the California Department of Insurance, but as of the date of this publication the payout data is not available. However, the Department of Insurance provided zip-code level data received from private insurance companies immediately post disaster for DR-4344 and DR-4353. This data is limited to claims in or around the disaster incident periods, not for a broad time period. The Department of Insurance defines Residential Personal Property as Homeowners; Condominium Unit Owners; Mobile Home; Tenants/Renters; Dwelling Fire and Allied Lines; and Lender/Force-Placed and Real Estate Owned (REO).

The following figure shows the total number of residential insurance claims by county and the total number of residential claims that resulted in a total loss. While this does not show the full picture, nor provide payout data needed for the unmet needs calculation, it does provide information about the level of damage and number of residential households with insurance in the disaster impacted areas.

**FIGURE 60: RESIDENTIAL INSURANCE CLAIMS RESULTING FROM 4344 AND 4353 DISASTERS**

County	Insurance - Total Number of Residential Claims	Total Number of Residential Claims Resulting in a Total Loss
Butte	59	16
Lake	256	97
Los Angeles	3,053	63
Mendocino	546	200
County	Insurance - Total Number of Residential Claims	Total Number of Residential Claims Resulting in a Total Loss
Nevada	82	32
County	Insurance - Total Number of Residential Claims	Total Number of Residential Claims Resulting in a Total Loss
Orange	461	29
San Diego	1,152	70
Santa Barbara	2,925	42
Sonoma	14,779	4,963
Ventura	4,848	627
Yuba	390	107
<b>Total</b>	<b>31,096</b>	<b>6,718</b>

Source: California Department of Insurance, May 2018.

The following figure provides additional detail on the number of claims, total losses and direct incurred losses for residential properties who filed insurance claims related to DR-4344 and DR-4353. The Average Loss calculation divides the Direct Incurred Loss column by the Total Number of Claims. Across the impacted counties, the total Average Loss is \$335,427.

**FIGURE 61: RESIDENTIAL INSURANCE CLAIMS BY COUNTY**

County	Total Number of Claims	Number of Claims Resulting in Total Loss	Direct Incurred Losses	Average Loss
Butte	59	16	\$5,399,325	\$91,514
Lake	256	97	\$48,363,120	\$188,918
Los Angeles	3,053	63	\$115,774,721	\$37,922
Mendocino	546	200	\$142,895,509	\$261,713
Napa	2,545	472	\$1,206,434,647	\$474,041
Nevada	82	32	\$18,851,507	\$229,896
Orange	461	29	\$75,813,493	\$164,454
San Diego	1,152	70	\$90,756,438	\$78,782
Santa Barbara	2,925	42	\$253,033,508	\$86,507
Sonoma	14,779	4,963	\$6,987,811,497	\$472,820
Ventura	4,848	627	\$1,416,975,278	\$292,280
Yuba	390	107	\$68,330,185	\$175,206
Total	31,096	6,718	\$10,430,439,228	\$335,427

Source:

California Department of Insurance, May 2018.

**g. Summary of Impacts**

The following figure compiles each data source described above to compare the damages for each impacted county. This demonstrates that no data source accurately captures the population impacted by these disasters. Due to these inconsistencies, HCD is proposing a program survey period, prior to launching its Owner Occupied Rehabilitation and Reconstruction Program to capture an accurate portrait of owner occupied and rental-occupied households with unmet housing recovery needs. Section IV – Proposed Disaster Recovery Programs, part 2a provides further details about the program survey.

**FIGURE 62: IMPACT SUMMARY BY DATA SOURCE**

County	CA Department of Insurance		FEMA Individual Assistance		CAL FIRE		SBA	
	Number of Claims Resulting in Total Loss	% Total Claims	FEMA Verified Loss	% of Total Claims	Residential - Damaged Properties	% of Total Damaged Properties	Total with Real Estate Losses	% of Total Real Estate Losses
Butte	16	0%	35	1%	38	0%	10	0%
Lake	97	1%	76	2%	136	2%	27	1%
Los Angeles	63	1%	71	2%	134	2%	43	2%
Mendocino	200	3%	225	7%	329	4%	100	4%
Napa	472	7%	145	5%	711	8%	111	5%
Nevada	32	0%	25	1%	32	0%	8	0%
Orange	29	0%	2	0%	0	0%	5	0%
San Diego	70	1%	97	3%	168	2%	62	3%
Santa Barbara	42	1%	314	10%	491	6%	78	3%
Sonoma	4,963	74%	1,590	52%	5,447	64%	1,567	66%
Ventura	627	9%	349	11%	934	11%	317	13%
Yuba	107	2%	117	4%	144	2%	43	2%
Total	6,718		3,046		8,564		2,371	

Source: CAL FIRE Damage Assessment, August 2018; FEMA, May 2018; SBA, August 2018; CDI, May 2018

#### h. Alternative Methodology

The previous section provided a description of housing impacts from DR-4344 and DR-4353 using HUD’s approved methodology. However, as noted, the limited number of FEMA IA registrations with verified losses and the over emphasis on homeowners of the SBA data requires an alternative methodology for capturing an accurate portrait of unmet recovery needs for housing impacted by the disasters.

##### i. Basis for Number of Homes Destroyed

FEMA IA data shows that 1,177 owner occupied homes fall into the Major or Severe damage categories defined by HUD’s most recent federal register notice. Comparatively, limited private homeowner insurance data provided by the state’s Insurance Commissioner shows 6,718 claims

that resulted from total loss. Lastly, CAL FIRE data shows 7,474 homes as “Destroyed.” There is an 11 percent difference between homeowner insurance total loss claims and CAL FIRE “Destroyed” numbers. Given this difference, HCD assumes that both the CA Insurance Commission data and CAL FIRE data provide a more accurate pictures of destroyed homes than FEMA IA data. FEMA IA is dependent upon the homeowner to apply for assistance. Due to many homeowners not applying for FEMA, it appears that FEMA data underrepresents the extent of damage.

CAL FIRE numbers are based upon physical counts by “boots on the ground.” This section outlines a methodology using CAL FIRE numbers as the basis for total number of destroyed homes. In addition to homes categorized as destroyed, CAL FIRE data shows an additional 137 damaged residential structures in the 51 to 75 percent range. HCD assumes that this level of damage would lead to a total reconstruction of the home. Using the CAL FIRE residential damage survey as the basis of analysis, a total of 7,611 homes were destroyed and need reconstruction as a basis.

*ii. Basis for Cost of Reconstruction*

While the actual cost of reconstruction cannot be determined until a home is assessed under HCD’s Owner Occupied Rehabilitation and Reconstruction Program and a scope of work is established, this section outlines HCD’s approach in determining an alternative average cost of reconstruction that reflects the impacts of DR-4344 and DR-4353.

- **Small Business Administration Ratio** –The FEMA Real Property Verified Loss for homes with Severe damage is \$145,287. Multiplying this by the SBA Ratio for Severe homes, 2.03, shows an average cost of reconstruction as \$294,933.<sup>51</sup>
- **Small Business Administration, Average Real Property Verified Loss for Severe Homes** - Looking at SBA applications alone, the average Real Property Verified Loss for Severe homes with SBA inspections is \$314,968.<sup>52</sup>
- **2012-2016 American Community Survey (ACS) Median Home Value** – HCD compared the number of homes using ACS data to the number of CAL FIRE homes categorized as Destroyed by impacted County. Assuming that two thirds of the home value is for the residential structure, the weighted average of home values in impacted counties is \$298,352.

Figure 63 below provides detail on the price by impacted county. For this analysis HCD assumes that the structure comprises an average of 66% of the Median Home value. Taking 66% of the Median Home Value from the Figure below (\$459,650) gives the weighted home value of \$298,352.

---

<sup>51</sup> Methodology outlined in Figure 56.

<sup>52</sup> Further detail available in Figure 52.



**FIGURE 63: MEDIAN HOME VALUE, 2012-2016 ACS 5 YEAR ESTIMATE**

County	Median
Butte	\$228,500
Lake	\$167,300
Los Angeles	\$465,000
Mendocino	\$319,100
Napa	\$503,100
Nevada	\$355,900
Orange	\$584,200
San Diego	\$454,600
Santa Barbara	\$480,000
Sonoma	\$464,700
Ventura	\$481,400
Yuba	\$190,700
Median Home Value	\$459,650

- **CA Insurance Commission Data** – HCD assumes that the average residential structure claim is a proxy for reconstruction cost, putting the reconstruction cost at \$325,168.<sup>53</sup>

Taking the median value of the four proposed approaches:

- Small Business Administration Ratio - \$294,933
- Small Business Administration, Average Real Property Verified Loss for Severe Homes - \$310,133
- 2012-2016 American Community Survey (ACS) Median Home Value - \$298,352
- CA Insurance Commission Data - \$325,168
  - **Median Value: \$304,242**

Based on this analysis, HCD will use a median value of \$300,000 for the basis of average cost of reconstruction.

*iii. Calculating Total Cost of Reconstruction*

Using the number of destroyed residential properties surveyed by CAL FIRE (7,474), multiplied by the average cost of reconstruction (\$300,000), the total cost of owner occupied reconstruction from DR-4344 and DR-4353 is **\$2,283,300,000**.

<sup>53</sup> Further detail available in Figure 61.

FEMA awards and SBA loans provide some relief towards this total, and thus parts of these awards are subtracted as Duplication of Benefits. FEMA structural awards total \$20,699,188. SBA awards for structural damage (amount for manufactured homes and reconstruction) amount to \$561,591,003. It should be noted that this does discount applicants who were offered a loan but declined the loan. Congress recently approved substantial changes under HR 302, enacted as PL 115-254 on October 5, 2018, regarding how SBA loans are calculated as Duplication of Benefits. The methodology presented is a conservative approach. Unmet needs will be recalculated after HUD provides proper guidance based upon the changes in PL 115-254.

Thus, unmet need for reconstruction after subtracting out FEMA and SBA awards and loans is potentially **\$1,701,009,809**. Note that this does not subtract out for pay out of claims by private homeowner insurance. The data set provided does not provide sufficient enough details to determine what that amount may be, as only 22 percent of all claims were listed as “Resulting in Total Loss.” The following figure shows the Alternative Methodology calculation:

**FIGURE 64: ALTERNATIVE OWNER OCCUPIED CALCULATION**

<i>Total Cost of Reconstruction (excluding housing rehabilitation) - CAL FIRE</i>	
# of residential structures in CAL FIRE data listed as "Destroyed"	7,474
# of residential structures in CAL FIRE data listed as "51-75%" damaged <sup>54</sup>	137
Total # of Residential Structure with Severe Damage or Destroyed	7,611
Average basis of reconstruction cost	\$300,000
Total Severe Damaged/Destroyed Properties Times the Avg Reconstruction Cost	\$2,283,300,000
<i>Subtraction for Duplication of Benefits</i>	
Private Insurance Towards Reconstruction	\$0 <sup>55</sup>
FEMA Awards for Structural Damage (IHP)	\$20,699,188
SBA Awards for Structural Damage <sup>56</sup>	\$561,591,003
Total Subtraction for Duplication of Benefits	\$582,290,191
<b>Single Family Reconstruction Unmet Need</b>	<b>\$1,701,009,809</b>

Source: CAL FIRE Damage Assessment, August 2018; FEMA, May 2018; SBA, August 2018; CDI, May 2018

### i. Infrastructure Impact

DR-4344 and DR-4353 both caused extensive impact to California infrastructure. The disasters resulted in damage to roads, signage, bridges, schools, landfills and sanitation facilities, public parks, and other infrastructure systems. The most widespread damage was to roads, which were impacted both as a direct result of fires and by heavy emergency vehicle use and debris removal during the immediate recovery period. Los Angeles County, for example, sustained substantial

<sup>54</sup> HCD assumes that housing policies will follow standard practice for reconstruction at 50%+ damage to home value.

<sup>55</sup> The California Department of Insurance does not collect address level claim or payout information. The Department only has data at the zip code level. HCD is committed to updating this data through collaboration with the insurance industry and Duplication of Benefits verification for owner occupied applicants.

<sup>56</sup> Total of SBA Loans for Manufactured and Reconstruction Awards minus applicants that declined the loan.

damage to private roads. They noted that in order for the county to provide maintenance for the roads, they would need to bring the roads to county code standards, increasing the cost and amount of work required. The County estimated this cost at over \$4 million, which is not reflected in FEMA Public Assistance cost data as Los Angeles County was not eligible for Public Assistance under FEMA's DR-4353 Disaster Declaration. The January 9 debris flow in Santa Barbara County affected much of the county and devastated the Montecito area, altering topography and impacting 50 miles of county roads, 200 culverts, and 20 bridges.<sup>57</sup> Many local jurisdictions reported that they expended resources from agencies not typically associated with emergency measures to address local needs, draining resources from regular operations.

While the rebuilding and rehabilitation of damaged infrastructure is critical to recovery, housing is the priority of this Action Plan, and infrastructure damages will likely not be fully addressed by these funds. The forthcoming \$88 million in mitigation funding is may further assist in infrastructure recovery.

i. *FEMA Public Assistance*

The FEMA Public Assistance (PA) program is designed to provide immediate assistance to the 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 establish the impact of the disasters on infrastructure and identify the 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. HCD's proposed infrastructure program is discussed in more detail in Section IV, Proposed Disaster Recovery Programs. 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. Furthermore, some impacted communities have not submitted disaster-related infrastructure projects for FEMA PA funding.

---

<sup>57</sup> Santa Barbara County, "Update on Thomas Fire and 1/9 Debris Flow Community Disaster Recovery Efforts" Memorandum to County Board of Supervisors, March 13, 2018.

The following chart provides a breakdown of the approved FEMA cost share by disaster.

**FIGURE 65: FEMA COST SHARE BY DISASTER**

Disaster	4344		4353	
	Federal	State/Local	Federal	State/Local
Category A	90%	10%	90%	10%
Category B <sup>58</sup>	75%	25%	100%	0%
Category C	90%	10%	75%	25%
Category D	90%	10%	75%	25%
Category E	90%	10%	75%	25%
Category F	90%	10%	75%	25%
Category G	90%	10%	75%	25%

Source: FEMA, August 2018

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

As of August 2018, \$74.2 million in permanent work FEMA PA project costs had been identified and submitted for DR-4344. This includes a state share of \$5.6 million and a local share of \$1.9 million. The communities in DR-4353 identified \$12.5 million in permanent work FEMA PA project costs, including a local share of \$781,956. The total state and local share for DR-4344 and DR-4353 is \$10.5 million.

Since the damage caused by DR-4353 and DR-4344 was primarily due to fires, not flooding, HCD is currently prioritizing FEMA PA match for Category D and F projects only as they help address the unmet housing need. Maintenance drainage by the grantee is limited to those facilities that are located within public rights of way, or drainage easements that are deeded to the city, state, or locality. The state is proposing to use CDBG-DR funding to assist with matching funds for infrastructure projects that directly tie to housing recovery.

<sup>58</sup> Category B work for 4344 is covered at 100% for 30 days, with the 30-day timeframe selected by the applicant.

**FIGURE 66: LOCAL SHARE UNMET NEEDS FOR FEMA PUBLIC ASSISTANCE 4344 ONLY, AUGUST 2018**

Category	Projects	Total Cost	State Share	Local Share
A	22	\$182,950,620	\$18,295,062	\$0
B	101	\$140,127,539 <sup>59</sup>	\$0	\$0
C	32	\$14,253,485	\$1,069,011	\$356,337
D	4	\$348,823	\$26,162	\$8,721
E	53	\$33,953,185	\$2,546,489	\$848,830
F	30	\$11,306,594	\$847,995	\$282,665
G	21	\$14,352,143	\$1,076,411	\$358,804
Total	263	\$397,292,389	\$23,861,129	\$1,855,356

Source: FEMA, August 2018

**FIGURE 67: LOCAL SHARE UNMET NEEDS FOR FEMA PUBLIC ASSISTANCE 4353 ONLY, AUGUST 2018**

Category	Projects	Total Cost	State Share	Local Share
A	29	\$58,290,173	\$4,371,763	\$1,457,254
B	67	\$124,103,447	\$0	\$0
C	10	\$3,247,422	\$608,892	\$202,964
D	7	\$1,509,200	\$282,975	\$94,325
E	25	\$2,211,264	\$414,612	\$138,204
F	22	\$4,611,521	\$864,660	\$288,220
G	13	\$931,892	\$174,730	\$58,243
Total	173	\$194,904,918	\$6,717,631	\$2,239,210

Source: FEMA, August 2018

**FIGURE 68: LOCAL SHARE UNMET NEEDS FOR FEMA PUBLIC ASSISTANCE 4344 AND 4353, AUGUST 2018**

Category	Total Projects	State & Local Share - Unmet Need
A	51	\$24,124,079
B	168	\$0
C	42	\$2,237,204
D	11	\$412,182
E	78	\$3,948,135
F	52	\$2,283,540
G	34	\$1,668,187
Total	436	\$34,673,327

Source: CalOES

<sup>59</sup> While the Category B work for 4344 is only covered 100% for 30 days for 4344, this analysis assumes that applicants had their State and Local Share covered. HCD will update this as new data becomes available.

These are preliminary calculations based on current best available data available in FEMA's system, and HCD expects the unmet needs to increase as additional projects are approved by FEMA. The state will work with government agencies, nonprofit organizations, and other entities eligible for FEMA PA to gather additional information related to local match. The running estimate of unmet needs will be updated as projects are reviewed and approved through the FEMA project worksheet process.

#### j. Economic Impact

While California's economy continues to perform and maintain its strength, the disasters had a substantial impact on local businesses, employees, and key industries. The agricultural and tourism industries were impacted by the disasters. These industries are still recovering from the events of 2017 and the wildfires burning in the summer of 2018. The perception that areas are unsafe or the air quality is poor will continue to impact tourism; a key economic driver in the state. The effects on the agricultural industry are also ongoing due to the destructive nature of fire and the interconnection between agriculture and tourism in heavily impacted areas. For example, wineries and Sonoma and Napa County are still working to demonstrate that they are open for business and ready to serve clientele.

The following section provides a high level analysis of the economic impact caused by the wildfires and mudflows in 2017. This Action Plan primarily addresses the unmet housing and infrastructure recovery needs and does not address the economic recovery need. If additional recovery funds become available, programs may be created to assist in the economic recovery of impacted areas.

California's economy continues to grow, placing more price pressure on the existing housing stock. In Butte County, the repairs to the Oroville Dam increases the difficulty of finding skilled workers for repairs or home construction. In other areas, such as Sonoma County where they serve as a supplier of affordable homes for Napa and Marin, the statistics do not tell the whole story.

#### i. *Employment and Business Establishments*

California's economy leading up to the disasters in 2017 was thriving according to indicators provided by the California Employment Development Department. Employment increased by 1.9 percent from 2016 to 2017 reaching 18.4 million people. During the same period the unemployment rate decreased from 5.5 percent in 2016 to 4.8 percent in 2017.



## DR-4344 & DR-4353

All counties within DR-4344 and DR-4353 experienced job growth, a reduction in unemployment rate and increases in number of business establishments and annual payroll between 2016 and 2017.

**FIGURE 69: DR-4344 2016-2017 EMPLOYMENT**

County	Employment		Unemployment Rate		Number of Business Establishments	
	2017	2016	2017	2016	2017	2016
Butte County	97,100	95,200	5.7	6.6	9,025	4,627
Lake County	28,010	27,200	5.7	6.7	2,339	1,085
Mendocino County	38,220	37,650	4.5	5.3	4,192	2,439
Napa County	71,200	70,000	3.7	4.3	7,064	4,216
Nevada County	46,670	46,000	4.1	4.8	5,262	3,013
Orange County	1,562,600	1,537,700	3.5	4.0	135,374	94,703
Sonoma County	254,000	249,800	3.4	4.0	22,032	13,887
Yuba County	26,400	25,700	7.5	8.6	1,580	802

Sources: U.S. Census Bureau, 2016 County Business Patterns: 2016 Annual Payroll, Number of Business Establishments; California Employment Development Department

**FIGURE 70: DR-4353 2016-2017 EMPLOYMENT**

County	Employment		Unemployment Rate		Number of Business Establishments	
	2017	2016	2017	2016	2017	2016
Los Angeles County	4,883,600	4,789,500	4.7	5.3	358,738	269,489
San Diego County	1,521,500	1,496,200	4.0	4.7	116,070	83,146
Santa Barbara County	207,300	205,200	4.5	5.1	17,269	11,640
Ventura County	407,100	404,400	4.5	5.2	29,612	20,909

Sources: U.S. Census Bureau, 2016 County Business Patterns: 2016 Annual Payroll, Number of Business Establishments; California Employment Development Department

### Most Impacted and Distressed

Most Impacted and Distressed areas saw economic growth between 2016 and 2017.

**FIGURE 71: MOST IMPACTED AND DISTRESSED AREA 2016-2017 EMPLOYMENT**

	Employment		Unemployment Rate		Number of Business Establishments	
	2017	2016	2017	2016	2017	2016
County						
Sonoma County	254,000	249,800	3.4	4.0	22,032	13,887
Ventura County	407,100	404,400	4.5	5.2	29,612	20,909
Zip Code						
95470	966	785	9.3		135	89
95901	11,696	6,664	9.2		986	477
94558	30,653	24,785	3.8		2,671	1,712
95422	3,313	2,084	12.8		395	188
93108	6,346	6,339	3.7		665	587

**Sources:**

1. State of California Employment Development Department: 2016 Employment, Unemployment Rate
2. U.S. Census Bureau, 2016 ZIP Code Business Patterns
3. ESRI Total Residential Population forecasts for 2017: Unemployment Rate, Establishments
4. U.S. Census Bureau, 2016 County Business Patterns: 2016 Establishments and Payroll

Although California’s economy is healthy overall, nearly all impacted jurisdictions reported economic loss for workers and businesses as a result of 2017 fires and mudslides. The City of Napa Housing Division reported that low-income workers in the wine and hospitality industries were hardest hit by the loss of wages during the fires. These residents are less likely to have financial reserves and other resources to draw from during an emergency. Napa County’s emergency call center conducted a survey of 489 impacted households which reported 63 percent of respondents lost wages as a result of the fires. Sonoma County reported that 4,751 disaster-related unemployment claims were filed in October 2017 alone.<sup>60</sup> HCD and Los Angeles County distributed a survey to households in the impacted region, more than half of whom reported that they lost income as a result of the fires.

The University of California at Santa Barbara conducted a survey of 293 businesses in the Santa Barbara area. Respondents reported laying off 213 employees collectively and 60 percent of all respondents reported having to close for at least some period as a result of the fires and

<sup>60</sup> Sonoma Human Services, “FireBiz Summary,” June 2018.

mudslides.<sup>61</sup> The Small Business Development Center for Santa Barbara and Ventura Counties estimated an impact on 17,000 jobs in Ventura County. Additionally, the Coast Village Association of Montecito, in Santa Barbara County, estimated \$15 million in combined revenue loss for the 28-day business closure due to fire and mudflow.<sup>62</sup>

Sonoma Human Services identified 1,401 businesses that had been affected by fires in Sonoma County which collectively employed 9,311 persons. The Sonoma County Economic Development Board conducted a survey of 194 businesses in January 2018, 84 percent of which reported suffering direct impact from the fires.<sup>63</sup>

Many impacted jurisdictions reported significant losses in sales, property, and occupancy taxes as a result of business closures and tourism decrease. The City of Santa Rosa anticipated a loss of over \$5 million in annual taxes.<sup>64</sup> Napa County anticipated over \$3 million in annual tax revenue loss.<sup>65</sup> Montecito saw a 92 percent decrease in occupancy tax from January 2017 to January 2018.<sup>66</sup> These examples serve to illustrate economic loss on a local level that was, and continues to be, devastating for business owners and workers in impacted communities.

#### *ii. Disaster Unemployment Assistance*

Disaster Unemployment Assistance is one key indicator of employment impacts after a disaster. The following provides an analysis of disaster unemployment data for the impacted counties. The Disaster Unemployment Assistance program (DUA), administered by the California Employment Development Department (EDD) on behalf of FEMA, provides temporary unemployment benefits to jobless workers and self-employed people whose jobs or work hour losses are a direct result of the wildfires.

In California, the process for filing DUA claims is the same as for regular claims. When applications are received, EDD first reviews the application to determine if the individuals qualify for regular state unemployment insurance. If individuals qualify for regular state benefits, they move on through that process. If individuals do not qualify for regular unemployment insurance or disability insurance, then EDD will determine eligibility for disaster unemployment benefits. Therefore, DUA claims are a subset of all applicants and do not account for the full scope of individuals who filed for unemployment assistance due to the disasters.

The deadline for applications was December 18, 2017. As of July 31, 2018, 9,904 claims were filed for regular unemployment assistance and 1,067 DUA claims were filed. Of the DUA claims, 467 people were approved for assistance and received at least one payment, totaling \$1.3 million.

---

<sup>61</sup> UCSB Economic Forecast Project. <http://www.efp.ucsb.edu/home>.

<sup>62</sup> Small Business Development Center for Santa Barbara and Ventura, "[Thomas Fire Disaster Response and Business Recovery Summary](#)."

<sup>63</sup> Sonoma County Economic Development Board, "Business Survey Results," January 2018.

<sup>64</sup> The Press Democrat, "Sonoma County facing \$21 million budget shortfall due to Northern California fires" <https://www.pressdemocrat.com/news/7751921-181/sonoma-county-facing-21-million> December 2017.

<sup>65</sup> Napa Valley Register, "October wildfires destroyed \$730 million in Napa County assessed property value," [https://napavalleyregister.com/news/local/october-wildfires-destroyed-million-in-napa-county-assessed-property-value/article\\_d80f2af0-d463-5c09-8fd4-64be028f6a6b.html](https://napavalleyregister.com/news/local/october-wildfires-destroyed-million-in-napa-county-assessed-property-value/article_d80f2af0-d463-5c09-8fd4-64be028f6a6b.html) December 2017.

<sup>66</sup> Visit Santa Barbara, 2017-2018 Q3 Report.

Sonoma County had the most DUA claims filed and received 80 percent of authorized DUA funds Within DR-4344. Ventura County received the most Regular Unemployment Claims, although Santa Barbara County filed the most DUA claims and received almost half (47 percent) of authorized DUA funds in DR-4353. The following figure provides a breakdown of unemployment claims by county.

**FIGURE 72: DISASTER UNEMPLOYMENT CLAIMS IN IMPACTED AREAS**

County	Regular UI Claim Applications	DUA Claims Filed	DUA Claimants who Certified at least once	DUA Claimants who Certified at Least Once, and Received at Least One Payment	Total DUA Benefits Authorized
DR-4344	7,251	661	343	251	\$669,878
Butte	10	0	0	0	\$0
Lake	122	13	12	8	\$19,526
Mendocino	111	22	11	5	\$8,089
Napa	2,011	119	59	42	\$8,938
Nevada	5	1	1	1	\$3,059
Orange	20	2	0	0	\$0
Sonoma	4,943	501	257	193	\$534,660
Yuba	29	3	3	2	\$5,606
DR-4353	2,653	406	253	216	\$629,694
Los Angeles	41	7	5	4	\$13,687
San Diego	20	5	4	4	\$16,378
Santa Barbara	724	181	113	97	\$300,031
Ventura	1,102	133	78	70	\$166,233
Los Angeles, Santa Barbara, Ventura*	766	80	53	41	\$133,365
DR-4344 and DR-4353 Total	9,904	1,067	596	467	\$1,299,572

Source: California Employment Development Department, August 2018 \*Claims made after flooding and mudflows

### iii. Commercial Property Insurance

Commercial property insurance is another indicator to establish the impact and need in communities effected by a disaster. The California Department of Insurance reported that

insurance companies paid approximately \$1.5 billion in direct losses for commercial property owners due the events associated with DR-4344 and DR-4353 as of May 2018. A total of 4,991 claims were filed, including 343 total loss claims.

**DR-4344**

More than half (54 percent) of statewide commercial property claims originated within DR-4344. Sonoma County accounted for 66 percent of all claims. The majority of claims resulting in total loss were in Sonoma and Napa Counties, which also accounted for the majority of the incurred direct loss. Collectively, Sonoma and Napa Counties made up \$1 billion of the total \$1.1 billion in direct incurred losses within DR-4344. Nevada County had the least commercial damage, incurring just \$125,500 in reported direct losses.

**DR-4353**

Impacts to commercial property within DR-4353 were less severe compared to DR-4344. Approximately 22 percent of the total claims filed within the state originated in DR-4353. Ventura County comprised most of these claims, filing 651 out of the total 1,105 claims filed within DR-4353. Total loss claims and payments were concentrated in Ventura County as well; 52 of the 78 total loss claims originated in Ventura County and \$234 million out of \$283 million, was paid out to commercial property owners. The total amount of direct incurred losses in DR-4344, comprised 18 percent of California’s direct incurred losses.

**Most Impacted and Distressed Areas**

Claims filed within the Most Impacted and Distressed areas represented 65 percent of total claims filed statewide. Total Loss claims were 78 percent of total loss claims in the state and direct incurred losses were 85 percent of direct losses statewide. Zip code 94558, in Napa County incurred significantly greater loss than all other zip codes that comprise the Most Impacted and Distressed areas, incurring \$191 million in direct losses. This amount was 61 percent greater than the second highest amount of direct losses, which was in zip code 93108, in Santa Barbara county (approximately \$74 million). Zip code 95422, in Lake County incurred the least loss (\$237,753) of all Most Impacted and Distressed areas zip codes.

**FIGURE 73: COMMERCIAL PROPERTY INSURANCE CLAIMS**

Commercial Property			
	Total Number of Claims	Number of Claims resulting in Total Loss	Direct Incurred Losses
Total	4,991	343	\$1,553,602,443

Federally Declared Disaster Areas			
DR-4344	2,730	231	\$1,102,785,460
Butte County	16	4	\$3,321,299
Lake County	9	0	\$243,453
Mendocino County	68	5	\$21,454,292
Napa County	776	63	\$277,424,959
Nevada County	4	0	\$125,500
Orange County	18	3	\$4,826,805
Sonoma County	1,806	152	\$792,618,229
Yuba County	33	4	\$2,883,923
DR-4353	1,105	78	\$282,494,781
Los Angeles County	93	7	\$15,969,330
San Diego County	56	4	\$5,560,041
Santa Barbara County	305	15	\$26,650,957
Ventura County	651	52	\$234,314,453
DR-4344 and DR-4353 Total	3,835	309	\$1,385,280,241
Most Impacted and Distressed Areas			
County			
Sonoma County	1,806	152	\$792,618,229
Ventura County	651	52	\$234,314,453
Zip Code			
95470	51	5	\$20,615,112
95901	30	4	\$2,714,615
94558	352	39	\$191,123,732
95422	6	0	\$237,753
93108	348	14	\$73,769,222
Most Impacted and Distressed Total	3,244	266	\$1,315,393,116

Source: California Department of Insurance, May 2018



*iv. Agricultural Impacts*

California’s robust agricultural economy is a major economic driver throughout the state and the country. The agricultural economy in California out earns all other states in farm income. In 2017, California’s farms and ranches received over \$50 billion in cash receipts for their output; an increase of almost 6 percent over 2016.<sup>67</sup> California produces over 400 commodities. Over one third of the vegetables and two thirds of the fruit crops in the United States are grown in California. In the impacted areas, Ventura’s strawberry crop is one of the state’s top producing commodities. Farmers in Mendocino, Napa, Sonoma, Lake and Santa Barbara grow grapes, another of the state’s top crops. Ranchers of cattle and calves produce \$2.53 billion in receipts annually, and many graze animals in fire prone areas.

Based on data received to date, the estimated loss of crops and livestock totaled an estimated \$259 million due to the October and December 2017 wildfires. HCD is continuing to work with local counties and their partners to gain a clearer understanding of impacts and unmet needs across California’s agriculture sector.

**FIGURE 74: DR-4344 AGRICULTURAL LOSSES**

County	Impact	County Total Estimated Cost	Data Source
Butte County	Rangeland	N/A	N/A
	Crops		
Lake County	Rangeland	\$14,000	Lake County Agricultural Commissioner & Sealer
Mendocino County	Wine Grapes	\$646,941	California County Agricultural Commissioners’ Disaster Report
	Rangeland		
	Cattle		
Napa County	Wine Grapes	\$20,917,634*	2017 Fire Damage Assessment Record Tracker
	Vineyard		
	Pasture Land		
	Animal		
	Other		
Nevada County	Beehives	\$4,500	Nevada County Department of Agriculture, Weights & Measures

<sup>67</sup> Based on USDA ERS figures published August 30, 2018 from California Department of Food and Agriculture, California Agricultural Production Statistics, [www.cdfa.ca.gov/Statistics](http://www.cdfa.ca.gov/Statistics).

Orange County	No Reported Loss	N/A	N/A
Sonoma County	Crops	\$20,917,633	California Department of Forestry and Fire Protection (CAL FIRE)
	Livestock & Poultry		
	Other		
Yuba County	N/A	N/A	-
Estimated Total		\$42,500,708	

Source: HCD interviews with City/County Government, June-July 2018.

**FIGURE 75: DR-4353 AGRICULTURAL LOSSES**

County	Impact	County Total Estimated Cost	Data Source
Los Angeles County	No Impact	NA	Los Angeles County
San Diego County	No Reported Loss	N/A	N/A
Santa Barbara County	Crops	\$16,875,218	California County Agricultural Commissioner Disaster Report
	Livestock & Poultry		
	Farm Facilities		
Ventura County	Crops	\$200,062,156	California County Agricultural Commissioner Disaster Report
	Livestock & Poultry		
	Farm Facilities		
Estimated Total		\$216,937,374	

Source: Source: HCD interviews with City/County Government, June-July 2018.

*v. Tourism*

The wildfires and subsequent mudslides had the greatest impact on counties that are known for major tourism destinations, including Sonoma, Napa, Ventura, and Santa Barbara Counties. Overall, California’s tourism industry generates significant revenue for businesses, produces tax revenue for state and local government, and directly supports over 1 million jobs. The industry comprises 4.8 percent of the state’s \$2.7 trillion economy. In 2016, 20.9 percent (7.8 million) of overseas visitors to the United States indicated California as a destination on their U.S. trip. Total direct travel spending was \$132.4 billion in 2017, a three percent increase in real (inflation adjusted) dollars.<sup>68</sup>

<sup>68</sup> Los Angeles Times, Associated Press, “California is now the world’s fifth-largest economy, surpassing the United Kingdom,” <http://www.latimes.com/business/la-fi-california-economy-gdp-20180504-story.html>.

## Employment

The tourism industry employs over 27,000 people with an annual payroll of \$2.1 billion throughout California.<sup>69</sup> Within DR-4344, 5,296 people were employed in the tourism industry in 2016, generating \$394,843,000. Orange County was the largest contributor, with 4,913 persons employed and a payroll upwards of \$340 million.<sup>70</sup> In 2016, a total of 11,650 people were employed in the tourism industry in DR-4353, generating \$632.9 million. Los Angeles county had the largest industry with over 9,000 persons employed and generating upwards of \$543 million.<sup>71</sup> In 2016, direct travel generated employment was 1,096,000 and travel-generated state and local tax revenue was \$10.3 billion, more than seventy percent of which, was paid by visitors.<sup>72</sup>

## Estimated Tourism Impacts

Tourism is an economic driver in all the impacted counties. According to the California Travel Impacts report sponsored by Visit California, the estimated annual tourist spending in the impacted areas is \$62.7 billion.<sup>73</sup> A model was created to estimate the impact on tourism due to the wildfires and other disasters in 2017. The model was informed by surveys and other reports from local jurisdictions including a recent study conducted by Visit California that found 11 percent of travelers said wildfires prompted them to cancel trips to California.<sup>74</sup>

Impacts from a loss of tourist spending are estimated at \$309.7 million over three months during and after the wildfires. Estimated annual tourist spending was broken down into monthly spending estimates and adjusted to reflect the relative impact of the disaster on each county. The following tables provide an overview of estimated losses by each county included in the disaster declarations. Impacts include estimates of annual tourist spending and tax revenues provided by the California Travel Impacts report from May 2018.

The impact for counties located in DR-4344 are estimated at \$158.8 million for the months of October, November and December. Impacts account for losses in both tourist spending and tax revenue for each county. A higher rate of loss was applied to counties with larger impacts and established tourism areas.

---

<sup>69</sup> U.S. Census Bureau, 2016 County Business Patterns.

<sup>70</sup> U.S. Census Bureau, 2016 County Business Patterns.

<sup>71</sup> U.S. Census Bureau, 2016 County Business Patterns.

<sup>72</sup> Los Angeles Times, "[California tourism industry grows for the 7th straight](#)".

<sup>73</sup> Dean Runyan Associates, Inc., "California Travel Impacts," <https://industry.visitcalifornia.com/Research/Economic-Impact?sort=county&region=Mendocino>, May 2018.

<sup>74</sup> Visit California, "As Wildfires Affect Western United States, Tourism Leadership Establish West Coast Tourism Recovery Coalition to Share that the West is Open for Business," <https://media.visitcalifornia.com/Story-Inspiration/Press-Releases/The-West-is-Open-for-Business>, August 2018.

**FIGURE 76: ESTIMATED TOURISM IMPACTS DR-4344**

	Estimated Annual Tourist Spending	Estimated Tourist Spending per Quarter	Estimated Spending Loss Oct-Dec	Estimated Decline Oct-Dec	Estimated Tax Loss Oct - Dec	Estimated Total Impact - Tourism Spending and Taxes
DR-4344	\$16,177,000,000	\$4,044,250,000	\$119,005,833	2.9%	\$39,828,667	\$158,834,500
Butte	\$307,000,000	\$76,750,000	\$4,349,167	5.7%	\$1,354,333	\$5,703,500
Lake	\$167,000,000	\$41,750,000	\$2,226,667	5.3%	\$602,667	\$2,829,333
Mendocino	\$386,000,000	\$96,500,000	\$5,468,333	5.7%	\$1,966,333	\$7,434,667
Napa	\$1,354,000,000	\$338,500,000	\$33,850,000	10.0%	\$12,210,000	\$46,060,000
Nevada	\$318,000,000	\$79,500,000	\$4,240,000	5.3%	\$1,360,000	\$5,600,000
Orange	\$11,625,000,000	\$2,906,250,000	\$19,375,000	0.7%	\$6,132,667	\$25,507,667
Sonoma	\$1,934,000,000	\$483,500,000	\$48,350,000	10.0%	\$15,840,000	\$64,190,000
Yuba	\$86,000,000	\$21,500,000	\$1,146,667	5.3%	\$362,667	\$1,509,333

Source: Dean Runyan Associates, Inc., GCR, Inc.

The impact for counties located in DR-4344 are estimated at \$150.8 million for the months of December, January, and February. Impacts for these counties followed the same methodology.

**FIGURE 77: ESTIMATED TOURISM IMPACTS DR-4344**

	Estimated Annual Tourist Spending	Estimated Tourist Spending per Quarter	Estimated Impact on Spending Dec-Feb	Estimated Decline Dec-Feb	Estimated Tax Loss Dec-Feb	Estimated Total Loss - Tourism Spending and Taxes
DR-4353	\$46,473,000,000	\$11,618,250,000	\$113,173,750	1.0%	\$37,616,333	\$150,790,083
Los Angeles	\$26,855,000,000	\$6,713,750,000	\$11,189,583	0.2%	\$3,801,000	\$14,990,583
San Diego	\$15,802,000,000	\$3,950,500,000	\$6,584,167	0.2%	\$1,995,333	\$8,579,500
Santa Barbara	\$2,121,000,000	\$530,250,000	\$53,025,000	10.0%	\$18,360,000	\$71,385,000
Ventura	\$1,695,000,000	\$423,750,000	\$42,375,000	10.0%	\$13,460,000	\$55,835,000

Source: Dean Runyan Associates, Inc., GCR, Inc.

Overall, the model estimates a one percent decline in tourism spending due to the wildfires and mudflows of 2017 for a total impact of \$309.6 million.

**FIGURE 78: ESTIMATED TOURISM IMPACTS**

	Estimated Annual Tourist Spending	Estimated Tourist Spending per Quarter	Estimated Spending Loss	Estimated Decline	Estimated Tax Loss	Estimated Total Impact - Tourism Spending and Taxes
DR-4344	\$16,177,000,000	\$4,044,250,000	\$119,005,833	3%	\$39,828,667	\$158,834,500
DR-4353	\$46,473,000,000	\$11,618,250,000	\$113,173,750	1%	\$37,616,333	\$150,790,083
Total	\$62,650,000,000	\$15,662,500,000	\$232,179,583	1%	\$77,445,000	\$309,624,583

Source: Dean Runyan Associates, Inc., GCR, Inc.

k. Small Business Administration (SBA) Business Disaster Loans

The SBA offers Business Physical Disaster Loans and Economic Injury Disaster Loans (EIDL) to businesses to repair or replace disaster damaged property owned by the business, 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. The law limits these business loans to \$2 million and the amount cannot exceed the verified uninsured disaster loss.

The total verified loss for real estate for both federally declared disaster areas was \$178.3 million and all other business content was \$20.3 million. The SBA has approved over \$26.9 million in business loans as of July 15, 2018. The breakdown of total loans by county and federally declared disaster areas can be seen in the following table.

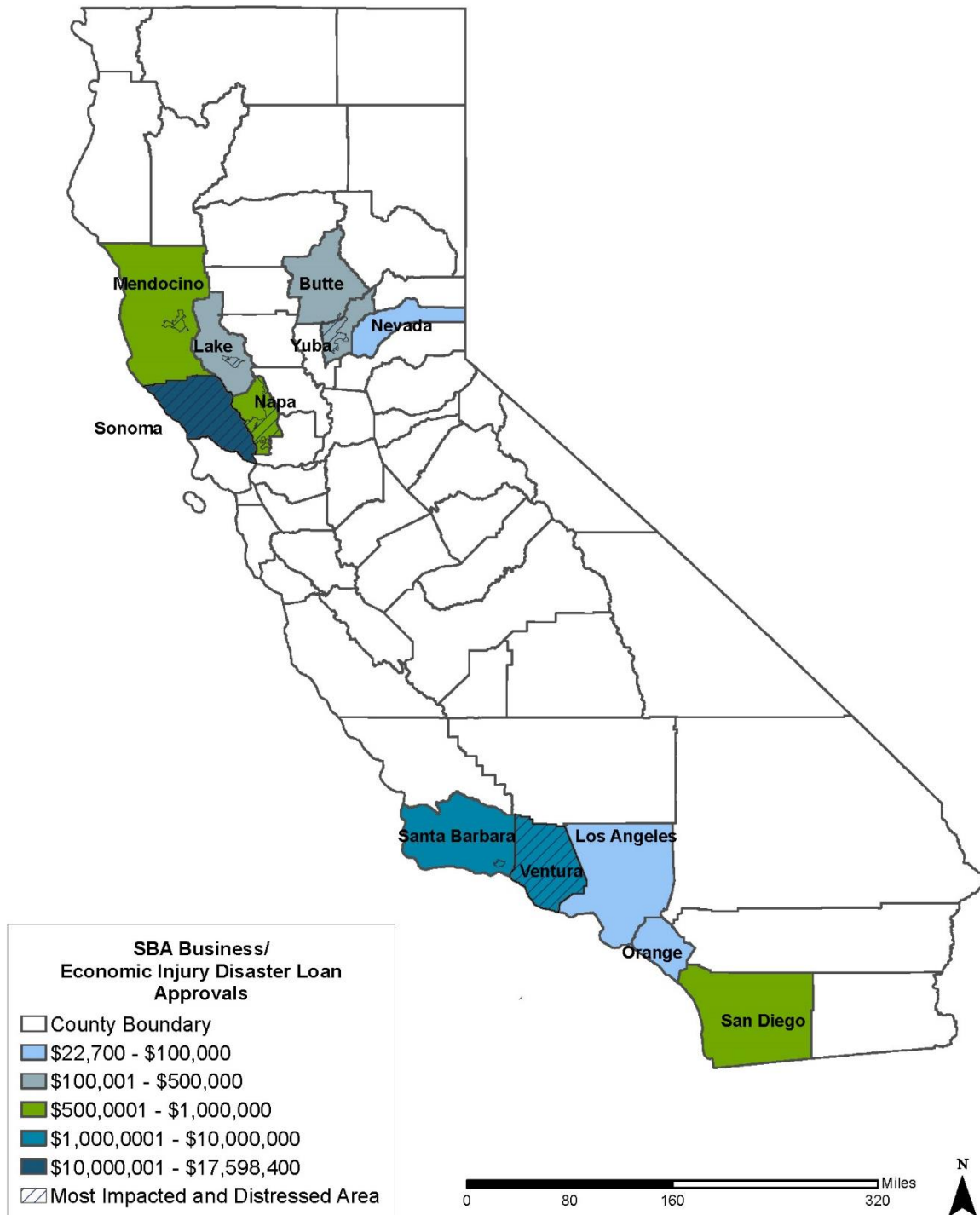
**FIGURE 79: TOTAL BUSINESS LOANS APPROVED BY SBA**

Total Business Loans Approved by SBA (as of 07/15/18)		
	Number of Approved Loan Applications	Total Approved Business Loan Amount (Current Amount)
State of California	290	\$26,874,600
DR-4344	176	\$19,931,400
DR-4353	114	\$6,943,200
Most Impacted and Distressed Areas	223	\$25,511,600

Source: U.S. Small Business Administration

Note: State values are the sum of declared disaster areas.

**FIGURE 80: SBA BUSINESS/EIDL LOAN APPROVAL MAP**



Source: U.S. Small Business Administration Business Loans, 2018, ESRI



## State of California

The State of California has received a total of 7,465 SBA Disaster loan applications for disasters DR-4344 and DR-4353 since October 2017. As of July 15, 2018, 290 loans were approved, totaling \$26.9 million; 376 applications were declined, 1,959 were in process, and 281 applications were withdrawn.

### DR-4344

As of July 15, 2018, SBA has issued 3,430 business loan applications within DR-4344. Of these, 176 applications have been approved totaling \$19.9 million, 238 applications have been declined, 1,743 were in process and 192 applications were withdrawn.

**FIGURE 81: DR-4344 BUSINESS LOANS APPROVED BY SBA**

Total Business Loans Approved by SBA (as of 07/15/18)		
County	Number of Approved Loan Applications	Total Approved Business Loan Amount (Current Amount)
Butte County	1	\$114,400
Lake County	1	\$206,500
Mendocino County	4	\$544,000
Napa County	23	\$931,600
Nevada County	1	\$22,700
Orange County	1	\$40,100
Sonoma County	143	\$17,598,400
Yuba County	2	\$473,700
<b>Total</b>	<b>176</b>	<b>\$19,931,400</b>

Source: U.S. Small Business Administration, 2018

### DR-4353

Within DR-4353, SBA has issued 1,129 business loan applications. Of these, 114 applications have been approved totaling \$6.9 million; 138 applications have been declined, 216 were in process and 89 applications were withdrawn.

**FIGURE 82: DR-4354 BUSINESS LOANS APPROVED BY SBA**

Total Business Loans Approved by SBA (as of 07/15/18)		
County	Number of Approved Loan Applications	Total Approved Business Loan Amount (Current Amount)
Los Angeles County	3	\$65,300
San Diego County	6	\$721,700
Santa Barbara County	68	\$2,313,100
Ventura County	37	\$3,843,100
Total	114	\$6,943,200

Source: U.S. Small Business Administration, 2018

**Most Impacted and Distressed Areas**

Within the Most Impacted and Distressed areas, SBA has issued 3,676 applications within the Most Impacted and Distressed areas have received \$25.5million in disaster business loans. As of July 15, 2018, 276 have been declined, 1,401 were in process and 230 applications were withdrawn.

**FIGURE 83: BUSINESS LOANS APPROVED BY SBA IN MOST IMPACTED AND DISTRESSED AREAS**

Total Business Loans Approved by SBA (as of 07/15/18)		
	Number of Approved Loan Applications	Total Approved Business Loan Amount (Current Amount)
County		
Sonoma County	143	\$17,598,400
Ventura County	37	\$3,843,100
Zip Code		
93108	27	\$2,224,100
94558	9	\$621,800
95422	1	\$206,500
95470	4	\$544,000
95901	2	\$473,700
Total	223	\$25,511,600

Source: U.S. Small Business Administration, 2018

## I. Impact on Public Services

State and federal agencies joined to provide emergency services immediately after disasters DR-4344 and DR-4353. FEMA provided immediate public assistance debris removal and emergency protective measures, soon followed by Individual Assistance (IA), and the State Operations Center was activated to support emergency management coordination and mutual aid requests for impacted communities.

The California Office of Emergency Services (CalOES) led the state's disaster response. The Inland, Coastal, and Southern Regional Emergency Operations Centers were also activated, and the California National Guard mobilized to support disaster response and relief efforts. SBA, HUD, and US Department of Agriculture (USDA Rural Housing) were all mission-assigned within weeks of the disasters to provide housing support. HUD, HCD, The California Department of Social Services (CA-DSS), and the California Housing Finance Agency (CalHFA) collaborated to coordinate services for individuals leaving temporary shelters and find assistance for homeowners to begin rebuilding. The presidential disaster declaration that authorized FEMA IA also served to trigger the Disaster Case Management program, whereby local and state government and private organizations could apply for funding to increase disaster case management services available for impacted individuals.

Local government and community members provided critical services immediately after both disasters, evacuating neighborhoods, coordinating shelters and supplies, and getting information to displaced residents. Sonoma County's *Recovery & Resiliency Framework*, discusses its immediate response activities in Sonoma County. They discuss adopting emergency ordinances to facilitate immediate housing, distributing 10,000 masks within the first 72 hours of fires, establishing emergency shelters and Local Assistance Centers, replacing burned documents for fire victims, and holding community meetings, among countless other activities.<sup>75</sup>

Local public service providers in both DR-4344 and DR-4353-affected areas increased their capacity and organized together to serve the needs of the thousands of individuals and families that were impacted by wildfires and mudslides. The Rebuilding our Community (ROC) coalition formed to serve Sonoma County, joining faith based, nonprofit, governmental, business and other organizations to serve recovery needs from disaster case management, to rebuilding, and mental health care. Catholic Charities of California is the lead disaster case management organization for many counties in Northern California recovering from DR-4344. Catholic Charities serves low-income and extremely low-income individuals and households (many of which included members who were disabled, elderly, and/or had limited English proficiency) in Sonoma, Lake, Mendocino, and Napa counties. Catholic Charities managed cases for 1,160 households in these four counties. Most households served by Catholic Charities were renters and had no insurance, and had not received FEMA, SBA, or supplemental grant funding. Red Cross served impacted communities in Southern California.

Ventura County agencies, departments, and organizations joined to open local assistance centers that would serve 1,950 families, and also formed the Ventura County Recovers coalition, which

---

<sup>75</sup> Sonoma County [Recovery and Resiliency Framework](#) Draft, September 2018.

launched a website to centralize recovery resources, and distributed a needs survey to 1,800 individuals who had registered for their online notification system.<sup>76</sup> Santa Barbara also opened a Local Recovery and Assistance Center, where local, state and federal representatives provided information on rebuilding, permitting, and health and human services, among other recovery needs. In Ventura and Santa Barbara Counties, the 805 UndocuFund formed to provide aid to undocumented individuals and families that were impacted by the Thomas Fire and subsequent mudslides, serving over 200 families, still with a waitlist of 1,100 as of July 2018.<sup>77</sup> The UndocuFund for Fire Relief in Sonoma County had provided direct assistance to 1,900 families as of October 2018.<sup>78</sup> The Ventura County Community Foundation and Santa Barbara Foundation both raised funding for local nonprofits to help increase their capacity for disaster support.

The California Department of Human Development (CHD) provided assistance to 1,500 families in Sonoma County, primarily low-income and Latino, 1,000 of which had at least one immigrant member and 700 of which had at least one undocumented member. CHD found an unmet need in multilingual, culturally sensitive mental health services, particularly for children—this need is also reflected in data reports from the Sonoma Crisis Counseling Assistance and Training Program (CCP), where only 13 percent of the individuals served in fire related counseling were Latino and one percent were children.<sup>79</sup> CCP reported a total of 2,540 fire-related service encounters (individual/family crisis counseling, group/public education, and brief intervention) from January to May 2018, serving a total of 3,732 individuals.

Public services remain critical for addressing both short and long term recovery efforts in impacted areas. To date, HCD has engaged public service agencies throughout the Action Plan process and will continue to consult throughout the development of program guidelines and project implementation.

#### m. Mitigation and Resilience

FEMA provides public assistance via a number of programs. The Hazard Mitigation Grant Program (HMGP) serves as a resource to fund programs that reduce the risk of loss of life and property and is offered following a presidential major disaster declaration. HMGP funds, provided at the amount of FEMA disaster recovery assistance under the presidential declaration, are allocated based on a sliding scale formula based on an appropriate percentage of the estimated total federal assistance (less administrative costs) wherein each individual activity is required to have at least a 25 percent non-federal cost share. The HMGP funding ceiling is estimated by FEMA at 90-days post disaster until a lock in ceiling is established six months after the disaster declaration. Twelve months after the disaster declaration a final review of the lock in ceiling determines an official final amount of HMGP fund availability. The final amount will not be less than the six-month lock-in amount.

<sup>76</sup> Ventura County, [Ventura County Recovers: The Thomas Fire 6-month Review](#), June 2018.

<sup>77</sup> 805 UndocuFund, "[3 Months after the Mudslide Update](#)." April 2018

<sup>78</sup> UndocuFund for Fire Relief in Sonoma County, "Our Impact," <http://undocufund.org/impact/>.

<sup>79</sup> CCP Data Report: Sonoma-Complex Fires, January 2018-May 2018. Provided by Sonoma County in July 2018.

**FIGURE 84: DR-4344 AND DR-4353 HMGP PROJECTS**

Disaster	Geography	Total Project Count	Total Project Cost	Federal Share	Applicant Request Match
4353	MID	156	\$371,667,296	\$219,149,823	\$150,942,773
	Statewide	268	\$684,373,547	\$358,839,590	\$323,759,256
4344	MID	250	\$705,421,206	\$426,630,514	\$293,808,374
	Statewide	489	\$1,486,192,403	\$884,447,791	\$617,633,844
Total 4353 & 4344	MID	406	\$1,077,088,502	\$645,780,337	\$444,751,147
	Statewide	757	\$2,170,565,950	\$1,243,287,381	\$941,393,100

Source: FEMA Public Assistance, August 2018

HMGP application data was requested from the Governor’s Office of Emergency Services (CalOES) to evaluate unmet needs based on local matching dollar amounts. Data was evaluated by categorizing the applications by hazard, location within declaration areas, location within most impacted areas, project category, total cost, and by unmet need dollar amount. In August 2018, a total of 757 HMGP project applications were submitted to CalOES, 489 of which are from DR-4344 and 268 from DR-4353. The statewide total federal dollar amount was \$1,243,287,381.38 and the local matching (unmet) amount was \$941,393,100.12. Within most impacted areas there were 406 applications statewide, 250 within DR-4344 and 156 in DR-4353. DR-4344 most impacted area applications total \$426,630,513.89 in federal funds and \$293,808,373.89 in unmet local matching funds. In DR-4353 most impacted areas federal funds total \$219,149,823.25 and local matching amounts to \$150,942,772.75. Further information on how the projects were categorized in evaluating unmet need follows.

**n. Unmet Needs Summary**

The previous sections of the Needs Assessment provide an overview of HCD’s current understanding of the impacts and remaining unmet needs related to the October and December 2017 disasters. The impacted communities continue to face a daunting rebuilding and recovery process, and there remain significant unmet recovery needs. While CDBG-DR funds will not make any one of the impacted communities whole, the resources will provide critical support to individuals and communities. The following figure provides a summary of disaster impacts from DR-4344 and DR-4353 using HUD’s unmet recovery needs methodology as outlined in the August 14, 2018 Federal Register Notice.<sup>80</sup> The Federal Register Notice allocated \$212 million in CDBG-DR funding, with \$124 million to address unmet recovery needs (addressed in this Action Plan) and \$88 million to address mitigation (to be addressed in a subsequent Action Plan). Using this conservative estimate, the total unmet recovery needs are over \$1 billion.

<sup>80</sup> Ibid 9, <https://www.gpo.gov/fdsys/pkg/FR-2018-08-14/pdf/2018-17365.pdf>

**FIGURE 85: UNMET NEEDS SUMMARY – HUD METHODOLOGY**

Category	Data Source	Total Impact	Resources Available	Unmet Need (Total Impact less Applied Resources)	% of Total
Housing	FEMA IA	\$209,630,395	\$23,723,406	\$185,906,989	18%
Infrastructure	FEMA PA	\$592,197,307	\$557,523,980	\$34,673,327	3%
	FEMA HMGP	\$1,118,748,393	\$648,572,968	\$ 470,175,423	45%
Economic	SBA – Commercial Loss	\$123,619,322	\$33,084,100	\$90,535,222	9%
Agriculture	Local	\$259,438,082	N/A	\$259,438,082	25%
Total		\$2,303,633,499	\$1,262,904,454	\$1,040,729,043	

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 holistic portrait of unmet recovery needs. The Housing category includes the Alternative Methodology of using the boots on the ground damage assessment conducted by CAL FIRE across the disaster impacted communities. HCD believes this shows a more accurate portrait of total housing impacts from the disasters. Using the Alternative Methodology, the State of California faces a total of \$2,555,831,863 in unmet recovery needs related to DR-4344 and DR-4353.

**FIGURE 86: UNMET NEEDS SUMMARY – ALTERNATIVE METHODOLOGY**

Category	Data Source	Total Impact	Resources Available	Unmet Need (Total Impact less Applied Resources)	% of Total
Housing	Alternative Methodology	\$2,283,300,000	\$582,290,191	\$1,701,009,809	67%
Infrastructure	FEMA PA	\$592,197,307	\$557,523,980	\$34,673,327	1%
	FEMA HMGP	\$1,118,748,393	\$648,572,968	\$ 470,175,423	18%
Economic	SBA – Commercial Loss	\$123,619,322	\$33,084,100	\$90,535,222	4%
Agriculture	Local	\$259,438,082	N/A	\$259,438,082	10%
Total		\$4,377,303,104	\$1,821,471,239	\$2,555,831,863	



### III. General Requirements

#### 1. Rehabilitation/Reconstruction of Public Housing, Affordable Housing and other forms of Assisted Housing

##### a. Identification of Impacted Areas

For the purposes of assessing impacts to public housing, affordable housing, and other forms of assisted housing, HCD consulted with local governments and Public Housing Authorities in the following areas:

- Butte County
- Lake County
- Mendocino County
- Napa County
- Nevada County
- Orange County
- Sonoma County
- Yuba County
- Los Angeles County
- San Diego County
- Santa Barbara County
- Ventura County

##### b. Public Housing Needs

To assess the unmet recovery needs for public housing units, HCD requested data from Public Housing Authorities in disaster impacted areas as well as from HUD field offices in Northern and Southern California, including damages to public housing units (if any) and the resources needed to repair the units. As reflected in the needs assessment, there were no reported damages to public housing units; therefore, there are no identified public housing unmet needs. Furthermore, Mendocino County, Sonoma County and the City of Santa Rosa received a total of \$3,475,850 in voucher funding to assist existing and new families in the Housing Choice Voucher program.<sup>81</sup>

##### c. Sources of Funding for Affordable Housing Unmet Needs

HCD has allocated \$66.7 million dollars in CDBG-DR funding to address the unmet rental housing needs by providing gap funding for multifamily developments in the impacted areas. However, this funding will not meet full need for affordable housing identified in this Action Plan. To meet the identified unmet needs, HCD will leverage its portfolio of programs targeted at creating

---

<sup>81</sup> Department of Housing and Urban Development, "HUD Allocates Additional \$50 million to victims of 2017 Natural Disasters," October 2018.  
[https://www.hud.gov/press/press\\_releases\\_media\\_advisories/HUD\\_No\\_18\\_122?hootPostID=71a5d371c73641ff2c043ac362ef3a1d](https://www.hud.gov/press/press_releases_media_advisories/HUD_No_18_122?hootPostID=71a5d371c73641ff2c043ac362ef3a1d).

affordable housing as additional sources of funding to address disaster impacts. A full list of the leveraged programs is outlined in part 8 of this section.

#### d. Affordable Rental Housing Needs

A total of 39 Housing Choice Voucher units were damaged in DR-4344 and DR-4353. Combined with the extremely low pre-disaster vacancy rates, Housing Choice Voucher holders are faced with steep decreases in the number of available units. Demand for rental housing far exceeded availability in MID areas after the fires, as displaced residents looked for new accommodations. Costs of renting increased by 23 and 35 percent in the weeks after the fires hit Napa and Sonoma Counties according to Zillow Research<sup>82</sup>, and those without rental insurance or income to afford the increase struggled to find housing options in their community<sup>83</sup>. While HCD has not allocated funds to directly address impacts to the private market units occupied by the Housing Choice Voucher holders, HCD has identified \$66.7 million dollars for multifamily housing to create rental units, including the creation of units that will be available to Housing Choice Voucher holders and other individuals who receive housing subsidies. This allocation will not be enough to solve the need of affordable housing in MID areas, but will assist those displaced by the disasters to return home, help stabilize the rental markets, and provide an opportunity for communities to address the issue as developments are planned.

#### e. Affordable Rent, Tenant Income Limits, and Minimum Affordability Period

Multifamily developments funded under this CDBG-DR grant will adhere to standard requirements set by HCD to ensure compliance with not only the CDBG-DR requirements, but also the specific requirements set by the governing federal income limits. All requirements of the multifamily program will be outlined in detail in the program manual and application guidelines for subgrantees. At a minimum, the following thresholds must be adhered to in all programs:

- HCD will determine affordable rents in multifamily projects by calculating the Fair Market Rents (FMR) along with the maximum of 30 percent of an LMI household's income.
  - FMRs are the standard for the Housing Choice Voucher program, as well as to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment (HAP) contracts in the Moderate Rehabilitation Single Room Occupancy program (Mod Rehab), determining rent ceilings for rental units in both the HOME Investment Partnerships Program (HOME) and the Emergency Solution Grants (ESG) program, for the calculation of maximum award amounts for CoC recipients and the maximum amount of rent a recipient may pay for property leased with CoC funds, and calculation of flat rents in Public Housing units.

---

<sup>82</sup> Zillow Research, "Asking Rents in Wine Country Jump in Wildfires' Immediate Wake" October 23, 2017. <https://www.zillow.com/research/california-wildfires-rents-17054/>

<sup>83</sup> Christian Science Monitor, "With Rents Soaring After Fires, Can Santa Rosa Make Room for Middle Class?" November 20, 2017. <https://www.csmonitor.com/USA/Society/2017/1120/With-rents-soaring-after-fires-can-Santa-Rosa-make-room-for-middle-class>

- Affordability is also determined by rates not exceeding 30 percent of a household's income. Per HUD definitions, housing costs are a cost burden when greater than 30 percent of a household's income.
- HCD will determine the percent of units in any approved multifamily development that will be leased to tenants with an income of up to 80 percent of the area median income based on regulatory and program requirements.
- Multifamily developments must meet the following affordability requirement: a minimum affordability period of 15 years for the rehabilitation or reconstruction of multifamily rental projects with eight or more units and a minimum affordability period of 20 years for the new construction of multifamily rental units with five or more units. If a rental project that requires rehabilitation or reconstruction is subject to existing affordability requirements associated with other funding sources, HCD will allow that the 15-year affordability period required by the CDBG-DR funding may run concurrently (or overlap) with the affordability requirements associated with such other funding.
- While HCD does not anticipate funding single family new construction, should single-family units be constructed under this grant, they will also be subject to a minimum affordability period of five years. If units are rentals, the above income and FMR terms will apply. However, the affordability period does not apply to rehabilitation or reconstruction of single-family housing.

## f. Fair Housing

HCD will follow policies and procedures for compliance with Affirmatively Furthering Fair Housing (AFFH) requirements during the planning and implementation of all the activities listed in this Action Plan. Such policies and procedures involve a review that includes an assessment of the demographics of the proposed housing project area, socioeconomic characteristics, environmental hazards or concerns, and other factors material to the AFFH determination.

Programs are required to comply with all relevant fair housing laws, including the federal Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act. These laws prohibit discrimination in housing and federally assisted programs on the bases of race, color, national origin, religion, sex, disability and familial status. The federal obligation to affirmatively further fair housing stems from the Fair Housing Act. State fair housing laws, including the California Fair Employment and Housing Act, are also required for Fair Housing compliance.

Multifamily program applications should demonstrate that the proposed projects are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard related impacts.

## g. Demonstrable Hardship

A demonstrable hardship is defined as a substantial change in a household's situation that prohibits or severely affects their ability to provide and maintain a minimal standard of living or basic necessities, such as food, housing, clothing and transportation, causing economic distress

well beyond mere inconvenience. A demonstrable hardship must be occurring after the fires and must be documented with objective evidence.

The demonstrable hardship must be of a severe, involuntary and unexpected nature, and not generally for the same reasons shared with other households affected by the disaster. Examples of a demonstrable hardship may include job loss, failure of a business, divorce, severe medical illness, injury, death of a family member or spouse, unexpected and extraordinary medical bills, disability, substantial income reduction, unusual and excessive amount of debt due to a natural disaster, etc. However, there is no one event that automatically defines a demonstrable hardship. HCD will consider each applicant's overall situation if a demonstrable hardship is claimed and documentation can be provided showing the cause and any other factors relevant to the issue of demonstrable hardship.

#### h. Not Suitable for Rehabilitation

HCD defines a structure as not suitable for rehabilitation in two scenarios:

- The cost for rehabilitation is over 50 percent of the pre-disaster fair market value of the home.
- The cost for rehabilitation exceeds the cost to reconstruct the home.

## 2. Housing for Vulnerable Populations

### a. Emergency Shelters and Transitional Housing

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 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.

### b. Permanent Supportive Housing

HCD has allocated nearly \$67 million for the development of multifamily housing. Through requirements outlined in the program guidelines and coordination with subgrantees in project development and implementation, units addressing the special needs of persons who are not homeless but require supportive housing (e.g., elderly, persons with disabilities, persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, and public housing residents) will be included in CDBG-DR funded multifamily housing developments.

Specific locations and quantities of permanent supportive housing (PSH) units, along with services provided to individuals and families occupying PSH units, will be determined through an assessment of local needs completed in the project planning phase. Furthermore, the inclusion of PSH units in multifamily projects will be considered in the evaluation of project proposals. See Section IV for additional details on the multifamily program.

In addition, HCD has a suite of programs targeted at providing supportive housing to vulnerable populations. The programs include:

- **No Place Like Home (NPLH):** \$1.8 billion available to counties to acquire, design, construct, rehabilitate, or preserve permanent supportive housing for persons who are experiencing homelessness, chronic homelessness or who are at risk of chronic homelessness, and who are in need of mental health services.
- **Supportive Housing Multifamily Housing Program:** provides low-interest loans to developers of permanent affordable rental housing that contain supportive housing units.

Additional details on these programs can be found under “Leveraging Funds” in part 8 below.

#### c. Housing for Homeless and Persons At-Risk of Homelessness

HCD recognizes the critical importance of providing housing opportunities for individuals and families that are homeless or at risk of homelessness. In addition to the NPLH program noted above, HCD’s Veterans Housing and Homelessness Prevention Program (VHHP) funds the construction of multifamily housing with 50 percent of the funds reserved for extremely low-income veterans. Additional details on VHHP can be found in part 8, Leveraging Funds.

HCD reached out to CoCs across the disaster impacted areas to understand the impacts to pre-disaster homeless persons and has partnered with organizations providing disaster case management services to understand populations that, but for temporary disaster assistance, are at-risk of homelessness. These conversations have also included the needs of individuals and families that are precariously housed due to localized housing shortages and lack of available resources, among other factors.

HCD is committed, to address the needs of homeless persons and persons at risk of homelessness. Furthermore, HCD will continue to coordinate with CoCs and organizations providing disaster case management services over the course of the program design process to ensure that the needs of these populations are addressed as directly as possible.

#### d. Promote Housing for Vulnerable Populations

In August 2018, the State of California published its Fourth Climate Change Assessment that provides information about climate impacts including the ongoing threat of wildfire to the State of California. The document outlines the ongoing threat of climate change for vulnerable populations throughout the state, noting that “[c]limate change will make forests more susceptible to extreme wildfires. By 2100, if greenhouse gas emissions continue to rise, one study found that the frequency of extreme wildfires burning over approximately 25,000 acres would increase by nearly 50 percent, and that average area burned statewide would increase by 77 percent by the end of the century.”<sup>84</sup> With the smoke from fires and other High Heat Events (HHE) the health risks increase to vulnerable populations. As California is already experiencing these effects, the state will use a host of tools developed for climate change when they evaluate proposals for multifamily housing.

For example, the California Healthy Places Index (HPI) is an interactive online data and GIS mapping tool that allows users to easily visualize the social and economic conditions that shape

<sup>84</sup> Ibid 5, pg. 9 <http://www.climateassessment.ca.gov/state/docs/20180827-StatewideSummary.pdf>.

health in each neighborhood in California. HPI is validated with life expectancy and provides census tract rankings across the state. As of 2017, the HPI platform also includes climate change indicators. This tool provides graphic overlays of climate risks, vulnerabilities and indicators of adaptive capacity, along with the healthy places index score, and other key decision support layers. HPI moves data into action by providing policy briefs outlining best practices to address risks associated with climate indicators. HCD may also use the Equity Checklist, intended to assist agencies to ensure that plans and investments identify and protect the state's most vulnerable populations. This checklist can be used alongside any decision-making process to improve equitable outcomes.

The Integrated Climate Adaptation and Resiliency Program (ICARP) Technical Advisory Council produced a vision statement including the following principle: "Prioritize actions that promote equity, foster community resilience, and protect the most vulnerable. Explicitly include communities that are disproportionately vulnerable to climate impacts." The ICARP defines vulnerable communities as those that experience heightened risk and increased sensitivity to climate change and have less capacity and fewer resources to cope with, adapt to, or recover from climate impacts. Factors noted to be exacerbated by climate impact include, but are not limited to, race, class, sexual orientation and identification, national origin, and income inequality.

The ICARP provides a suite of climate vulnerability assessment tools to help identify vulnerable communities on a state, local and regional level by 1) analyzing climate risk, and 2) analyzing adaptive capacity. Tools include:

### **Cal-Adapt**<sup>85</sup>

Cal-Adapt is the state's portal for the climate data and science produced for the *Fourth Climate Change Assessment* (released in August 2018), which includes new projections of climate scenarios at the neighborhood level and wildfire projections for the entire state. Viewers for key climate variables and many data sets are available to the public. The platform also includes a web Application Programming Interface (API) to allow users to build their own applications. Accessible data includes annual averages, extreme heat, sea level rise, snowpack, wildfire, cooling degree days and heating degree days, downscaled climate projections, and more.

### **Urban Heat Island Index for California**

The Urban Heat Island Index, developed by the California Environmental Protection Agency, quantifies the extent and severity of urban heat islands for individual cities, including urban heat island interactive maps that show the urban heat island effect for each census tract in and around most urban areas throughout the state. This can also help identify and prioritize areas across the state for adaptation efforts such as urban greening and cool roofs and pavements.

### **CalEnviroScreen**

CalEnviroScreen 3.0 is a screening tool that identifies communities most affected by and vulnerable to the effects of many sources of pollution and population-based disparities. It

---

<sup>85</sup> Cal-Adapt, [www.cal-adapt.org](http://www.cal-adapt.org). Accessed December 2018.



aggregates state-wide environmental, health, and socioeconomic information to produce scores for every census tract in the state. A census tract with a high score is considered more disadvantaged than a community with a low score as a result of pollution burden and population characteristics. When overlaid with climate impact and exposure data, CalEnviroScreen can provide insight into built and environmental exposure factors that contribute to vulnerability.

## **California Building Resilience Against Climate Effects**

The California Building Resilience Against Climate Effects (CalBRACE) Project developed climate change and health indicator narratives and data to provide local health departments and partners with tools to better understand the people and places in their jurisdictions that are more susceptible to adverse health impacts associated with climate change, specifically extreme heat, wildfire, sea level rise, drought, and poor air quality. The assessment data, known as Climate Change & Health Vulnerability Indicators for California (CCHVI), can be used to screen and prioritize where to focus deeper analysis and plan for public health actions to increase resilience.

## **Government Alliance on Race and Equity Toolkit**

The Government Alliance on Race and Equity (GARE) is a national network of government working to achieve racial equity and advance opportunities for all. The Racial Equity Toolkit is designed to integrate explicit consideration of racial equity in decisions, including policies, practices, programs, and budgets. Use of a racial equity tool can help to develop strategies and actions that reduce racial inequities and improve success for all groups.<sup>86</sup>

HCD will utilize these tools throughout the lifecycle of its CDBG-DR funded projects and programs. Most critically, the tools will be employed during the project planning stage as a means of evaluating the impacts of planning decisions and how they may affect racial, ethnic, and low-income concentrations. Furthermore, the tools will be used to assess specific project details, including location, design, and construction materials, among others to ensure affordable housing is made available where it is most needed and constructed in a manner resilient to natural hazards.

## **General Plans**

All city and county governments in California are required to produce and periodically update general plans - documents that act as long-term blueprints for each community's vision of future growth (see Section III, part 6 for additional details on the general plan). Each general plan is required to include a chapter on the "housing element," the guidelines of which are designed and updated by the Office of Planning and Research to achieve the state housing goal of prioritizing "attainment of decent housing and a suitable living environment for all Californians." The housing element guidelines require communities to "identify disadvantaged areas within the area covered

---

<sup>86</sup> ICARP, [Defining Vulnerable Communities in the Context of Climate Adaptation](#). Accessed December 2018.

by the general plan” and “identify objectives and policies to promote safe and sanitary homes in disadvantaged communities.”<sup>87</sup>

HCD reviews housing elements to determine if they are adequate. Housing law was strengthened to give HCD various incentives and powers to ensure that enough affordable housing sites are identified and other requirements.

### 3. Displacement of Persons and/or Entities

HCD develops all programs with the intent to minimize displacement of persons or entities, following its [Residential Antidisplacement and Relocation Assistance Plan](#) (RARAP) in accordance with 24 CFR part 42.325. All program guidelines, applications, and technical assistance provided will include policies around displacement. HCD will minimize displacement of persons or entities as a result of the implementation of CDBG-DR projects by ensuring that all programs are administered in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970, as amended (49 CFR Part 24) and §104(d) of the Housing and Community Development Act of 1974 and the implementing regulations at 24 CFR Part 570.496(a). All recovery programs outlined in this Action Plan will be implemented with the goal of minimizing displacement of families from their home, whether rental or owned, and/or their neighborhoods. HCD will coordinate with HUD-certified housing counseling organizations to ensure that information and services are made available to both renters and homeowners as appropriate and/or required.

The relocation assistance requirements at § 104(d)(2)(A) of the Housing and Community Development Act and 24 CFR 42.350 are waived to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR part 24, as modified by the Notice, for activities related to disaster recovery. Without this waiver, disparities exist in relocation assistance associated with activities typically funded by HUD and FEMA (e.g. buyouts and relocation).

The impacts of the disasters are vast and, in many cases, have destroyed homes. In the instance that homes may be rehabilitated, HCD will opt for rehabilitation to minimize the displacement of the homeowner. Additionally, the required affordability periods of 15 and 20 years for multifamily rental units will also assist with prevention of displacement.

### 4. Protection of People and Property

The State of California has a long history of promoting building design and zoning to protect people and property from harm due to natural disaster. Since the mid-1980s the state has promoted “defensible space” for homeowners living in fire prone areas. In 1993 the nonprofit California Fire Safe Council was established to promote fire safety and to support local community fire safe councils. In 2005 a comprehensive set of state legislation passed to require homeowners to maintain defensible space and established local Fire Safe Councils. At the

---

<sup>87</sup> Office of Planning and Research, *Required Elements: Designing Healthy, Equitable, Resilient, and Economically Vibrant Places* [http://www.opr.ca.gov/docs/OPR\\_C4\\_final.pdf](http://www.opr.ca.gov/docs/OPR_C4_final.pdf).

same time the WUI codes were adopted requiring local jurisdictions' zoning comply with the state's standards.

### ***Wildland-Urban Interface Requirements***

The WUI is the area where structures meet or intermingle with undeveloped wildland vegetation. These structures are vulnerable to fire damage, as they are close to fire hazards. In 2003, The California State Fire Marshall, in consultation with the Director of Forestry and Fire Protection and HCD, was tasked with developing statewide fire protection requirements for roofs, exterior walls, structure projections, and structure opening of buildings located in WUI Fire Areas. These requirements became fully effective in 2007, and all new homes built must meet these building requirements.

Through a collaborative effort of the California Department of Forestry and Fire Protection, Office of the State Fire Marshal, local fire districts, building associations and other public safety organizations, the WUI codes have been development to encourage ignition resistant construction in California's fire prone areas. The codes include specific material, design and construction standards to maximize ignition resistance.

The WUI codes are a requirement for new buildings in Fire Hazard Severity Zones in State Responsibility Areas (where the state is primarily responsible for the prevention and suppression of forest fires), and otherwise adopted at the discretion of local districts responsible for their own fire protection. A majority of impacted areas are located in State Responsibility Areas.

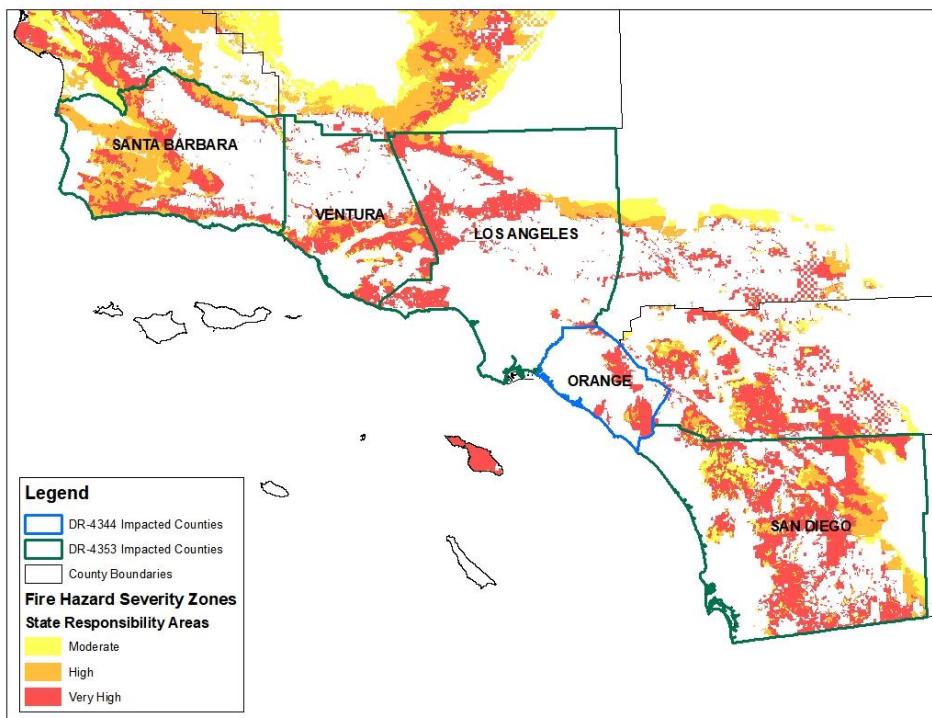
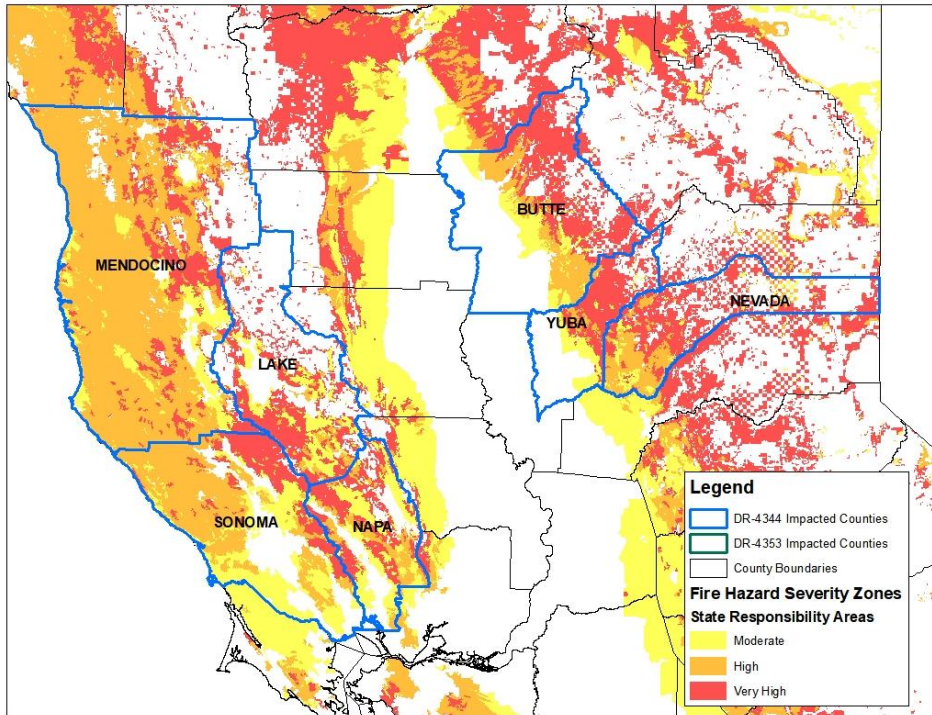
Building standards include specific regulation of materials and design for roofing, attic ventilation, exterior walls, decking and underfloor.<sup>88</sup> WUI regulations also require that homeowner's clear flammable vegetation within 30 feet of buildings and modify vegetation within 100 feet around buildings to create a defensible space for firefighters to safely protect vulnerable property and to reduce fuels by which fire may continue to grow or spread.

In accordance with the Federal Register Notice requirement to support the adoption and enforcement of modern and/or resilient building codes and mitigation of hazard risk, structures located in any Fire Hazard Severity Zone within State Responsibility Areas, any Local Agency Very-High Fire Hazard Severity Zone, or any Wildland Urban Interface Fire Area designated by the enforcing agency. The following maps show the fire hazard areas for the counties impacted by the DR-4344 and DR-4353 disasters.

---

<sup>88</sup> California Department of Forestry and Fire Protection & Office of the State Fire Marshal, "Wildland-Urban Interface Building Codes Fact Sheet," [http://www.fire.ca.gov/fire\\_prevention/downloads/BSR\\_fact\\_sheet.pdf](http://www.fire.ca.gov/fire_prevention/downloads/BSR_fact_sheet.pdf), May 2007.

FIGURE 87: FIRE HAZARD SEVERITY ZONES IN STATE RESPONSIBILITY AREAS



Source: CAL FIRE, U.S. Census Bureau



## 5. Construction Standards

The State Housing Law Program under HCD continuously refines the building standards to ensure they comply with new or changing laws and regulations and develops statewide building standards for new construction of all building types and accessories. The State Housing Law Program also develops the building standards necessary to provide accessibility in the design and construction of all housing other than publicly funded housing. The building standards are published as the California Building Standards Code under the California Code of Regulations, Title 24, and construction standards in the Standard Agreement must meet or exceed all applicable requirements for housing or building construction.

All new construction is required to pass quality inspections and code enforcement inspections over the development of the project, in addition to meeting accessibility requirements of both the federal Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. HCD will require a post construction warranty period of one-year for all work performed, including any work completed by subcontractors.

### a. Green Building Standards

HUD requires all rehabilitation, reconstruction, and new construction to be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters. Wherever feasible, the State of California follows best practices, such as those provided by the U.S. Department of Energy, Home Energy Professionals: Professional Certifications and Standard work specifications.

For CDBG-DR funded projects, HUD requires green building standards for replacement and new construction of residential housing.

#### *i. 2019 Building Energy Efficiency Standards*

The State of California intends to promote high quality, durable and energy efficient construction methods in areas impacted by the 2017 fires. All newly constructed buildings must meet locally adopted building codes, standards and ordinances. In May 2018, the California Energy Commission adopted new building standards that will require all newly constructed homes to include solar photovoltaic systems, effective January 1, 2020. Homes built with the 2019 standards will use approximately 53 percent less energy than those built under current 2016 standards. The California Energy Commission estimates a cost of \$9,500 per home for initial solar installation.<sup>89</sup>

#### *ii. Green Building Standards*

All new construction of residential buildings or reconstruction of substantially damaged buildings must incorporate the state's green building standards. California Green Buildings Standards Code (CALGreen) is California's first green building code, enacted as mandatory in 2011, and adopted

---

<sup>89</sup> California Energy Commission, May 9, 2018 News Release & 2019 Building Energy Efficiency Standards, Frequently Asked Questions, [https://www.energy.ca.gov/title24/2019standards/documents/2018\\_Title\\_24\\_2019\\_Building\\_Standards\\_FAQ.pdf](https://www.energy.ca.gov/title24/2019standards/documents/2018_Title_24_2019_Building_Standards_FAQ.pdf).

to address five divisions of building construction and improve public health, safety and general welfare. The divisions addressed are as follows: planning and design, energy efficiency, water efficiency and conservation, material conservation and resource efficiency, and environmental quality. CALGreen applies to the planning, design, operation, construction, use, and occupancy of nearly every newly-constructed building or structure in the state, as well as additions and alterations to existing buildings that increase the building's conditional area, interior volume, or size.<sup>90</sup>

#### b. Residential Construction Standards

All residential construction projects will comply with the housing construction codes of the State of California, including all units developed under the Owner Occupied Housing Recovery Program or the Multifamily Housing Recovery Program. Housing construction codes for building in California follow federal and state laws, regulations, and adaptations for construction of single family and multifamily units.

Construction standards for HCD's housing projects can be referenced in the *Guide to California Housing Codes*.<sup>91</sup> Housing construction will also be built to meet the requirements of HUD's Green Building Standards and CalGreen.

#### c. Small Business Rehabilitation Construction Standards

At this time, HCD's proposed small business recovery program does not allow for construction as an eligible cost. If there are program changes which include construction as an eligible cost, HCD will amend the Action Plan and incorporate small business construction standards.

#### d. Elevation Standards

HCD will require its subgrantees and contractors to comply with the national floodplain elevation standards for new construction, repair of substantially damaged structures, or substantial improvements to residential structures in flood hazard areas. All structures designed for residential use within a 100 year (or one percent annual chance) floodplain will be elevated with the lowest floor at least two feet above the base flood elevation level and comply with the requirements of 83 FR 5850 and 83 FR 5861.

Property owners receiving assistance through the Owner Occupied Housing Recovery Program will be required to acquire and maintain flood insurance if their properties are located in a FEMA designated special flood hazard area.

Costs of elevation will be included as part of the overall cost of rehabilitation of a property. Many homes in the impacted areas with substantial damage need updates to meet current federal, state and local code requirements when repaired. If a home is within a 100-year floodplain, a cost estimate will be completed and compared with local and national averages comparable to the

---

<sup>90</sup> California Department of Housing and Community Development, "Building Standards: CALGreen Compliance" <http://www.hcd.ca.gov/building-standards/calgreen/index.shtml>.

<sup>91</sup> California Department of Housing and Community Development, *A Guide to California Housing Construction Codes*, <http://www.hcd.ca.gov/building-standards/state-housing-law/docs/HCDSHL600.pdf>, January 2014.



home's size, number of feet required for elevation and the geography of the location. Any building that has a total cost of repairs greater than 50 percent of the pre-disaster value of the property is considered substantially damaged and will require the entire home to be brought into code compliance.

Where a neighborhood or large tract of houses have substantial damage and also require elevation, the overall impact of elevation on the long term affordability and maintenance of the housing stock for that area will be considered in determining the best and most reasonable way-forward to provide repairs.

#### e. Appeals Process

HCD will provide a mechanism for homeowners to appeal the quality of the rehabilitation work and file complaints. HCD plans to procure a program implementation contractor to implement the owner occupied housing program. HCD, along with the program implementation contractor, will develop a robust appeals process that will be outlined in the program manual.

The appeals process will include at a minimum a two-level process which includes a program appeals process and state level appeals process. Prior to an appeals process, program staff will work with homeowners and contractors to resolve issues and ensure the work completed meets code requirements and program standards. Contractors will be required to provide a one-year warranty period on work performed and will be required to address the homeowner's concerns about the quality and timeliness of the work. The program will develop detailed procedures around process for homeowners the quality of rehabilitation work completed on their home if it does not meet program standards. The program staff will be required to review and manage the appeals process. In the event that an appeal is not resolved in the program appeals process, the state appeals process will be activated. Further details on the appeals processes will be outlined in the program guidelines. In the event that an economic revitalization program that funds business repair work is implemented, the program will have a similar appeals process. Information about the appeals process and filing a complaint will be provided to homeowners with program materials and guidelines. The process and expectations will also be explained to contractors and included within the construction contracts.

## 6. Planning and Coordination

California has long experienced the hazards of earthquakes, flooding, wildfires and droughts. While it continuously works to mitigate the effects of these events in its planning, zoning, building standards and infrastructure investments, it also seeks ways to understand the long-term implications of climate change and the increase in natural hazards on the state. Growth is also a consistent factor in California. The state must work across agencies and jurisdictions to identify and help manage the needs of expanding or changing communities and the impacts of climate change on infrastructure, services, and housing. Planning efforts at the state and local levels that increase collaboration between agencies, and the public and private sectors help communities address the needs caused by growth, as well as provide opportunities to increase resilience against climate change and natural hazards.

a. Long-term Recovery Planning

HCD is participating in a long-term planning process called the California Disaster Recovery Framework (CDRF), similar to the FEMA National Disaster Recovery Framework, along with other state agencies involved in recovery efforts and federal partners. A long-term recovery plan is in development through the CDRF and will be adopted once completed.

HCD has also evaluated its internal capacity for long-term planning and administration of CDBG-DR to determine where capacity might be strained and additional resources would be needed to manage grant funds effectively and compliantly. Currently, HCD manages a large portfolio of CDBG projects as well as a \$70 million CDBG National Disaster Resilience (NDR) grant. Furthermore, in November 2018 the citizens of California passed a \$4 billion bond measure for affordable housing programs, infill infrastructure projects, and a veterans' homeownership program.<sup>92</sup> These programs, along with the anticipation of \$212 million in CDBG-DR funding, has led to a large-scale plan for HCD to increase capacity in the coming months and years (and coordinate efforts across the department).

A Disaster Recovery Section within HCD has been established to solely manage the CDBG-DR funds. The section will house 10 new positions created by HCD to administer the CDBG-DR grant. In addition, HCD plans to procure contractors to provide technical assistance and manage applicant-based programs run by HCD. HCD has developed milestones in its implementation plan that describe when and how it will address the capacity gaps identified and when it will bring key staff on board.

b. Statewide Planning Efforts

i. *Integrated Climate Adaptation and Resiliency Program*

The Integrated Climate Adaptation and Resiliency Program (ICARP) was established by Senate Bill (SB) 246 to develop a cohesive and coordinated response to the impacts of climate change across the state. Through its activities, ICARP develops strategies to coordinate climate activities at state, regional and local levels, while advancing social equity.

ICARP has two components: the State Adaptation Clearinghouse and the Technical Advisory Council (TAC). The State Adaptation Clearinghouse is a centralized source of information and resources to assist decision makers at the state, regional, and local levels when planning for and implementing climate adaptation projects to promote resilience across California.

The TAC brings together local government, practitioners, scientists, and community leaders to help coordinate activities that better prepare California for the impacts of a changing climate. (TAC members bring expertise in the intersection of climate change and the sector-based areas outlined in SB 246 PRC 71358(b).) The TAC supports the Governor's Office of Planning and Research (OPR) in its goal to facilitate coordination among state, regional, and local adaptation and resilience efforts, with a focus on opportunities to support local implementation actions that improve the quality of life for present and future generations.

---

<sup>92</sup> California Secretary of State, <https://vote.sos.ca.gov/returns/ballot-measures>, Accessed December 2018.

## *ii. California General Plan Guidelines*

The OPR is statutorily required by Government Code § 65040.2 to adopt and periodically revise the State General Plan Guidelines (GPG) for the preparation and content of general plans for all cities and counties in California. A general plan is the local government's long-term blueprint for the community's vision of future growth. The GPG serves as the "how to" resource for drafting a general plan. The 2017 version includes legislative changes, new guidance, policy recommendations, external links to resource documents, and additional resources.

## *iii. Safeguarding Climate Action Team*

The Safeguarding California Climate Action Team (SafeCAT) was established to provide a venue for cross-sector collaboration and information sharing on development of the Safeguarding California plan, Executive Order B-30-15 TAG guidance implementation, and engagement with local and regional agencies. Co-led by the Office of Planning and Research and California Natural Resources Agency, the SafeCAT meets quarterly to provide updates on adaptation-related guidance documents, report updates, programs, etc., and provides a venue to discuss other collaborative efforts involving all agency members. The SafeCAT, together with the ICARP and its associated TAC, provide a suite of agency bodies and resources to foster information sharing and engagement with local and regional governments working to address the impacts of climate change. CalOES participates in the SafeCAT meetings as well and sits on the aforementioned TAC for the ICARP.

## *iv. California Adaptation Planning Guide*

The California Adaptation Planning Guide (APG) serves as a foundational resource for climate adaptation planning in California. This document presents the basis for climate change adaptation planning in California and introduces a step by step process for local and regional climate vulnerability assessment and adaptation strategy development. The document is intended as a starting point for all communities seeking climate adaptation planning guidance.

## *v. Safeguarding California Plan*

The Safeguarding California Plan: 2018 Update is the state's roadmap for everything state agencies are doing and will do to protect communities, infrastructure, services, and the natural environment from climate change impacts. This holistic strategy primarily covers state agencies' programmatic and policy responses across different policy areas, but it also discusses the ongoing related work to with coordinated local and regional adaptation action and developments in climate impact science.

## *vi. Executive Order B-30-15*

Executive Order B-30-15 directed state agencies to integrate climate change into all planning and investment, including accounting for current and future climate conditions in infrastructure investment. OPR was directed to convene a Technical Advisory Group (TAG) to develop guidance to support implementation of the Executive Order. The TAG included members from nearly every state agency, local and regional governments, non-governmental and community-based organizations, and the private sector. The TAG met from April 2016 through January 2017 and

produced a guidance document called “Planning and Investing for a Resilient California: A Guidebook for State Agencies.” This document provides high level guidance on what future conditions to plan for and how state agencies should approach planning differently in light of a changing climate.

*vii. Assembly Bill (AB) 2800*

Bill AB 2800 states that “state agencies shall take into account the current and future impacts of climate change when planning, designing, building, operating, maintaining and investing in state infrastructure.” The “Climate-Safe Infrastructure Working Group” convened by the California Secretary for Natural Resources per AB 2800 released recommendations on infrastructure design and planning on September 5, 2018.

*viii. Cal-Heat<sup>93</sup>*

Cal-Heat is a new tool funded by the Fourth Climate Assessment to inform local public health officials’ initiatives to save lives during climate exacerbated extreme heat events.

*ix. Coastal Storm Modeling System*

The Coastal Storm Modeling System (CoSMoS) model, partly funded by the *Fourth Climate Assessment*, provides information about the complex interplay of coastal dynamics and climate change for California’s coast.

*x. Adaptation Capability Advancement Toolkit<sup>94</sup>*

The Adaptation Capability Advancement Toolkit, termed Adapt-CA, was created to help local governments overcome common organizational barriers and advance their capability to implement climate change adaptation measures. The Toolkit can help local governments assess their existing capabilities for climate adaptation and identify concrete actions to advance their capabilities for more effective planning and implementation of climate change adaptation activities. California Emergency Response Infrastructure Climate Vulnerability Tool (CERI-Climate).<sup>95</sup>

California owns or operates over 600 facilities that are critical to the state's ability to respond to disasters. CERI-Climate is a decision-support tool that helps evaluate the risk to these facilities from flood and wildfire and how climate change may affect these risks.

**c. Coordination with Local and Regional Planning Efforts**

*i. Safety Elements*

The Safety Element is a state mandated element of a County’s General Plan intended to address protection of the community from natural hazards. The plan must include a safety element for protection from risks of various geologic hazards, flooding, and wildland and urban fires. HCD’s approval is required before a local government can adopt its housing element as

<sup>93</sup> Cal-Heat, [www.cal-heat.org](http://www.cal-heat.org).

<sup>94</sup> Adapt-CA, <http://arccacalifornia.org/adapt-ca/>.

<sup>95</sup> CERI-Climate, [https://public.tableau.com/profile/rand4185#!/vizhome/CJ302-1000\\_CERI-Climate\\_20180227/Title](https://public.tableau.com/profile/rand4185#!/vizhome/CJ302-1000_CERI-Climate_20180227/Title).

part of its overall General Plan, thus, HCD partners with local governments as they develop, amend, and adopt their General Plans. The following table summarizes Safety Elements by County including the year the County last updated its Safety Element.

**FIGURE 88: SAFETY ELEMENTS BY IMPACTED COUNTY**

County	Safety Element Impact
Butte 2016 <sup>96</sup>	<ul style="list-style-type: none"> <li>• Policies to project the community through the year 2030.</li> <li>• Covers noise, floods, seismic and geologic hazards, fires, hazardous materials, disaster preparedness, and community health.</li> </ul>
Lake County 2008 <sup>97</sup>	<ul style="list-style-type: none"> <li>• Provides goal, policies, and implementation measures designed to protect public health, safety, and welfare of community from unreasonable risks while minimizing damage to structures, property, and infrastructure resulting from natural and man-made hazards.</li> </ul>

County	Safety Element Impact
Los Angeles 1990 <sup>98</sup>	<ul style="list-style-type: none"> <li>• Identifies environmental hazards including seismic activity, geotechnical hazards, floods, and fires.</li> <li>• Outlines regulations in place to mitigate risks and identifies agencies that provide oversight.</li> </ul>
Mendocino 2009 <sup>99</sup>	<ul style="list-style-type: none"> <li>• Sets policy to minimize natural hazard risks (e.g., earthquakes, wildfire, flooding) as well as manmade hazards and nuisances (e.g., noise, poor air quality, hazardous materials).</li> </ul>
Nevada 2014 <sup>100</sup>	<ul style="list-style-type: none"> <li>• Centered on emergency preparedness for natural hazards including seismic activity, floods, fires, and severe weather and manmade environmental hazards including airport and military airspace hazards, hazardous materials, and public safety services and facilities issues.</li> </ul>

<sup>96</sup> Butte County General Plan 2030, Ch. 11 Health And Safety Element, [http://www.buttecounty.net/Portals/10/Planning/General%20Plan/2018%20Updated%20GP/11\\_Health\\_Safety\\_PRR.pdf](http://www.buttecounty.net/Portals/10/Planning/General%20Plan/2018%20Updated%20GP/11_Health_Safety_PRR.pdf).

<sup>97</sup> Lake County General Plan, Chapter 7 Health and Safety, <http://www.lakecountyca.gov/Assets/Departments/CDD/2008+General+Plan+Final+Version/2008+General+Plan+Docs/Chapter+7+-+Health+and+Safety.pdf>.

<sup>98</sup> Los Angeles County General Plan, Safety Element, [http://planning.lacounty.gov/assets/upl/project/gp\\_web90-safety-element.pdf](http://planning.lacounty.gov/assets/upl/project/gp_web90-safety-element.pdf) December 1990.

<sup>99</sup> Mendocino County General Plan Update, 4.6 Geology, Soils, and Mineral Resources <https://www.mendocinocounty.org/home/showdocument?id=6412>, September 2008.

<sup>100</sup> Nevada County General Plan Volume 1, Chapter 10: Safety <https://www.mynevadacounty.com/DocumentCenter/View/12582/Chapter-10-Safety-2014-PDF>.

	<ul style="list-style-type: none"> <li>Designed to mitigate disasters by addressing the impacts of developing in high-risk areas, management of the natural environment as it pertains to potential hazards, and by outlining a rapid response system that includes assuring the supporting infrastructure necessary for disaster responses as well as a logistical plan.</li> </ul>
Napa 2009 <sup>101</sup>	<ul style="list-style-type: none"> <li>Identifies earthquakes, fires, floods, liquefactions, and dam inundation as potential risks to public safety.</li> <li>References the Napa Operational Area Hazard Mitigation Plan (NAOHMP), adopted in 2004, as the primary resource for detailed analyses of each of the potential hazard types.</li> <li>Policies related to interdepartmental cooperation in hazard mitigation efforts, information dissemination, risk evaluation, and the need for individual/community disaster plans are outlined in the safety element.</li> </ul>
Santa Barbara 2015 <sup>102</sup>	<ul style="list-style-type: none"> <li>Identifies known and potential hazards, outlines existing resources and policies, provides information on existing partnerships, jurisdictions, emergency response plans, and additional recommendations.</li> </ul>

County	Safety Element Impact
Sonoma, 2014 <sup>103</sup>	<ul style="list-style-type: none"> <li>Intended to protect community from unreasonable risks from seismically induced surface rupture, ground shaking, ground failure, tsunami, dam failure, slope instability leading to mudslides, landslides, subsidence and other known geologic hazards, flooding and fire.</li> <li>Includes maps of known hazards and assesses evacuation routes, water supply needs, road widths, clearances around structures and items related to potential catastrophic events.</li> </ul>
Ventura 2016 <sup>104</sup>	<ul style="list-style-type: none"> <li>Designed to inventory and monitor natural and man-made resources with discretionary development as it pertains to environmental concerns in mind.</li> </ul>

<sup>101</sup> Napa County General Plan, Safety, <https://www.countyofnapa.org/DocumentCenter/View/3326/Safety-Element-PDF> June 2009.

<sup>102</sup> Santa Barbara County Comprehensive Plan, Seismic Safety & Safety Element,

<http://longrange.sbcountyplanning.org/programs/genplanreformat/PDFdocs/Seismic.pdf> February 2015

<sup>103</sup> County of Sonoma Public Safety Element, <https://sonomacounty.ca.gov/PRMD/Long-Range-Plans/General-Plan/Public-Safety/> September 2014.

<sup>104</sup> Ventura County General Plan, <https://docs.vcrma.org/images/pdf/planning/plans/Goals-Policies-and-Programs.pdf> December 2016.



	<ul style="list-style-type: none"> <li>• Specific hazard mitigation goals aim to minimize the risk to the community, society, and structures that result from disasters by identifying programs for investigation and alleviation of risks, providing guidance for discretionary development toward the same end, and by outlining specific policies for risk reduction.</li> </ul>
Yuba 2011 <sup>105</sup>	<ul style="list-style-type: none"> <li>• Identifies goals, objectives, and implementation plan for seismic safety, fire hazards, flood hazards, and airport hazards in the safety element.</li> <li>• Reviews jurisdictions and emergency services.</li> </ul>

*ii. Regional Housing Need Allocation*

Regional Housing Need Allocation (RHNA) is the state-mandated process to identify the total number of housing units (by affordability level) that each jurisdiction must accommodate in its General Plan Housing Element. As part of this process, HCD identifies the total housing need for each county. Counties must then develop a methodology to distribute this need in a manner that is consistent with the development pattern as dictated by the Safety Element. Once a local government has received its final RHNA, it must revise its Housing Element to show how it plans to accommodate its portion of the region's housing need. HCD is the state agency responsible for oversight of the RHNA process, and will ensure coordination with the CDBG-DR funds.

**7. Resilience to Natural Hazards**

Together with HUD, HCD has created a set of guidelines for long-term recovery, which includes strategies to ensure that all selected activities promote long-term resilience. The “2017 California Wildfires Long Term Housing Recovery Toolbox” provides for HCD to offer resilience technical assistance to impacted communities in the rebuilding process, including workshops on resilient construction materials, and develop and disseminate information on the mitigation effects of universal resilient design in rebuilding and rehabilitation process. HCD will also support local governments in updating their Hazard Mitigation Plans and assist other state agencies in developing strategies to leverage multiple federal funding sources, including Mitigation, to aid in resilient recovery.

CalOES and FEMA developed the “California Wildfires, Floods, & Mudflows: Incident Strategic Plan” (“The Plan”), which summarizes phases of disaster response, including long-term recovery as the final phase. The Plan notes that the Housing Task Force, established by the state and FEMA and inclusive of both short- and long-term committees, will support local jurisdictions in implementation of sustainable and resilient permanent housing solutions that are in line with mitigation priorities. The Plan also discusses the activities of the Joint Hazard Mitigation Branch (HM) that was established in November 2017 to implement long-term mitigation solutions throughout DR-4344, and then DR-4353, recovery. HM, in collaboration with FEMA PA, will insure that selected infrastructure projects include Hazard Mitigation measures wherever possible.

<sup>105</sup> Yuba County General Plan, Public Health and Safety, [http://yubavision2030.org/GPU%20-%20DOCUMENTS/Adopted%202030%20General%20Plan/9\\_PUBLIC\\_HEALTH\\_AND\\_SAFETY\\_ELEMENT.pdf](http://yubavision2030.org/GPU%20-%20DOCUMENTS/Adopted%202030%20General%20Plan/9_PUBLIC_HEALTH_AND_SAFETY_ELEMENT.pdf).

In implementation of mitigation measures, the state will work with existing local recovery plans' identified mitigation priorities as much as possible. Santa Barbara County, for example, has created a Recovery Strategic Plan, which includes a specific strategy for long-term flood control mitigation in Montecito, and strategy for working with utility providers to rebuild more resilient infrastructure systems. Similarly, Sonoma County issued its draft Recovery & Resiliency Framework in September 2018. HCD will work with local plans to implement most effective and locally vital resilience measures.

## 8. Leveraging Funds

Over the last three decades, HCD has provided more than \$3 billion in funding for the development of affordable housing and associated infrastructure. As an agency, HCD manages non-entitlement programs, providing leadership and policies to preserve and expand safe and affordable housing opportunities and promote strong communities for all Californians. By administering programs that provide grants and loans from both state and federal housing programs, HCD has the opportunity to leverage existing programs, increasing the impact of CDBG-DR funding.

To maximize the impact of the CDBG-DR funding provided to the state, there will be an ongoing commitment to identify and leverage other federal and non-federal funding sources. Further, HCD will utilize existing relationships and strive to create new partnerships with other federal and state agencies, corporations, foundations, nonprofits, and other stakeholders as a means of leveraging all viable sources of funding. For its infrastructure needs, the state will prioritize leverage funding that provides infrastructure improvements directly benefiting housing recovery needs.

CDBG-DR funds will be used to address critical unmet needs that remain following the infusion of funding from other federal sources, including FEMA and the SBA. Existing state resources and other funds from the disaster appropriation will also be examined in an effort to ensure that all available funding is used where it is most needed.

Furthermore, the state has designed all housing programs in this Action Plan to cover the gap in funding remaining after insurance, private funds, and other assistance has been applied to each project. Understanding the limited funding for recovery, the state will encourage all program applicants to seek out other funding sources to meet their full recovery needs.

The state has authorized many housing programs that may complement the recovery effort. These programs are either competitive or issued based on a formula allocation; no loans or grants are made directly to individual households. Cities, counties, qualified CHDOs, affordable housing corporations, and other qualified applicants may apply to build more affordable housing in their community to speed recovery. The programs detailed here are currently funded by HCD.

### **Affordable Housing and Sustainable Communities**

Affordable Housing and Sustainable Communities (AHSC)<sup>106</sup> funds land use, housing, transportation, and land preservation projects that support infill and compact development and

---

<sup>106</sup> California Department of Housing and Community Development, "Affordable Housing and Sustainable Communities Program (AHSC)" webpage <http://www.hcd.ca.gov/grants-funding/active-funding/ahsc.shtml>.

reduce greenhouse gas emissions. Funds are available in the form of loans and/or grants in two kinds of project areas: Transit Oriented Development (TOD) Project Areas and Integrated Connectivity (ICP) Project Areas. There is an annual competitive funding cycle.

### **No Place Like Home**

NPLH<sup>107</sup> provides counties with funding to acquire, design, construct, rehabilitate, or preserve permanent supportive housing for persons who are experiencing homelessness, chronic homelessness or who are at risk of chronic homelessness, and who are in need of mental health services. It is funded by \$1.8 billion in bond funding from the Mental Health Services Act. For round two, \$191 million will be distributed by formula allocation to each county based on their 2017 homeless PIT Count with a minimum allocation per county of \$500,000. Funds will be available through 2021 on a noncompetitive basis.

### **Supportive Housing Multifamily Housing Program**

The Supportive Housing Multifamily Housing Program (SHMHP)<sup>108</sup> provides low interest loans to developers of permanent affordable rental housing that contains supportive housing units. The number of supportive units in a project must be at least five, or 35 percent of the total number of units, whichever is greater, and they must have associated supportive services for households that are currently homeless, moving from shelters or transitional housing, or have a specified disability. Funds may be used for new construction, rehabilitation, acquisition and rehabilitation, or conversion of nonresidential structures. Eligible costs include facilities for childcare, afterschool care, and social service facilities integrally linked to the restricted housing units.

### **Veterans Housing and Homelessness Prevention Program**

The Veterans Housing and Homeless Prevention Program (VHHP)<sup>109</sup> was originally part of a bond passed to fund homeownership programs. The 2008 economic downturn greatly diminished demand for this program and the legislature reshaped the program to fund construction of multifamily housing with 50 percent of the funds reserved for extremely low-income veterans. VHHP is a competitive program with a current round of \$75 million in the 2018 NOFA.

### **Building Jobs and Homes Act - Senate Bill 2 Programs**

The legislature passed a document recording fee to fund specific housing programs. Beginning in 2019, 70 percent of these funds will be locally administered; divided between larger jurisdictions receiving funds directly and non-entitlement jurisdictions competing for funds at the state level. The eligible uses include multifamily housing development, capitalization of supportive housing, rehabilitation of foreclosed or vacant homes, moderate income housing programs, homelessness programs, and incentives for permitting new housing.

The remaining 30 percent of funds will be administered between HCD and California Housing Finance Authority (CalHFA). HCD may use ten percent for farmworker housing through the

---

<sup>107</sup> California Department of Housing and Community Development, "No Place Like Home" webpage <http://www.hcd.ca.gov/grants-funding/active-funding/nplh.shtml>.

<sup>108</sup> California Department of Housing and Community Development, "Supportive Housing Multifamily Housing Program (SHMHP)" website <http://www.hcd.ca.gov/grants-funding/active-funding/shmhp.shtml>.

<sup>109</sup> California Department of Housing and Community Development, "Veterans Housing and Homelessness Prevention Program (VHHP)" webpage <http://www.hcd.ca.gov/grants-funding/active-funding/vhhp.shtml>.

SERNA program and five percent for a production incentive program to encourage local jurisdictions to approve housing permits. CalHFA may use 15 percent of the funds to build middle-income rental housing in mixed-use developments.

The legislature also placed a \$4 billion housing bond on the November 2018 ballot, known as Proposition 1 “Veterans and Affordable Housing Bond Act.” The availability of these funds is dependent on voter passage in November 2018. The first billion dollars in bond proceeds is allocated to CalVet for homes and farm purchase assistance for veterans. The remaining funds will be allocated to HCD:

- \$1.5 billion for Multifamily Housing Program.
- \$450 million for Transit Oriented Development Housing Program (TOD) and Infill Infrastructure.
- \$450 million for CalHome and Building Equity and Growth in Neighborhoods (BEGIN).
- \$300 million for Joe Serna Farmworker Housing Grant (SERNA).
- \$300 million for Local Housing Trust Fund Matching Grant.

**FIGURE 89: SUMMARY OF STATE HOUSING RELATED PROGRAMS COMPLEMENTARY TO CDBG-DR**

Funding Source	Currently Available	Future Funding	Population Served
Affordable Housing and Sustainable Communities (AHSC) <sup>110</sup>	NOFA 2017 \$255 million; applications due January 2018; Awards in June 2018	Annually; amount available varies; award max \$20 million	Two types of project areas: Transit Oriented Development and Integrated Connectivity with emphasis on disadvantaged communities
No Place Like Home <sup>111</sup>	HCD NOFA Fall 2018	\$1.8 billion for multiple funding rounds	Supportive housing for mentally ill persons; housing must have low barrier entry
No Place Like Home (Non-competitive)	HCD NOFA Summer 2018; Rolling application for counties through 2021	\$190 million	Distributed by formula allocation to each county based on their 2017 homeless Point-In-Time Count with a minimum allocation per county of \$500,000.

<sup>110</sup> idib 93.

<sup>111</sup> ibid 94.

CalHome disaster special purpose	State funds distributed to 7 DR-4344 counties by HCD April 11, 2018	Approx. \$6 million	Grants to local public agencies and nonprofit developers to assist individual home rehabilitation, including manufactured homes not on permanent foundations
Supportive Multifamily Housing Program <sup>112</sup>	The last NOFA was in 2016		Funds may be used for new construction, rehabilitation, acquisition/rehabilitation, or conversion. Eligible costs include facilities for child-care, after-school care, and social service facilities integrally linked to the restricted housing units.
SB 2 – Local funds	70 percent of approximately \$250 million annually	83 percent flows to entitlement jurisdictions on quarterly basis beginning in 2019; 10 percent allocation to non-entitlement jurisdictions; 7 percent competitive among non-entitlement jurisdictions	May be used for low-income affordable homes; supportive housing and homeless programs;
SB 2 –Farmworker	10 percent of approximately \$250 million annually	Available in 2019	
SB 2 – Production Incentive Program	5 percent of approximately \$250 million annually	Available in 2019	
SB 2 – CalHFA Mixed Use	15 percent of approximately \$250 million annually	Available in 2019	

<sup>112</sup> ibid 95.

Veterans Housing and Homelessness Prevention Program (VHHP) <sup>113</sup>	Current HCD NOFA of \$75 million for multifamily housing construction for veterans	HCD anticipates awarding approximately \$300 million in subsequent years funding rounds.	Veteran multifamily housing; 50 percent reserved for ELI veterans and families
Multifamily Housing Program	\$1.5 billion available in multiple rounds of competitive grants	First NOFA likely January 2019	
SERNA Farmworker Housing Program	\$300 million	First NOFA likely December 2019	
Transit Oriented Development Housing Program (TOD) and Infill Infrastructure	\$450 million	NOFA July 2019	
CalHome and Building Equity and Growth in Neighborhoods (BEGIN)	\$450 million	NOFA June 2019	
Local Housing Trust Fund Matching Grants	\$300 million	NOFA August 2019	

Source: Department of Housing and Community Development, 2018

HCD works with each of the 538 regional governments in California to determine their housing needs and then reviews every city and county's housing plan (the housing element of the general plan) to determine whether the plan complies with state law. HCD also administers several federally funded programs to serve lower income populations. In 2018 HCD has made \$183 million available through the following programs, all of which may be complementary to the recovery effort:

**Housing Investments Partnerships Program (HOME)**

HOME<sup>114</sup> assists cities, counties, and nonprofit community housing development organizations (CHDOs) to create and retain affordable housing for lower income renters or owners. HOME funds are available as loans for housing rehabilitation, new construction, and acquisition and rehabilitation of single and multifamily projects and as grants for tenant based rental assistance. At least 50 percent of the amount is awarded to rural applicants and 15 percent is

<sup>113</sup> ibid 96.

<sup>114</sup> California Department of Housing and Community Development, "Home Investment Partnership Program (HOME)" webpage <http://www.hcd.ca.gov/grants-funding/active-funding/home.shtml>.



set aside for CHDOs. Funding is announced annually through a Notice of Funding Availability and is available to California communities that do not receive HOME funding directly from HUD.

**CalHome Disaster Special Purpose**

California’s CalHome Disaster Special Purpose program provides grants to local public agencies and nonprofit developers to assist individual home rehabilitation, including manufactured homes not on permanent foundations. Funds can also be used to assist in the development of multiple-unit ownership projects. Northern California counties eligible to receive housing assistance through FEMA Individual Assistance pursuant to Federal Disaster Declaration DR-4344 are eligible to receive these funds. CalHome Disaster Special Purpose funds can only be used as gap financing, which means insurance proceeds or other financing provided for the purpose of repair or reconstruction have been applied to the owner owned rehabilitation or reconstruction prior to CalHome funds being used. CalHome funds cannot be awarded in excess of the homeowner’s demonstrated funding need for the rehabilitation or reconstruction of a similarly sized home based on a qualified contractor bid.

**National Housing Trust Fund Program**

National Housing Trust Fund<sup>115</sup> is a permanent federal program with dedicated source(s) of funding to increase and preserve the supply of affordable housing, with an emphasis on rental housing for extremely low-income households (ELI households, with incomes of 30 percent of area median or less). California typically receives approximately \$10 million for this competitive program.

**Emergency Solution Grants Program**

Emergency Solution Grants Program (ESG) makes grant funds available for projects serving homeless individuals and families through eligible nonprofit organizations or local governments. ESG funds can be used for supportive services, emergency shelter/transitional housing, homelessness prevention assistance, and providing permanent housing. Funding is announced annually through a Notice of Funding Availability and is available in California communities that do not receive ESG funding directly from HUD.

**FIGURE 90: SUMMARY OF FEDERALLY FUNDED PROGRAMS ADMINISTERED BY HCD**

Funding Source	Funding Available	Future Funding	Population Served	Distribution Method
Community Development Block Grant-Disaster Recovery	Federal funds distributed to 13 localities named by HUD April 10, 2018	\$124 million distributed to localities in HCD Action Plan	80 percent of funds to Most Impacted and Distressed”; 70 percent to low-income households	HUD approves HCD’s Action Plan
HOME	HUD funds for non-entitlement	Annually	Low-income homeowners and	Competitive; 50 percent

<sup>115</sup> California Department of Housing and Community Development, “National Housing Trust Fund Program” webpage <http://www.hcd.ca.gov/grants-funding/active-funding/nhtf.shtml>.

	Cities, counties and CHDOs;		renters; Loans for homeowners to rehabilitate housing or rental assistance to renters	rural requirement; 15 percent CHDO requirement
National Housing Trust Fund Program	Annually announced via HCD NOFA	Approx. \$10 million annually	Extremely Low-Income (ELI) 30 percent of Median Income or less	Competitive application through MHP program

## IV. Proposed Disaster Recovery Programs

### 1. Allocation of Funds

The primary consideration in developing effective CDBG-DR programming is the unmet needs analysis. Programs are developed to address the most severe unmet needs and in full compliance with the Federal Register Notice. Therefore, addressing the unmet housing recovery need is the primary focus of the Action Plan. In addition to the unmet need, CDBG-DR funded programs must also consider eligible CDBG activities, must be responsive to CDBG national objectives, must comply with all regulatory guidance issued to HCD, and must consider best practices established through similar recovery initiatives.

Grants under the Appropriations Act are only available for activities authorized under Title I of the Housing and Community Development Act of 1974 related to disaster relief, long term recovery, restoration of infrastructure and housing, and economic revitalization in the Most Impacted and Distressed areas resulting from an eligible disaster. Further, CDBG-DR funds may not be used for activities reimbursable by or for which funds are made available by FEMA, the US Army Corps of Engineers (USACE), or other Federal funding sources.

The allocations for each recovery program are based on the unmet needs analysis, which identified housing as a serious unmet recovery need. HCD opens the Action Plan, and the associated program funding allocations, for public comment in November 2018. Input received from the public comment period will be used to adjust the program allocations, if needed, to be responsive to the needs of impacted residents of the state.

The primary recovery needs include owner occupied housing rehabilitation and reconstruction, rental housing, and infrastructure repair. In accordance with the Federal Register Notice directive to first address the unmet housing recovery need, this Action Plan primarily addresses the housing need, including a portion of CDBG-DR funding of critical infrastructure to ensure that housing recovery is possible in areas where infrastructure damage has prevented housing recovery to date. Therefore, any infrastructure projects funded with this allocation of CDBG-DR will have a documented contribution to the long-term recovery and restoration of housing.

These programs are funded proportionate to the anticipated need and after accounting for necessary administrative costs, indirect costs, and planning costs.

The total CDBG-DR allocation set forth in PL 115-123 is \$124,155,000. HCD will set aside five percent of these funds (\$6,207,750) for administrative costs associated with disaster recovery. The remaining \$117,947,250 will be allocated to housing and infrastructure recovery activities. Following the unmet needs analysis, 92 percent of available CDBG-DR funding is allocated to unmet housing recovery needs and three percent is allocated to local governments to assist with infrastructure repair. These infrastructure repairs will be designed to make a positive impact to the long-term recovery and restoration of housing.

**FIGURE 91: CDBG-DR FUNDING SUMMARY**

Program	Unmet Need	Percentage of Unmet Need	Program Allocation	Percentage of Total
Total CDBG-DR Funds	\$1,040,729,043		\$124,155,000	
Administration	N/A	N/A	\$6,207,750	5.0%
Program Allocations	N/A	N/A	\$117,947,250	95.0%
Housing Programs	\$185,906,989	18%	\$114,415,447	92.2%
Infrastructure	\$34,673,327	3%	\$3,531,803**	2.8%
Mitigation	\$470,175,423	45%	N/A*	
Economic Revitalization	\$90,535,222	9%	\$ -	0%
Agriculture	\$259,438,082	25%	\$ -	0%
Total CDBG-DR Funds	\$1,040,729,043	100%	\$124,155,000	100.0%

*\*Mitigation will be addressed in the subsequent mitigation*  
*\*\* Funding for PA Match Program is limited to the match required for categories D and F*

At this time, HCD commits to directing 70 percent of allocated CDBG-DR funds to low and moderate income (LMI) individuals or areas in accordance with Section 103 of the Housing and Community Development Act of 1974. Funded activities that do not predominantly benefit LMI persons will address a different national objective and be related to the unmet recovery need. Additionally, HCD commits to directing 80 percent of all CDBG-DR funding to the Most Impacted and Distressed areas as identified by HUD in 83 FR 40314. These Most Impacted and Distressed areas include Sonoma County, Ventura County, and the zip codes 95470, 95901, 94558, 95422, and 93108. A map of the Most Impacted and Distressed areas is available at Figure 7: Most Impacted Counties & Zip Codes in Section II, part 2 of this plan.

Where possible, proposed activities must consider projects or programs that improve hazard mitigation to reduce future losses. Specific code compliance to achieve hazard mitigation, such as WUI codes, will be implemented where applicable according to local code and the unique needs of impacted communities.

**FIGURE 92: CDBG-DR PROGRAMS SUMMARY**

Summary			Most Impacted and Distressed		LMI Requirements	
Item Breakdown	Total \$	% Total CDBG-DR Funds	Minimum \$ to MID	Maximum \$ Outside of MID	\$ LMI (Minimum)	% LMI (Minimum)
Total CDBG-DR Funds	\$124,155,000	100.00%	\$99,324,000	\$24,831,000	\$86,908,500	70.00%
Administration Costs	\$6,207,750	5.00%	\$4,966,200	\$1,241,550	\$4,345,425	70.00%
Housing Programs	\$114,415,447	92.16%	\$91,532,358	\$22,883,089	\$82,563,075	72.16%
Owner Occupied Rehab and Reconstruction	\$47,627,648	38.36%	\$38,102,118	\$9,525,530	\$34,368,480	72.16%
Multifamily Housing	\$66,787,799	53.79%	\$53,430,239	\$13,357,560	\$48,194,595	72.16%
Infrastructure Program	\$3,531,803	2.84%	\$2,825,442	\$706,361	\$0	0.00%
FEMA PA Match Program	\$3,531,803	2.84%	\$2,825,442	\$706,361	\$0	0.00%

**a. Method of Distribution**

HCD will distribute grant funds to beneficiaries using one of two methods: 1) HCD administered programs and 2) local government (known as “subgrantees”) administered projects.

**b. HCD Administered**

HCD will directly operate an Owner Occupied Housing Rehabilitation and Reconstruction Program. HCD CDBG-DR Program Implementation staff will engage impacted homeowners statewide to apply for assistance. HCD will procure a qualified vendor to perform full scale program management duties to augment HCD capacity and ensure high quality customer service delivery. Program staff will work with the procured vendor to maintain program timeliness, provide oversight, and ensure all levels of the program are compliant.

**c. Subgrantee Administered**

Subgrantees will engage with HCD to ensure that local infrastructure recovery and multifamily housing needs are addressed. HCD will establish programs through which subgrantees will submit project proposals for funding. HCD will vet projects for CDBG-DR compliance and eligibility, ensuring that proposed projects adhere to federal requirements and the requirements set forth in the Action Plan. The implementation and management of individual projects will be the responsibility of participating subgrantees, while HCD will provide monitoring and broad oversight of subgrantee administered funds.

#### d. Criteria to Determine Method of Distribution

Distribution methods are sensitive to the needs of the affected population as well as the capacity of the units of local government that will engage in the recovery process. Proper distribution ensures that CDBG-DR funds will be used to maximum benefit to address unmet housing recovery and infrastructure repair needs.

HCD assessed its internal capacity during the capacity assessment required by the Federal Register Notice. The capacity assessment concluded that, with organizational and staffing adjustments at HCD, a large statewide program could be successfully operated and administered directly by HCD.

HCD also assessed the capacity of local governments to administer CDBG-DR funded programs during recovery planning and coordination discussions. Topics covered included knowledge of and experience with key grant administration requirements, managing programs similar to what HCD was considering for inclusion in the Action Plan, and ability to add capacity and subject matter expertise through hiring or procurement.

Through the conversations and working sessions, HCD gained a clear understanding of local strengths and how best to leverage the capacity and expertise at the local level. These assessments concluded that local governments are best positioned to operate and manage project specific funding related to infrastructure repair and multifamily housing.

#### e. Program Allocations

Allocations for the recovery programs are based on needs as identified through an analysis of FEMA IA and FEMA PA claims. As shown in Section II – Needs Assessment, the total unmet recovery needs surpass the CDBG-DR funds allocated to the state by HUD. HCD based programming decisions on best available data from multiple sources, including FEMA, SBA, private insurance, state agencies, and local governments, broad engagement with the public and stakeholders, and exhaustive conversations about program typologies and design options to maximize the benefits of the available funding.

For housing, funds for the owner-occupied housing recovery program were determined based on the unmet housing recovery need for homeowners. The state will prioritize homeowners based on tiers which are outlined in Figure 94: Owner occupied Housing Recovery Applicant Prioritization. The multifamily program allocation was developed by using the allocations are based by using the dollar amount of FEMA IA assistance for rental households in counties and entitlement areas.

Infrastructure funding is allocated according to the FEMA PA match requirement for PA categories D (water control facilities) and F (Utilities). These unmet recovery needs closely align to the housing recovery need. The objective of the PA Match Program is to fully meet the match for D and F projects in impacted areas, and therefore the allocation for infrastructure recovery is equal to this match need. Infrastructure projects will be selected to directly improve and support the housing recovery, thus serving those with the most need.

f. Unmet Needs

According to the unmet needs analysis, housing presents the greatest unmet recovery need other than mitigation and agriculture recovery. In anticipation of future mitigation funds in accordance with PL 115-123, this Action Plan does not address the mitigation need directly. Other state and local resources will be assessed to address the agriculture unmet need. The analysis detailed in Section II – Needs Assessment identifies the methodology and results of the unmet needs relative to housing, infrastructure, and economic recovery.

## 2. Housing Recovery Programs

HCD proposes two housing recovery programs to address the unmet recovery need: an Owner Occupied Housing Rehabilitation and Reconstruction Program and a Multifamily Housing Program.

Together, the housing programs will receive \$114,415,447 of the received CDBG-DR funds. This represents approximately 92 percent of the CDBG-DR funds allocated in PL 115-123 to the State of California. The unmet needs analysis identified a total housing unmet recovery need of \$185,906,989 for both owner-occupied and rental dwellings.

At the outset of program launch, an interest survey will be conducted to identify demand for the program and inform the need for additional programming considerations, such as funding small rental recovery programs and homeowner reimbursement payments from the allocation of owner occupied recovery programming. The survey will assist in ascertaining the specific recovery needs of impacted property owners as well as identify demographic information to assist in targeting recovery funds to vulnerable populations. Additionally, HCD has consulted with housing counseling agencies in the development of this Action Plan and will continue to work with these agencies as the housing recovery programs are implemented. HCD will follow policies and procedures for compliance with Affirmatively Furthering Fair Housing (AFFH) requirements during the planning and implementation of each housing activity to lessen area racial, ethnic, and low-income concentrations, and/or 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).

All projects under the housing programs will follow HCD's affirmative marketing procedures for outreach to protected class groups least likely to apply. Additionally, materials will be provided in other languages, such as Spanish, to accommodate LEP persons. Language access services for persons who are LEP and the availability of accessible features and reasonable accommodations for persons with disabilities will be provided through case management.



**FIGURE 93: TOTAL UNMET HOUSING RECOVERY NEED**

Category	Total Impact	Resources Available	Unmet Need (Total Impact Less Applied Resources)
Housing	\$209,630,395	\$23,723,406	\$185,906,989

**a. Owner Occupied Housing Rehabilitation and Reconstruction Program**

The primary objective of the Owner Occupied Housing Rehabilitation and Reconstruction Program is the provision of decent, safe, and sanitary housing in the areas impacted by the October and December 2017 disasters. Additionally, the program is designed to ensure that the housing needs of very-low, low-, and moderate-income households and vulnerable populations, including individuals that were made homeless as a result of the disaster, are addressed to the greatest extent feasible. Furthermore, the program aims to not only address disaster-related damages but also to mitigate potential future damage.

The program will provide rehabilitation or reconstruction assistance to eligible applicants based on the extent of damage to their primary residences. Reconstruction is permissible where the total cost of rehabilitation is greater than the cost to reconstruct or where rehabilitation is otherwise technically infeasible. Reconstruction is defined as the rebuilding of a structure on the same site in substantially the same manner. A reconstructed property must not increase the number of dwellings on site, although the number of rooms may increase or decrease. The maximum amount of assistance is \$150,000 per damaged structure, after applying any duplication of benefits to the cost of the total rehabilitation or reconstruction. As a standard practice, program applicants requiring more than the \$150,000 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 the 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. Such instances typically include job loss, business failure, divorce, severe medical illness, and disability. Program staff will evaluate instances of demonstrable hardship on a case-by-case basis after review of the circumstances. The criteria for documenting such hardship will be included in the program guidelines. Applicants with an approved demonstrable hardship may have the award cap increased up to the amount required to complete the repair or reconstruction of their property.

To safeguard the CDBG-DR investment in the property, HCD will require a deed restriction on properties funded through the program. The deed restriction will remain 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, the property cannot be sold, cannot be used as a second home, cannot be converted into rental property, and otherwise cannot have its use changed by the property owner. Compliance with the deed restriction will be monitored annually by HCD, and failure to comply with the deed restriction will result in grant fund recovery.

The deed restriction may be relieved on a case-by-case basis by HCD in certain circumstances. The specific language and requirements in the deed restriction will be set forth in the program manual and will be available for applicants to review prior to participating in the program.

### **Eligible Activity**

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). Additionally, the state will incorporate the waivers and alternative requirements in federal register notices 83 FR 5844 83 FR 40314.

### **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 Owner Occupied Housing Rehabilitation and Reconstruction activities will meet either the urgent need or LMI housing national objective criteria related to disaster recovery. As stated in the Needs Assessment, the location of the disasters presents unique challenges for addressing housing impacts. The disasters impacted households of all incomes and landscapes, including dense urban neighborhoods and rural communities. While there are regional differences in the housing markets, all the impacted areas struggle to provide an adequate supply of affordable homes to area residents. Thus, the prioritization criteria for participation in the Owner Occupied Housing Rehabilitation and Reconstruction program will ensure that sufficient housing recovery programming will be directed toward LMI beneficiaries.

### **Delivery**

The Owner Occupied Housing Rehabilitation and Reconstruction Program is delivered at the state level under the guidance of HCD's housing subject matter experts and contract managers. The application process will invite impacted residents statewide to apply for assistance. The state will procure a qualified vendor to perform full scale program management duties, including marketing and distribution of the program survey, overseeing intake, completing eligibility and benefit determinations, providing case management through the process, quality control to prevent fraud, waste, and abuse, construction monitoring, and construction management. Applicants will have assigned case managers to support them through the recovery process from application to construction and project closeout.

In addition, the procured program management consultant will support program marketing and outreach efforts, ensuring vital information on the program is made available to impacted residents and encouraging participation in the program. The program management consultant will follow HCD's affirmative marketing procedures for outreach to protected class groups least likely to apply to the Owner Occupied Rehabilitation and Reconstruction Program. Additionally, materials will be provided in languages other than English, such as Spanish, to accommodate LEP persons. Language access services for persons who are LEP and the availability of accessible features and reasonable accommodations for persons with disabilities will be provided to applicants through case management.

HCD is evaluating options relative to procuring construction contractors that will perform the rehabilitation and reconstruction work under the program. Whether construction contractors are procured as part of an overall program management team or via a separate procurement, HCD will engage in a contractor outreach effort to ensure opportunities available for such firms are widely publicized. HCD will ensure that contractor outreach will also include advising minority and women-owned businesses of contracting opportunities available for federally assisted projects.

In determining rehabilitation or reconstruction with each applicant, HCD will ensure the program management consultant, case managers and procured construction contractors will pursue actions under this activity that minimize displacement.

### **Applicant Eligibility**

Applicants will be eligible to participate in the program if they meet the following criteria:

- Must have owned the damaged home at the time of the qualifying disaster.
- Must have occupied the home as their primary residence at the time of the qualifying disaster.
- The home must have been damaged as a result of the qualifying disaster and located in an impacted county or zip code.
- Must be current on property taxes or have an approved payment plan or tax exemption.
- The property must have been correctly permitted and permissible for the zoning area or local development standard.
- The property must be a single-family dwelling, such as a stick built, modular, or mobile home (i.e. not a condominium, duplex, fourplex, or other multi-owner property).

HCD will assess applicant eligibility on a case-by-case basis according to the eligibility criteria fully defined in the program manual.

The survey period will inform the possible use of owner occupied recovery funds to pay for homeowner reimbursement payments. As noted above, distribution of the program survey will be marketed by the selected program management consultant. Distribution will also be supported through relationships with HUD approved housing counseling agencies built during the development of the Action Plan. Once the survey period has been conducted to understand the current recovery needs of potential applicants, a more in-depth program design will be conducted that will inform applicant eligibility. Appendix B includes information regarding the public and stakeholder outreach to date. If significant need for reimbursements is identified, reimbursements may be paid through the owner occupied recovery program. If a decision is made to fund reimbursement, applicants who began work after the disaster of their own initiative would be eligible for reimbursement payments for eligible costs incurred up to a year after the disaster. Reimbursement payments will follow the guidance issued by HUD in CPD-15-07.<sup>116</sup> Full eligibility criteria will be provided in the program guidelines.

---

<sup>116</sup> HUD CPD Notice 15-07, "Guidance for Charging Pre-Application Costs of Homeowners, Businesses, and Other Qualifying Entities to CDBG Disaster Recovery Grants" <https://www.hudexchange.info/resources/documents/Notice-CPD-15-07-Guidance-for-Charging-Pre-Application-Costs.pdf>, September 2015.

The survey period will also inform the use of program funds to fund recovery of small rental property (i.e. one to four units). Small rental recovery funding will assist applicants who were the owner of record of rental properties at the time of the disaster. Properties must meet the following conditions:

- Properties containing between one and four dwelling units prior to DR-4344 or DR-4353. A dwelling unit is defined as having complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.
- Properties located in disaster impacted areas.
- Properties that sustained damage as a result of the qualifying event.
- Properties that have access to water, sewer, and electricity.

Rent to own, lease to own, or bond for deed properties are not eligible for assistance.

Rentals containing up to four units providing affordable rents to low- to moderate-income renters according to rent and income limit requirements will receive funding priority. HCD will prioritize funding for units with accessibility access compliant with Section 504 of the Rehabilitation Act and the federal Fair Housing Act.

All requirements of the Owner Occupied program will be outlined in detail in the program manual and guidance provided to homeowners.

### **Applicant Prioritization**

Program applicants will be prioritized in accordance with the tiers outlined in Figure 94: Owner occupied Housing Recovery Applicant Prioritization. In addition to the prioritization methodology, funding decisions will account for the requirement to expend 80 percent of the grant in HUD designated Most Impacted and Distressed areas as well as the requirement for 70 percent of the total CDBG-DR funding to benefit LMI populations. Applicant prioritization criteria will be assessed during a survey of potential program applicants.

**FIGURE 94: OWNER OCCUPIED HOUSING RECOVERY APPLICANT PRIORITIZATION**

Applicant Prioritization Tiers					
	Geography		Owner-occupant Household Income		Property Damaged by DR-4344 or DR-4353
	7 Most Impacted Counties and Zip Codes Only	All Areas That Received a Federal Disaster Declaration	LMI Only	All Incomes	Major or Severe Damage
Tier 1	X		X		X
Tier 2		X	X		X
Tier 3	X		X		
Tier 4		X	X		
Tier 5	X			X	X
Tier 6		X		X	X
Tier 7	X			X	
Tier 8		X		X	

Within each tier, owner occupied households with a household member that is disabled or has access or functional needs are given priority. Major or Severe Damage is a primary consideration for funding. HCD equates Major or Severe Damage in this prioritization context with the FEMA Substantial Damage definition of a structure that has sustained damage greater than 50 percent of its pre-disaster value. Currently, the data available do not specify amounts of damage for individual houses in MID areas. The results of the program survey should fill this gap and provide clarity on the levels of damage on homes within each tier. As results of the survey become available, HCD will develop criteria for damage assessments and prioritization for Owner Occupied recovery in the program’s policy and procedures.

**Eligible and Ineligible Costs**

HCD commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 or those activities specified by waiver in 83 FR 5851. Eligible scopes of work and eligible costs include:

- Permitting, design, and planning
- Reasonable relocation payments directly to displaced owners during construction
- Replacement of damaged or destroyed necessary equipment, such as HVAC units

- Repairs to or replacement of damaged on-site utilities such as water, sewer, electric, and gas
- Repairs to disaster damaged primary structures with standard grade materials
- Reconstruction of the disaster damaged primary structure with standard grade materials
- Upgrades required to meet current building code
- Site work to meet WUI standards for homes in high risk areas
- Handicap accessibility features (if applicable)
- Lead-based paint and asbestos abatement (if applicable)

Ineligible items include:

- Repair or replacement of auxiliary structures, such as detached garages or carports, storage units, outhouses, or sheds
- Materials greater than standard grade unless required by the local jurisdiction or by State law, such as certain green building requirements
- Partial or incomplete repairs or reconstructions of properties
- Multifamily, condominiums, duplexes, triplexes, fourplexes or other rental property
- 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 home purchase or new construction off-site of the damaged structure
- Mortgage payment assistance and forced mortgage payoffs
- Assistance for second homes
- Rental payment assistance

HCD will also ensure that construction costs are reasonable and consistent with current market costs for the area where the property will be rehabilitated or reconstructed.

### **Form of Assistance**

Assistance is provided in the form of a grant directly to qualifying applicants after a contractor has been selected to perform the scope. The scope of work is determined by a site inspection performed by qualified construction estimators. Once the scope of work has been determined, the applicant signs a three-party construction agreement between the applicant, contractor, and HCD. The assistance is provided on a reimbursement basis via two party check to the applicant and the contractor engaged to perform the work.

### **Timeline**

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

Construction timeframes vary depending on whether the applicant is rehabilitating or reconstructing their property. Typical timeframes for reconstruction are 240 to 360 days from permitting to final inspection. Typical construction timeframe for rehabilitation is 120 to 180 days from permitting to final inspection. Routine and periodic milestone inspections will be performed



by construction monitors to ensure timely completion of construction scopes in accordance with construction plans and industry standards for safety and craftsmanship.

**Unmet Needs**

The unmet needs analysis indicated that the owner occupied recovery need is less than the rental housing recovery need. Therefore, of the two housing recovery programs, the Owner Occupied Housing Rehabilitation and Reconstruction Program is funded less than the Multifamily Program, which will address the unmet rental need. The Owner Occupied Housing Rehabilitation and Reconstruction Program will receive \$47,627,648 of the total CDBG-DR allocation.

The public comment period will be used to better inform housing needs and may adjust program funding levels.

**FIGURE 95: UNMET OWNER OCCUPIED HOUSING RECOVERY NEED**

Category	Identified Unmet Need	CDBG-DR Funded
Owner Occupied Housing Recovery	\$77,387,388	\$47,627,648

**b. Multifamily Housing Program**

Multifamily housing projects are funded to meet the unmet rental housing need, including the needs of individuals displaced from rental mobile homes and individuals made homeless as a result of the disaster. Preference will be given to individual renter households who were displaced due to the disasters, including those at risk for or experiencing homelessness. Multifamily projects include apartment complexes and mixed-use developments. These developments are also intended to help replace the rental housing units available to Housing Choice Voucher holders that were lost. However, this program will not include the rehabilitation, reconstruction, or replacement of shelters or transitional housing since there were no reports of damages to these facilities (refer to [Section III, part 2\(a\)](#)). The objective of the CDBG-DR funds is to provide necessary gap financing for large scale housing developments.

Program guidelines 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 guidelines will outline requirements relative to a minimum percentage of affordable units, the percentage of affordable versus market rate units, requirements for deep affordability, requirements for permanent supportive housing units, as well as the per unit maximum (see Prioritization section below for further details). Multifamily program applications will include affirmative marketing plans according to HCD’s affirmative marketing procedures and requirements for all CDBG-assisted housing with five or more units, including efforts to reach those least likely to apply and LEP persons. Applications should also demonstrate that the proposed projects will affirmatively further fair housing, and are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, nonminority areas in response to natural hazard related impacts. Projects should also be

designed with the established community in mind to lessen the displacement of families and must commit to the affordability periods of 15 and 20 years according to the project type. If other funds requiring a longer affordability period are committed to the project, the longest affordability period will prevail for the project. Local governments helping to administer multifamily housing projects may either follow the state’s RARAP to minimize displacement or develop its own plan with the state’s and public’s approval.

HCD will leverage internal resources, bring on staff to increase capacity and expertise, and procure a consultant to provide technical assistance, maintaining the responsibility of overseeing the program and compliance of individual projects. Local jurisdictions will be responsible for implementation and oversight of approved projects, with regular monitoring by the state.

Per unit maximum assistance will be consistent with HOME limits established by HUD for each participating jurisdiction. These limits are found in 83 CFR 25683<sup>117</sup>. If HUD has issued a regional per-unit subsidy increase for the participating subgrantee, the alternative subsidy amount may be used, up to 240 percent of the HOME subsidy limit. The minimum threshold for multifamily housing project participation is a total project cost of \$250,000 per project.

**FIGURE 96: PER UNIT CDBG-DR FUNDING LIMIT**

Bedrooms	CDBG-DR Funding Limit/Unit
0	\$61,28
1	\$70,250
2	\$85,424
3	\$110,512
4+	\$121,307

The appropriate HOME cost allocation<sup>118</sup> will be used on a per-project basis to ensure that CDBG-DR funds are applied to a proportionate share of total development cost. Individual projects are not subject to a funding cap, but subgrantees may not request CDBG-DR funds greater than the allocations indicated in the Allocation Methodology section and Figure 97 below. Furthermore, projects are subject to the per-unit limit in Figure 96 above.

If subgrantees are not able to provide qualifying projects, HCD may re-allocate funds to other projects or subgrantees in accordance with the prioritization criteria defined below.

**Eligible Activity**

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

<sup>117</sup> HUD Exchange, “HUD Home Per-Unit Subsidy Limits,” <https://www.hudexchange.info/resource/2315/home-per-unit-subsidy/>.

<sup>118</sup> U.S. Department of Housing and Urban Development. “Allocating eligible costs and identifying HOME-assisted units in multi-unit HOME rental and homeownership development projects.” <https://www.hudexchange.info/resources/documents/Notice-CPD-16-15-Allocating-Eligible-Costs-and-Identifying-HOME-Assisted-Units-in-Multi-Unit-HOME-Rental-and-Homeownership-Development-Projects.pdf>

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 83 CFR 40315, which requires grantees to address unmet housing recovery needs with CDBG-DR funds.

### National Objective

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

### Allocation Methodology

Funding is available to subgrantees based on a formula to determine a proportionate share of the total program allocation based on the impacts to that jurisdiction. HCD used a methodology to calculate the allocations based on the FEMA IA applicants below 120 percent area median income with a FEMA verified loss (FML) greater than \$0 with a major high, major low, or severe damage designation. The sum of this FEMA IA funds disbursed for each subgrantee's jurisdiction divided by the total unmet need for rental housing is the proportionate share of funding. This allocation also ensures that nearly 95 percent of multifamily housing recovery funds are spent in MID areas.

**FIGURE 97: MULTIFAMILY HOUSING RECOVERY BY SUBGRANTEE ALLOCATION**

Allocation Summary	Total \$	\$ to MID	% to MID	\$ Outside of MID	% Outside of MID
Sonoma County	\$4,698,809	\$4,698,809	100%	\$0	0%
<i>City of Santa Rosa</i>	\$38,469,772	\$38,469,772	100%	\$0	0%
Ventura County	\$2,756,047	\$2,756,047	100%	\$0	0%
<i>City of Ventura</i>	\$4,601,064	\$4,601,064	100%	\$0	0%
Mendocino County	\$6,591,778	\$6,235,730	95%	\$356,048	5%
Yuba County	\$1,666,091	\$1,622,677	97%	\$43,413	3%
Napa County	\$420,094	\$0	0%	\$420,094	100%
<i>City of Napa</i>	\$2,889,774	\$2,851,517	99%	\$38,257	1%
Lake County	\$1,157,983	\$1,114,570	96%	\$43,413	4%
Santa Barbara County	\$588,504	\$57,028	10%	\$531,476	90%
<i>City of Santa Barbara</i>	\$848,011	\$848,011	100%	\$0	0%
Butte County	\$679,013	\$0	0%	\$679,013	100%
Los Angeles County	\$590,987	\$0	0%	\$590,987	100%
Nevada County	\$424,028	\$0	0%	\$424,028	100%
San Diego County	\$405,845	\$0	0%	\$405,845	100%
<b>Total</b>	<b>\$66,787,799</b>	<b>\$63,255,225</b>	<b>94.71%</b>	<b>\$3,532,575</b>	<b>5.29%</b>

### Delivery

The Multifamily Housing Program is administered and monitored by HCD. However, CDBG-DR funds are subgranted to local governments. HCD will publish program guidelines that will include the process for local governments to submit project proposals. Local governments are responsible for determining how to select projects within their jurisdictions (e.g. through an RFP, NOFA, or similar solicitation process) and prioritize the use of the allocated funding (through cost estimates and analysis).

Once local governments have selected projects, they will submit proposals to HCD for review and approval. The review process will ensure compliance with the established program guidelines, regulatory requirements, and broader recovery goals. In reviewing the proposed projects submitted by local governments, newly constructed or substantially rehabilitated multifamily housing must comply with the accessibility requirements of both the federal Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. As projects are approved, HCD will enter into a Standard Agreement with the local government, which will define each party's obligations, commit funding to the project, establish timelines and milestones, and reiterate relevant compliance requirements.

Subgrantees will operate the approved multifamily housing project(s) in accordance with their local requirements, the established program guidelines, and as set forth in a Standard Agreement between HCD and the subgrantee. Their role will include the procurement of qualified developers and/or construction contractors, project management, environmental reviews, compliance monitoring (including Section 3 and applicable labor and wage requirements), construction management, and project closeout. Subgrantees can open solicitations to qualified developers. Procurements of developers and contractors must adhere to the procurement requirements set forth in 2 CFR Part 200.218 – 200.326. Construction advertisement and procurement will include notifying minority and women-owned businesses of contracting opportunities available for federally assisted projects. HCD will review developer experience as a part of the project review process to ensure that developers have multifamily housing development experience. Qualified developers must have completed at least three multifamily developments, at least one of which included affordable rental units.

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 multifamily program will be outlined in detail in the program manual and application guidelines for subgrantees. HCD will provide technical assistance to ensure compliance with CDBG-DR requirements and consistency with the program guidelines. In addition, regular monitoring of the subgrantee and specific projects will be conducted to test compliance and ensure timely project completion.

## **Eligibility**

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

- The proposed project must be located in a Most Impacted and Distressed area, or otherwise have been impacted by DR-4344 or DR-4353.

- The proposed project must have a minimum of eight total units.
- The proposed project must have a minimum of four affordable units or 30 percent of units must be affordable units, whichever is greater.
- The proposed project must meet one of the HCD project types defined in the “2018 Multifamily Housing Program Draft Guidelines” Article 2, Section 7302(e)(1-5)<sup>119</sup>.
- All sources of funding required to complete the project must be identified and secured or readily accessible.
- 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. Cost reasonableness may be documented by comparing costs between vendors or by comparing submitted costs to an independent cost estimate.
- The proposed project must not exceed the HOME per-unit subsidy limit.
- The proposed project must meet the following affordable rent requirements and tenant income limits over the duration of the minimum affordability period. At a minimum, the following thresholds must be adhered to in all projects:
  - HCD will determine the percent of units in an approved multifamily development that will be leased to tenants with an income of up to 80 percent of the area median income based on regulatory and program requirements.
  - Affordable rents in multifamily projects will be determined by calculating FMR along with the maximum of 30 percent of an LMI household’s income.
  - Multifamily developments must meet the following affordability requirement: a minimum affordability period of 15 years for the rehabilitation or reconstruction of multifamily rental projects with eight or more units and a minimum affordability period of 20 years for the new construction of multifamily rental units with five or more units. Multifamily projects with funding sources that require longer affordability periods will have the longer affordability period prevail over the 15- or 20-year requirement.

HCD will monitor subgrantees to ensure that appropriate environmental reviews, award closings, monitoring, and closeout are conducted on a per-project basis. HCD will also monitor to ensure that the specific requirements of other funding sources committed to the project are also satisfactorily met. A monitoring plan will be established with the subgrantee upon closing of the grant award.

Details on affordable rent requirements, tenant income limits, and minimum affordability period can also be found under [Section III, part 1\(e\)](#).

---

<sup>119</sup> California Department of Housing and Community Development. “2018 Multifamily Housing Program Draft Guidelines.” <http://www.hcd.ca.gov/grants-funding/active-funding/mhp/docs/MHP-Draft-Guidelines.pdf>

## Prioritization

Evaluation criteria will be fully defined in the program guidelines; however, initial prioritization will ultimately occur at the local level through the selection of projects to propose to HCD for funding. Subgrantees may not receive CDBG-DR funds in excess of the amounts allocated to them in the Allocation Methodology outlined above and as expressed in Figure 97. Projects proposed in MID areas will be prioritized above those that are proposed outside of MID areas by subgrantee, and non-MID allocated funds may be used in MID areas. Subgrantees will provide their own priority ranking for HCD to review, but HCD will ultimately prioritize the following projects:

1. Projects providing permanent supportive housing (PSH) units. The HCD Supportive Housing Multifamily Housing Program (SHMHP) defines a PSH Multifamily Housing project as a project with a minimum of five supportive housing units, or a minimum of 40 percent of total units, whichever is greater, and must have associated supportive services for the intended target population living in the restricted units, pursuant to California Health and Safety Code Section 50675.14. If proposed projects have fewer than five supportive housing units or 40 percent of total units available as supportive housing, these projects will remain higher priority than a project with a comparable number of affordable rent units.
2. Projects providing housing for Extremely Low-Income (ELI) individuals or families. ELI is defined as income less than 30% of the area median income or the federal poverty level, whichever is higher for the area of the proposed project.
3. Projects providing units of Transitional Housing (TH). California Health and Safety Code Section 50801(i) defines TH as housing with supportive services for up to 24 months that is exclusively designated and targeted for recently homeless persons. Transitional housing includes self-sufficiency development services, with the ultimate goal of moving recently homeless persons to permanent housing as quickly as possible, and limits rents and service fees to an ability-to-pay formula reasonably consistent with the United States Department of Housing and Urban Development's requirements for subsidized housing for low-income persons. Rents and service fees paid for transitional housing may be reserved, in whole or in part, to assist residents in moving to permanent housing.
4. Projects providing a greater ratio of affordable rent units to total units.

In addition to the prioritization criteria above and the LMI requirement for CDBG-DR funded units, initial occupancy of multifamily units will require prioritization for individuals and families that were impacted by the disasters to the greatest extent possible. Examples of renters impacted by the disasters include renters that have lost rental units or have been displaced due to the impacts of DR-4344 and DR-4353.

Prior to receiving an award, HCD will conduct an underwriting analysis. A pro forma must be provided along with the project proposal. The specific requirements of the pro forma will be detailed in the funding application. A review of the pro forma and the project will be used to prioritize projects. Subgrantees may provide up to three alternatives to each proposed project to allow for ranked prioritization from HCD in consideration of those alternatives. HCD will also



assess subgrantee capacity to execute and monitor the proposed project(s) as a factor in prioritization review.

### **Eligible and Ineligible Costs**

HCD commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 or those activities specified by waiver in 83 FR 5851. Selected projects will be funded through completion in accordance with their financing needs. Alternate forms of funding, such as private investment, must be expended before CDBG-DR funds are released. HCD, in coordination with the subgrantee, will perform a check for duplication of benefit prior to issuing an award to ensure that duplicative assistance is not provided for multifamily housing. DOB checks will be maintained in the project file. Complete lists of eligible and ineligible costs will be provided in the program guidelines.

Eligible costs include:

- Architectural and engineering design
- Permitting fees
- Developer fees
- Mobilization, site prep, and clean up
- Construction costs

Ineligible costs include:

- Pre-proposal costs and proposal development costs
- Land acquisition costs
- Advances on construction
- Facility operating or maintenance expenses

HCD reserves the right to question the applicability and eligibility of costs on a per-proposal basis. HCD will also ensure that construction costs are reasonable and consistent with current market costs for the area where the multifamily construction will take place and HCD will require that construction contractors or developers present a plan to control costs over the duration of the project.

### **Form of Assistance**

Selected proposals will be funded by grant on a reimbursement basis via a Standard Agreement between HCD and the subgrantee. Specific payment terms and conditions are outlined in the Standard Agreement. The Standard Agreement will define financial and property management requirements as well as remedies to correct deficient or non-compliant projects. Standard Agreements will also contain CDBG-DR recapture provisions for non-performance or breach of subgrantee responsibility. HCD will monitor construction agreements between the subgrantee and the developer or contractor to ensure that proper financial controls and safeguards are in place to protect CDBG-DR funds.

**Timeline**

The multifamily housing program is expected to launch in Quarter 2 of 2019. Proposals are expected to be submitted by Quarter 4 of 2019 for selection 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 proposal.

**Unmet Needs**

The unmet needs analysis indicated that the need for rental housing recovery is greater than the need for owner occupied housing recovery. Multifamily housing projects will be funded to address the unmet housing recovery need. Of the \$114,415,447 identified to address the housing recovery need, \$66,787,799 will be used to address the rental housing recovery need through multifamily housing development.

**FIGURE 98: UNMET RENTAL HOUSING RECOVERY NEED**

Category	Identified Unmet Need	CDBG-DR Funded
Rental Housing Recovery	\$108,519,601	\$66,787,799

**3. Infrastructure Recovery Programs**

**a. FEMA-Public Assistance Match Infrastructure Program**

In some cases, damaged public utilities are critical to the restoration of housing services in impacted areas. HCD will provide impacted local governments funds to ensure that critical utility and water control infrastructure recovery needs are met. CDBG-DR funds will be used to fund the non-federal share match on approved FEMA Public Assistance (PA) projects. At this time, the program will only fund the local portion of the non-federal share match for FEMA categories D (water control facilities) and F (utilities) that are clearly established by the potential subgrantee to further the housing recovery process.

Examples of potential PA Match projects include, but are not limited to, sewer and water systems necessary to complete housing recovery. HCD understands that FEMA PA match amounts are ever-changing and will continue to assess the funds allocated to this program.

Program guidelines 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.

DR-4353 and DR-4344 include wildfires, mudflows, debris flows, and limited flooding. The fires exacerbated the mudslides and flooding. HCD is not proposing the construction or rehabilitation of storm water management systems in impacted areas. HCD proposes using CDBG-DR funds as a match for approved FEMA PA projects (Category D and F only).

In terms of flood risks, Government Code Section 65302(2)(d)(3) states that the conservation element shall identify rivers, creeks, streams, flood corridors, riparian habitats, and land that may accommodate floodwater for purposes of groundwater recharge and stormwater management. Additional section 65302(4)(g)(2) states the safety element upon the next revision of the housing element shall set comprehensive goals, policies, and objectives based on the information identified for the protection of the community from the unreasonable risks of flooding. These codes point to HCD's responsibility to identify and create plans to address flooding; however, they do not explicitly require the construction or rehabilitation of storm water management systems in the event of a natural disaster. An environmental review for each project will bring awareness of the impacts and compliance required for the development. Projects will need to employ technology that will improve the resilience of the system in the long term and lessen any effects of the installation.

HCD will leverage internal resources, bring on staff to increase capacity and expertise, and procure a consultant to provide technical assistance to eligible jurisdictions, maintaining the responsibility of overseeing the program and compliance of individual projects. HCD will accept applications from local jurisdictions. Eligible cities and counties may work in coordination with other local entities with projects that may qualify under FEMA PA categories D and F, such as school or water districts, and can tie their project to housing recovery. Jurisdictions may include these projects in the application to HCD and explain the prioritization of funds. Local jurisdictions will be responsible for implementation and oversight of approved projects, with regular monitoring by the state.

Projects will need to be compliant with applicable CDBG and CDBG-DR regulations. Local jurisdictions may either follow the state's plan to minimize displacement or develop their own with the state's and public's approval. Projects selected should be designed to improve and support housing recovery, serving those with the greatest need.

HCD will review proposals for the use of funds with local governments and provide technical assistance and oversight to ensure that local governments receiving funds execute their infrastructure recovery effectively. All funded projects will be approved by HCD before funds are sub-granted. The limit of PA Match funds for each participating subgrantee is determined by the confirmed amount of required match.

### **Eligible Activity**

Infrastructure repair is an eligible activity according to 42 USC 5305(a)(2), which authorizes the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements.

In addition, CDBG-DR funds may be used as the non-federal cost share match for FEMA-PA projects.

**National Objective**

PA Match funded projects do not relieve the necessity of meeting a CDBG national objective and must also meet applicable CDBG-DR requirements. PA Match funding requires a case-by-case analysis of FEMA-PA project worksheets as well as the funding scenario for the local government.

HCD funds infrastructure repair based on either benefit to a low- and -moderate income area (LMA) or the urgent need national objective. It is the responsibility of the local government to substantiate LMA or urgent need as part of its proposal to HCD. As stated in the Needs Assessment, the vast majority of counties designated within DR-4344 and DR-4353 do not meet the threshold of 50 percent of LMI persons. However, approximately 64 percent of persons in zip code 95422, located in Clearlake are considered LMI. Additionally, the majority of funding associated with the Multifamily Housing Program will directly benefit renters, particularly LMI populations. The Owner-Occupied Program will employ a tiered eligibility approach to prioritize LMI homeowners. Thus, all FEMA PA Match program funding must tie back to the long-term recovery as well as the restoration of housing.

**Allocation Methodology**

HCD will make funding available to impacted jurisdictions based on the local match requirement for FEMA PA Category D and F projects. The maximum assistance allowable per project is the amount necessary to meet the match requirement on a project by project basis based on the funding cap for each county. FEMA PA Match program funding may be increased to fund additional D and F projects, based on information received from FEMA, CalOES, and local municipalities impacted by disaster.

**FIGURE 99: PA MATCH PROGRAM ALLOCATION BY SUBGRANTEE ALLOCATION**

Allocation Summary	FEMA PA Match (D & F Only)
Lake County	\$6,637
Los Angeles County	\$0
Mendocino County	\$18,770
Napa County	\$309,660
Nevada County	\$0
Orange County	\$1,446
San Diego County	\$0
Santa Barbara County	\$472,780
Sonoma County	\$1,238,072
Ventura County	\$1,470,533
Yuba County	\$13,905
<b>Total</b>	<b>\$3,531,803</b>

**Delivery**

HCD will establish an application phase for impacted municipalities to request funding to satisfy PA Match. HCD will provide technical assistance and coordinate closely with local governments during the application phase.

Once proposals have been reviewed, HCD will provide funds to subgrantees for the delivery of infrastructure repair programming in accordance with a Standard Agreement with the local government. Monthly progress reports will be required from the subgrantee, and reimbursement will be provided to the subgrantee 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.

### **Eligibility**

Proposed projects will be assessed by HCD. Specific eligibility criteria include:

- The proposed project must be located in a Most Impacted and Distressed area, or otherwise have been impacted by DR-4344 or DR-4353.
- The proposed project must be approved for FEMA PA funds.
- All sources of funding required to complete the project must be identified and secured or readily accessible.
- The proposed project must relate to infrastructure necessary to continue addressing the housing recovery need.

### **Prioritization**

Evaluation criteria will be fully defined in the program guidelines; however, prioritization will ultimately occur at the local level through the selection of projects to propose to HCD for funding.

Eligible jurisdictions may submit applications with multiple proposed projects that meet categories D and F requirements and support housing recovery. The application will require the jurisdictions to prioritize the requests in the event that not all projects are eligible or can be funded.

### **Eligible and Ineligible Costs**

HCD commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 or those activities specified by waiver in 83 FR 5851. CDBG-DR funds may fund the following activities:

- Required FEMA PA local non-federal share match funding for approved projects under FEMA categories D (water control facilities) and F (utilities), including repair, replacement, or relocation of damaged public utilities, such as power lines, gas lines, and sewer and water lines.
- Other FEMA PA non-federal share match funding for categories other than D and F, such as category C (roads and bridges), if additional funding is made available.

Ineligible costs include:

- Required FEMA PA match funding for approved projects under categories other than D (water control facilities) and F (utilities).
- Increases in scope or modifications to PA projects.
- Repair or replacement of private roads and bridges.
- Repair, replacement, or relocation of private utilities.

- Repair, replacement, or relocation of public utilities not directly damaged by a qualifying disaster and not necessary for the repair or reconstruction of damaged housing.

HCD is prioritizing infrastructure needed to support the rebuilding of homes, and not funding any storm water management systems at this time. HCD does follow state law for the development of storm water management systems. As such, unless there is a maintenance easement that is dedicated and deeded to the cities and counties, the state cannot legally perform maintenance or work on areas within private property. In most cases, the private property owner is responsible for addressing localized drainage problems and maintaining the portion of the drainage system that is located on their property.

HCD will also ensure that construction costs are reasonable and consistent with market costs for the location of the infrastructure project during the time of the infrastructure recovery work. HCD will require that the construction contractor implement cost control measures or verify that reimbursable costs were correctly controlled during the project. Standard Agreements with jurisdictions will include subrogation clauses in case of the event of non-compliance with the applicable requirements and regulations.

Furthermore, HCD will adopt the benefit-cost analysis conducted by local jurisdictions to comply with the requirements of FEMA PA projects. The completed BCA will be required as part of the application package submitted to HCD.

### Timeline

If HUD approves this Action Plan and the Implementation and Capacity document in the first quarter of CY 2019, the application period will open in quarter two of CY 2019. Applications will be accepted, and technical assistance will be provided for 120 days, or until sufficient proposals are received and approved to expend the entire allocation of FEMA PA Match funds. Individual project completion timeframes will be determined on a case-by-case basis with the subgrantee, in accordance with their agreement.

### Unmet Needs

Funding PA Match for infrastructure recovery is consistent with the requirement to address housing recovery needs first. Necessary infrastructure recovery must be complete before housing recovery is complete. The unmet needs assessment identified \$3,270,188 to address the required match for PA categories D and F. Of the CDBG-DR funds received, \$3,531,803 will be used for PA Match, which includes an estimated 8 percent of the total provided for match to cover associated activity delivery costs.

**FIGURE 100: UNMET INFRASTRUCTURE RECOVERY NEED**

Category	Identified Unmet Need (PA Only)	CDBG-DR Funded
Infrastructure Recovery	\$3,270,188	\$3,531,803



## 4. Economic Revitalization Programs

HCD acknowledges the unmet economic revitalization need. However, in accordance with guidance set forth in the Federal Register Notice, CDBG-DR funds must first meet the unmet housing recovery need. The CDBG-DR funds available are not sufficient to fully address the unmet housing recovery need; therefore, there are no funds currently allocated to administering an economic revitalization program. If program needs change or additional funds become available, an economic revitalization program may be developed using CDBG-DR funds to support economic recovery in disaster impacted areas.

HCD has developed two programs that may be used to address the unmet economic recovery need if future funding were made available: 1) Workforce Recovery, and 2) Small Business Recovery.

### a. Workforce Recovery Program

The primary objective of the Workforce Recovery Program is to prepare low and moderate-income participants with skill sets to contribute to California's ongoing recovery effort. Often times following disaster, construction trades and other vital recovery contractors face a workforce shortage. Workforce recovery programs aim to augment capacity by increasing the stock of vital labor.

The Workforce Recovery Program partners with existing workforce training programs and providers to deliver free training to eligible participants. Eligible participants will be trained in construction trades to assist in the recovery effort to speed construction projects and other recovery initiatives to completion and to provide ongoing economic benefits to LMI residents.

Program guidelines 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.

#### **Eligible Activity**

Title I of the HCD Act 105(a)17 authorizes economic revitalization as an eligible CDBG-DR funded activity. Additionally, economic revitalization is specifically mentioned as an eligible use of CDBG-DR funds in the Federal Register Notice 83 FR 5844.

#### **National Objective**

In accordance with 24 CFR 570.208, all CDBG-DR funded activities must satisfy a national objective. The Workforce Recovery satisfies the benefit to low-to-moderate income jobs.

#### **Allocation Methodology**

No program funds are currently allocated to the Workforce Development Program. If additional CDBG-DR funds become available in the future, and the unmet housing recovery need is fully satisfied, HCD will explore options to utilize the Workforce Recovery Program defined herein.

**Delivery**

The program is monitored at the state level but is delivered and administered through the use of local not-for-profit organizations acting as subrecipients to HCD. A Notice of Funding Availability (NOFA) will be used to solicit application for funding from local workforce development and training organizations.

**Eligibility**

Workforce Recovery Program applicants must demonstrate that 51 percent of their current program participants are LMI or that they will establish a program in which 51 percent of their participants are LMI. The applicant must demonstrate a sufficient pass/fail rate and demonstrate evidence of competitive advantage from completing a course of study, including employment records or a record of application for employment to relevant fields.

**Prioritization**

In accordance with HUD requirements, 80 percent of available funding must be expended in the Most Impacted and Distressed areas. Additional priorities will include subrecipients serving predominately LMI areas, as well as entities with a demonstrated history of successful workforce development programming. Success of the proposed training program will be assessed as responses to the NOFA are reviewed. Prioritization criteria will be fully defined in the NOFA.

Individuals impacted by the disaster will be targeted by outreach and specific marketing campaigns to benefit fully from the Workforce Recovery Program. Marketing and outreach guidance will be developed to specifically target these populations as program design begins.

**FIGURE 101: WORKFORCE RECOVERY PROGRAM PRIORITIZATION**

Workforce Development Program Prioritization Tiers				
	Location of the Training Site		Income of the Beneficiary	
	7 Most Impacted Counties and Zip Codes	All Areas That Received a Federal Disaster Declaration	LMI Only	All Incomes
Tier 1	X		X	
Tier 2		X	X	
Tier 3	X			X
Tier 4		X		X

## Eligible and Ineligible Costs

HCD commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 or those activities specified by waiver in 83 FR 5851. Qualifying workforce recovery programs are reimbursed for salaries and benefits for instructors, operating costs for educational programming, supplies, materials, and required equipment. Workforce recovery programming includes, but is not limited to, training in the following areas:

- Masonry
- Roofing
- Carpentry
- Concrete and flatwork
- Plumbing
- Heating, Ventilation, and Air Condition (HVAC)
- Electricity
- On-the-job Training (OJT)

## Form of Assistance

Qualifying organizations receive funding from HCD to execute programming as a reimbursement for costs incurred.

### b. Small Business Recovery Program

The primary objective of the Small Business Recovery Program is to provide funding to eligible small businesses located within impacted areas to assist them with ongoing operations and speed their recovery. Assistance is issued to qualifying small businesses to reimburse the costs of lost or damaged inventory, stock, and equipment.

Program guidelines will be established that outline the requirements of the program and rules for applicants, including general eligibility, specific eligible and ineligible costs, and the criteria for evaluating applications.

## Eligible Activity

42 USC 5305(a)(17) authorizes the provision of assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods).

## National Objective

The Small Business Recovery Program will meet the LMI national objective. The mechanism for meeting the LMI national objective will be the creation and retention of jobs for LMI individuals. Participating small businesses will have their job creation and retention monitored to demonstrate compliance.

### **Allocation Methodology**

No program funds are currently allocated to the Small Business Recovery Program. If additional CDBG-DR funds become available in the future and the unmet housing recovery need is fully satisfied, HCD will explore options to utilize the Small Business Recovery Program defined herein.

### **Delivery**

The Small Business Recovery Program is implemented at the state level. Affected small businesses apply to HCD for assistance and are provided up to \$50,000 for recovery needs including repair or replacement of damaged equipment, stock, and materials lost due to the qualifying disaster. Awards are calculated in accordance to the eligibility and underwriting guidance outlined in the Federal Register Notice. Additional details will be included in program guidelines.

### **Eligibility**

Small Business Recovery Program applicants must conform to Small Business Administration (SBA) industry-specific definitions for small businesses. Applicants must demonstrate adverse impacts from the disaster, including damage or loss to equipment, stock, and materials necessary for ongoing business continuity. Assistance is provided after an analysis of other benefits received to prevent a duplication of benefits.

### **Prioritization**

Program funding prioritization first accounts for expending grant funds in the Most Impacted and Distressed areas. Applications for assistance from businesses which meet the SBA definition of a small business will be prioritized. Otherwise, applications for assistance are prioritized in the order in which they are received. Applicants that are not responsive or found to be ineligible are moved off the list after due diligence by their assigned case manager. If funds remain after serving the Most Impacted and Distressed areas, qualifying applicants outside of the Most Impacted and Distressed areas may be served.

### **Eligible and Ineligible Costs**

HCD commits to funding activities eligible under Title I of the Housing and Community Development Act of 1974 or those activities specified by waiver in 83 FR 5851. Eligible costs include:

- Payment for working capital
- Replacement of inventory or stock destroyed by the qualifying event
- Replacement of supplies and materials needed for business continuity

Ineligible costs include:

- New equipment that serves as an upgrade to undamaged property or property that did not exist prior to the qualifying event
- Unsubstantiated or unsupported costs
- Construction activities

### **Form of Assistance**

Qualifying applicants receive assistance from HCD as a deferred forgivable loan to execute programming or as a reimbursement for costs incurred. All costs are reviewed by the program to ensure eligibility.

### **5. Remaining Unmet Needs**

Additional unmet recovery needs persist in impacted areas of the state. These unmet recovery needs include agriculture losses reported by local impacted entities. However, in focusing on housing recovery needs, these remaining unmet needs are unaddressed by this Action Plan. If additional funds become available or there is the ability to reprogram existing funds, remaining unmet needs may be addressed with CDBG-DR funds.

HCD commits to working to identify additional sources of funds which may contribute to the unaddressed unmet needs of impacted individuals and areas to speed the full recovery of the State of California.

### **6. Long-term Commitments**

HCD commits to funding activities which address long term recovery and restoration of housing and infrastructure in the Most Impacted and Distressed areas. HCD leverages partnerships at the local level to ensure that subgrantees share a commitment and responsibility to long-term recovery and future disaster risk reduction.

## **V. Citizen Participation**

The following Citizen Participation Plan has been developed in compliance with § 24 CFR 91.115 and applicable HUD requirements to enumerate citizen participation policies and procedures as they relate to this Action Plan, intended to maximize the opportunity for citizen involvement in the planning and development of the California CDBG-DR recovery program—including proposed program activities and amount of funding.

The goal of the Citizen Participation Plan is to provide residents impacted by DR-4344 and DR-4353 with opportunities to participate in the planning and continued assessment of HCD's CDBG-DR recovery programs.

HCD has prioritized a robust citizen participation process to ensure all citizens and stakeholders are provided the opportunity to contribute to and understand their recovery process. Stakeholder briefings were held with all impacted jurisdictions over the course of September and October 2018, providing forums for structured conversations directly with key stakeholders to inform them on the basics of CDBG-DR funds, assistance being considered for their communities, the methods and means by which such assistance may be provided, and general process and timeline.

Round I public meetings were held in October 2018. Targeting the most impacted geographies, three meetings were held in Northern California and two in Southern California. Round I welcomed

citizens into a conversation and provided a briefing to communities on the timeline, process, and eligible uses of CDBG-DR funding.

Round II public meetings will be held in coordination with the Action Plan public comment period. With the draft Action Plan published for public comment, Round II meetings will allow for in-person dialogue about the proposed method of distribution, allocations, and programs.

## **1. Publication**

Before the adoption of this Action Plan or any substantial amendments, HCD will publish the proposed plan or amendment on the CDBG-DR Action Plan webpage (<http://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr.html>). The webpage will include links to action plans, action plan amendments, citizen participation requirements, and activity/program information for activities described in the action plan, including details of all contracts and ongoing procurement policies. The webpage will also store every HUD Quarterly Performance Report (QPR), with information accounting for how funds are being used and managed.

The Action Plan will be available for public review and comment for thirty (30) days from November 12 through December 12, 2018. The published Action Plan will be readily accessible to all citizens, public agencies, and other interested parties. HCD will ensure accessibility by notifying citizens through electronic mailings, press releases, statements by public officials, media advertisements, public service announcements, newsletters, contacts with neighborhood organizations, and/or through social media. HCD will ensure that all citizens have equal access to information about the programs, including persons with disabilities (vision and hearing impaired) and LEP. A Spanish version of the Action Plan will also be available. HCD consulted the “Final Guidance to Federal Financial Assistance Recipients Regarding Title VI, Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons,” published on January 22, 2007, in the Federal Register (72 FR 2732), to comply with citizen participation requirements. A summary of all comments received during the public comment period will be noted and summarized in the final Action Plan.

## **2. Consideration of Public Comments**

The thirty (30) day public comment period of the for the Action extended from November 13, 2018 to December 12, 2018. HCD will consider all public comments received in writing, via e-mail, or delivered in person at official public hearings regarding this Action Plan or any substantial amendments. HCD will make public comments available to citizens, public agencies, and other interested parties upon request.

To ensure citizens have equal access and opportunity to provide comments on the Action Plan, HCD will post notices and work with local governments to ensure outreach to impacted residents and vulnerable populations. Additionally, HCD conducted a four factor analysis to determine populations with Limited English Proficiency, will translate pertinent materials into Spanish, have American Sign Language (ASL) interpreters available and a Spanish language translator at every



meeting. HCD will also provide translation services for additional languages if requested in advance.

### **3. Citizen Complaints**

HCD will provide a timely response to citizen complaints. Citizens may file a written complaint or appeal through the Disaster Recovery email: [DisasterRecovery@hcd.ca.gov](mailto:DisasterRecovery@hcd.ca.gov) or to HCD's Resilience and Recovery Specialist: [susan.naramore@hcd.ca.gov](mailto:susan.naramore@hcd.ca.gov). Citizens may also submit complaints by postal mail to the following address:

ATTN: Susan Naramore  
Specialist - Resilience and Recovery / NDR Project Manager  
Housing & Community Development  
2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833

The response will be provided within fifteen working days of the receipt of the complaint, if practicable.

### **4. Substantial Amendment**

HCD will engage citizens throughout the disaster recovery program to maximize the opportunity for input on proposed program changes that result in a substantial amendment. Substantial Amendments are characterized by either an addition or deletion of any CDBG-DR funded program, any funding change greater than \$3 million of the CDBG-DR allocation, or any change in the designated beneficiaries of the program. Substantial amendments will be available on the State of California CDBG-DR Action Plan website (<http://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr.html>) for public review and comment for at least 30 days before finalization and incorporation into the comprehensive Action Plan. A summary of all comments received will be included in the final Substantial Amendment submitted to HUD for approval.

### **5. Non-substantial Amendment**

Non-substantial Amendments are minor, administrative changes that do not materially alter activities or eligible beneficiaries. Any such amendments will be presented to HUD five days prior to incorporation in the comprehensive Action Plan.

Every amendment to the Action Plan (substantial and non-substantial) will be numbered and posted on the HCD website.

### **6. Community Consultation**

To ensure HCD sufficiently assesses the recovery needs of all areas affected by the disasters, HCD consulted with Indian Tribes, local governments, federal partners, nongovernmental organizations, the private sector, and other stakeholders and affected citizens in the surrounding geographic area to ensure consistency of the Action Plan with applicable regional redevelopment plans. HCD will continually provide opportunities for partners, local governments and citizens to

provide input into programs and ensure outreach to all minority groups and persons with disabilities according to HCD's affirmative marketing plan.

## a. Tribal Consultation

HCD reached out to leaders from 87 tribes via mail and email in August and September 2018 (a complete list of tribes contacted can be found in Appendix B) to determine the following:

- Facility damage (emergency shelters, transitional shelters, supportive housing, or housing for elderly/disabled).
- Impacts to alternatively housed communities, including homeless encampments, single room occupancy buildings, migrant housing, or other.
- Increase in client volume because of the disaster.

Among impacted Tribal governments, the Robinson Rancheria of Pomo Indians tribe reported numerous indirect impacts related to DR-4344. They housed 75 members of the neighboring El Em Indian Colony who were displaced by the Sulphur Fire, and reported that the families of five tribal members who lived off reservation were affected by the Redwood Valley Fire. The Tribe reported that their main impact was lost revenue related to their hotel and casino. Losses were due to housing firefighters, members of their tribe and sister tribe, and cancelled reservations due to poor air quality. The Middletown Rancheria Band of Pomo Indians tribe reported physical damage to the Tribe-owned Pine Casino & Hotel due to smoke and ash, with repairs covered by insurance beyond a \$10,000 deductible.

## b. Stakeholder Consultation

HCD staff traveled around the state and visited each of the HUD identified Most Impacted and Distressed areas. At these meetings, participants were given a brief overview of the proposed program with an opportunity to ask any questions that they may have of staff. Most of the meeting was open dialogue with local government officials, community leaders, and nonprofit organizations asking questions and HCD staff providing responses. Key questions and concerns that were raised during these meetings are described below.

## c. Local Government Consultation

HCD has met consistently with the local governments and housing authorities for all impacted areas allowing for point-in-time updates to the public to be directed through local governments informing citizens of the basics of CDBG-DR funds, assistance they may be eligible to receive, and general process and timeline. HCD leveraged existing networks and meeting schedules to ensure engagement was convenient. In each impacted area HCD met with public official, government departments, government agencies, community foundations and non-profit organizations. HCD also attended community planning/recovery visioning discussions, Board of Supervisors meetings, City Council meetings, and neighborhood/community organization meetings.

## d. Public Meetings

HCD conducted extensive public and stakeholder outreach in direct coordination with impacted local governments; the meetings are detailed in Appendix B. In its two rounds of stakeholder meetings and public meetings, HCD presented program information for comment by stakeholders and the public. HCD held Round I of public meetings during Action Plan development to both provide an overview of the Action Plan process and collect input from impacted citizens and community leaders.

The Round II public meetings were held concurrently with the draft Action Plan public comment period, built from the feedback received in Round I and provided additional details for consideration. HCD took the feedback on program design from Round II of the public meetings to finalize its program design decisions. All public hearings were publicized by HCD as well as local government partners in the applicable jurisdictions. HCD also created and passed out summary memos on CDBG-DR funding and the proposed homeowner program, translated these documents and the presentations into Spanish, and passed them out to each meeting attendee.

The Round I series of meetings commenced on October 2, 2018 and concluded on October 11, 2018. Round II commenced on November 25, 2018 and concluded on December 5, 2018. The meeting schedule ran as follows:

- I. Round I
  - a. October 2, 2018 – City of Santa Rosa, Napa, and Sonoma counties  
City of Santa Rosa Utilities Field Operations Center  
Santa Rosa, CA  
6-8pm
  - b. October 3, 2018 – City of Clearlake, Mendocino and Lake Counties  
Redwood Valley Grange  
Redwood Valley, CA  
6-8pm
  - c. October 4, 2018 – Yuba, Nevada, and Butte Counties  
Yuba County Board of Supervisors Chambers  
Marysville, CA  
6-8pm
  - d. October 9, 2018 – Los Angeles County and City of Los Angeles  
Dexter Park Recreation Center  
Sylmar, CA  
6-8pm
  - e. October 11, 2018 – City of Ventura, Ventura and Santa Barbara Counties  
Ventura County Government Center Hall of Administration  
Ventura, CA  
6-8pm

- II. Round II
  - a. November 25, 2018 - Sonoma County & City of Santa Rosa  
City of Santa Rosa Utilities Field Operations Center Utilities Training Rooms A, F& M, 35 Stony Point Road, Santa Rosa, CA 95401  
6-8pm
  - b. November 29, 2018 - Mendocino & Lake Counties  
Mendocino County Administration Center, Conference Room C, 501 Low Gap Road, Ukiah, CA 95482  
6-8pm
  - c. December 3rd, 2018 - Napa County  
Napa County Health and Human Services Conference Center, 2751 Napa Valley Corporate Drive, Napa, CA 94558  
6-8pm
  - d. December 4th, 2018 - Yuba, Nevada & Butte Counties  
Yuba County's Board of Supervisors Chambers, 915 8th Street, Marysville, CA 95901  
6-8pm
  - e. December 5<sup>th</sup>, 2018 - Ventura, Santa Barbara & Los Angeles Counties  
City of Ventura Council Chambers, 501 Poli Street, Ventura, CA 93001, 2nd Floor  
Ventura, CA  
6-8pm

Interpreters were made available at the meetings to assist those participants in need of Spanish, English or sign language. HCD accepted all comments from citizens, either sent in writing to the designated email ([DisasterRecovery@hcd.ca.gov](mailto:DisasterRecovery@hcd.ca.gov)) or shared orally at the public meetings. Only comments submitted during the formal public comment period are included in the public comment Appendix D to the Action Plan, coupled with a response from HCD. Stakeholder and Public Meeting Comments

The following provides a summary of the key themes that were raised in the September and October 2018 stakeholder meetings with each impacted community:

- **Assistance for Small Rental Properties** – Participants noted a need for a small rental program to address rental properties under four units.
- **Owner Occupied Program Details** – Stakeholders expressed interest in seeing specific guidelines for the owner occupied program. Areas of interest included eligible and ineligible costs, terms of assistance, and award calculation methodology.
- **City and County Allocations** – City and County officials expressed an interest in understanding how much CDBG-DR funding their community would receive and if both cities and counties would both be able to apply for funding.

- **Funding for Roads and Bridges** – Participants expressed the need for funding road repairs and reconstruction (both public and private roads and private bridges).
- **Leveraging State/Local Funding** – Participants requested information about leveraging funding sources with CDBG-DR funds, including CalHome programs.
- **Funding Timeline** – Participants inquired about the timeline to receive CDBG-DR funding and when their community and residents would begin receiving funds.
- **Accessory Dwelling Units (ADUs)** – There were questions about whether ADUs would receive funding through the CDBG-DR funding.

The following summarizes the key themes that came out of the Round I **public** meetings held in October 2018:

- **Funding Timeline** – Attendees questioned when CDBG-DR funding will be available.
- **National Environmental Policy Act (NEPA) Stop-Work Order** – Concern was expressed over this order and the time it will take HCD to complete environmental clearance for owner occupied rehabilitation and reconstruction.
- **Funding for Detached Units** – Attendees had questions about funding for rehabilitation and reconstruction of detached units.
- **Reimbursement (for work already completed)** – Residents are concerned they will not be reimbursed for repair or reconstruction work they have completed using personal funds.
- **Allocation Methodology** – Residents inquired about the methodology used to distribute funds to different programs and how that translates to funding available in their community.
- **Owner Occupied Funds** – Residents questioned if funds will be distributed to owner occupied households as a grant or loan.
- **Low-to-Moderate Income** – Concern that household income limitations and requirements are too low and unrealistic for the impacted areas.
- **Timing of CDBG-DR Funds** – Concern expressed that CDBG-DR funds will not be available until after temporary housing support from other sources ends.

The following provides a summary of the key themes that were raised in the November briefings with **stakeholders** from all impacted counties, including government officials, nonprofit organizations, and elected officials.

- **Environmental Review & CEQA** - Stakeholders were interested in whether the HUD environmental could be used to satisfy the California Environmental Quality Act (CEQA).
- **Multifamily Funding** - Participants expressed interest in on the fundable project types, whether solicitation would be completed at a local level, and whether jurisdictions could apply together.

- **Information Sharing** - Stakeholders requested access to the presentation deck discussed.

The following summarizes the key themes that came out of the Round II **public** meetings held in November and December 2018:

- **Eligibility** - Participants expressed a need for the evaluation of specific community demographics, along with post-disaster financial and housing needs when determining eligibility.
- **Use of Funds** - Participants were interested in how these funds will address the rising housing costs, code costs, land shortages, residents who are unable or unwilling to rebuild, homeless, tribal populations, and renters.
- **Information Sharing** - Stakeholders requested more information about the dissemination of the survey, along with how tribal, LMI, and senior communities will have access to the survey.
- **Program Design** - Participants raised questions about eligible projects, housing types, contractor selection, and how the funds will flow from the state to eligible recovery efforts.
- **Rental Program** - Residents expressed interest in the design, implementation, eligibility, and policies that would be associated with the rental program(s), given the varying needs of renters.

The input received during the above referenced briefings and meetings has informed HCD's recovery plan, including decisions related to funding allocations and program design. HCD will continue to affirmatively outreach to all minority groups and persons with disabilities for future public meetings and consultations.

## 7. Public Website

HCD will maintain a comprehensive website dedicated to CDBG-DR programs and related activities, including the final Action Plan, public comments, and Citizen Participation Plan. The website can be found at the following address: <http://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr.html>. In addition to the public website, HCD will procure a vendor to communicate with program applicants regarding their application status. This is mentioned further in the next section.

## 8. Waivers

No waivers have been requested at this time.



## VI. Administration and Planning

### 1. Application Status

HCD is responsible for the implementation of the CDBG-DR programs and projects, including the means of communicating with program applicants. HCD is proposing to directly implement an Owner Occupied Rehabilitation and Reconstruction Program that will provide assistance to eligible applicants. Oversight of the application process will be managed by HCD and its contractors. For applicant communication in that program, HCD and its contractors commit to sharing timely and accurate information throughout the lifecycle of the program. HCD will procure a program implementation contractor that will be responsible for providing necessary information to each applicant and support the applicant through the lifecycle of the program. HCD will include standard communication requirements in the solicitation for program implementation services.

To ensure effective communication, HCD or its procured contractor will host and maintain a website with a web-based portal at [www.ReCoverCA.org](http://www.ReCoverCA.org) for applicants to access their application status at any time in the process. Additionally, HCD will gather information from each applicant during the intake process that will be used for communication purposes. These communication methods include:

- Mailings to the damaged and current mailing addresses;
- Emails to primary and secondary email addresses; and
- Phone calls to primary and secondary phone numbers.

Program applicants will interface directly with the program's online system to keep their contact information updated. This system will also keep applicants apprised of key changes to their application status.

Additionally, HCD utilizes the disaster recovery page on its website to share overall grant updates, publication of action plan amendments, and critical grant communications. HCD will provide hyperlinks to [www.ReCoverCA.org](http://www.ReCoverCA.org), which will be specific to the Owner Occupied Rehabilitation and Reconstruction Program, so that potential applicants can learn more about these programs. The HCD website, as well as [www.ReCoverCA.org](http://www.ReCoverCA.org), will include a link to submit contact information so that potential applicants can receive more information about programs for which they may qualify.

Once an applicant submits an application to a program, the file is assigned to a case manager. The case managers who are part of the procured program implementation contractor's team are responsible for managing communications with the applicant during the lifecycle of the program. An applicant can communicate with the case manager via email, phone or through the web-based applicant portal to request an application status update. Notwithstanding the ability to communicate directly with a case manager, the web-based applicant portal will provide real-time updates on application status. The web-based applicant portal will be designed with Personally Identifiable Information (PII) requirements in mind to keep applicant information secure.

Applicants with LEP who require translation or interpretation services are provided these services in accordance with HCD’s Language Assistance Plan (LAP). Furthermore, HCD provides status updates and program materials in a format that is in accordance with the Americans with Disabilities Act (ADA).

## 2. Program Budget

The grant has been allocated as shown in the table below. In determining the allocation across programs and unmet needs, at least 70 percent of the funding will serve LMI households and individuals, and overall 80 percent will be directed to the Most Impacted and Distressed areas. The program allocations to housing and infrastructure are designed to alleviate needs in the Most Impacted and Distressed areas and address the unmet needs for many LMI households. A detailed breakdown of program allocations is included in Section IV.

**FIGURE 102: CDBG-DR FUNDING SUMMARY**

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

## 3. Program Income

HCD manages program income through the provisions in the Standard Agreement, which all subgrantees must sign to receive funding from HCD. Subgrantees report program income to HCD through a request for payment and must be expended by the grantee prior to additional grant funds being drawn. Program income may only be used for eligible project or administration costs related to the awarded project before additional grant dollars are expended. Subgrantees provide monthly reports to HCD on program income generated and retained. Program income remaining at the end of each quarter is remitted to the state. HCD reports all program income to HUD through the DRGR quarterly. If at the end of a Standard Agreement there is remaining program income, it is returned to HCD during closeout where the Division of Administration and Management Accounting office tracks the program income until it is obligated in a new Standard Agreement and tracked through the Standard Agreement system of record. As HCD finalizes program

designs and determines if program income will be generated, HCD will refine the program income section of the CDBG-DR GMM to accurately describe how program income will be managed.<sup>120</sup>

## 4. Projection of Expenditures and Outcomes

The tables below present quarterly expenditure projections for the uses of the grant proposed in this Action Plan. The projections are based on the following approach and assumptions:

- The projected expenditures were determined based on anticipated staffing needs, project or program scale, project complexity, presumed level of effort, and the methods of delivery outlined in Section IV.
- The frequency of activities associated with each project was determined quarterly and assigned a phase.
- A phase is intended to reflect the fluctuations of expenses as activities associated with each project are executed and a projection of the resulting drawdown schedule.
- Each phase was assigned a percentage that is determined by the total project cost and how many quarters each project would be in each phase.
- The phase determinations for the FEMA PA Match Program and Multifamily Housing Program account for the scale of the projects and the accompanying level of complexity for planning and design, environmental reviews, and construction.

The phase anticipated for each quarter is indicated in the tables below and are defined as follows:

---

<sup>120</sup> California Department of Housing and Community Development, "Community Development Block Grant Program - Disaster Recovery (CDBG-DR)" webpage <http://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr.html>.

**FIGURE 103: BUDGET SCHEDULE KEY**

<b>Budget Schedule Key</b>		
Steady	<b>S</b>	Expenses in this phase are at a consistent or predictable rate.
Ramp Up	<b>RU</b>	Expenses in this phase are beginning to increase to accommodate increased activity in the following quarter(s).
Height	<b>H</b>	Expenses in this phase are at a height due to increased rate and/or size of drawdowns resulting from construction completion benchmarks, staff hiring increases, or similar milestones.
Ramp Down	<b>RD</b>	Expenses in this phase are beginning to decrease toward the end of the program lifecycle.
Closeout/Monitoring	<b>C/M</b>	Expenses in this phase are relatively low due to the decrease in drawdown frequency and size and focus on monitoring and closeout efforts.

## VII. Certification and Risk Analysis

The Department of Housing and Community Development submitted the Certification and Risk Analysis Implementation Plan to HUD on October 18, 2018.

### 1. CDBG-DR Certifications

24 CFR 91.225 and 91.325 are waived. Each grantee receiving a direct allocation under this notice must make the following certifications with its action plan:

- a. The grantee certifies that it has in effect and is following a residential antidisplacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.
- b. The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- c. The grantee 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 and this notice. The grantee certifies that activities to be undertaken with funds under this notice are consistent with its action plan.
- d. The grantee certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR part 24, except where waivers or alternative requirements are provided for in this notice.
- e. The grantee certifies that it will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135.
- f. The grantee 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 notices providing waivers and alternative requirements for this grant). 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 notices providing waivers and alternative requirements for this grant).
- g. State grantee certifies that it has consulted with affected local governments in counties designated in covered major disaster declarations in the non entitlement, entitlement, and tribal areas of the state in determining the uses of funds, including the method of distribution of funding, or activities carried out directly by the state.
- h. The grantee certifies that it is complying with each of the following criteria: (1) Funds will be used solely for necessary expenses related to disaster relief, long term recovery, restoration of infrastructure and housing and economic revitalization in the Most Impacted and Distressed areas for which the President declared a major disaster in 2016 pursuant

to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.). (2) 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) 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 published in an applicable Federal Register notice) of the grant amount is expended for activities that benefit such persons. (4) 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).

- i. The grantee certifies that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601– 3619), and implementing regulations, and that it will affirmatively further fair housing.
- j. The grantee certifies that it has adopted and is enforcing the following policies, and, in addition, must certify that they will require local governments that receive grant funds to certify that they have adopted and are enforcing: (1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and (2) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
- k. The grantee 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 of this notice. The grantee certifies to the accuracy of its Public Law 115–56 Financial Management and Grant Compliance certification checklist, or other recent certification submission, if approved by HUD, and related supporting documentation referenced at A.1.a. under section VI and its Implementation Plan and Capacity Assessment and related submissions to HUD referenced at A.1.b. under section VI.
- l. The grantee certifies that it will not use CDBG–DR funds for any activity in an area identified as flood prone for land use or hazard mitigation planning purposes by the State, local, or tribal government or delineated as a Special Flood Hazard Area (or 100 year floodplain) in FEMA’s most current flood advisory maps, unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the State, local, and tribal government land use regulations and hazard mitigation plans and the latest issued FEMA data or guidance, which includes advisory



data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.

- m. The grantee certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.
- n. The grantee certifies that it will comply with environmental requirements at 24 CFR part 58.
- o. The grantee certifies that it will comply with applicable laws.

The State of California Department of Housing and Community Development hereby certifies the above, as authorized by the Executive Director.

\_\_\_\_\_  
Signed version submitted to HUD

## 2. SF-424

HCD submits this Action Plan to HUD along with a completed and executed Federal Form SF-424.

## VIII. Appendices

Appendix A: Budget Projections

Appendix B: Consultations

Appendix C: HCD Responses to Submitted Public Comments

Appendix D: CAL FIRE Damage Inspection Worksheet

Appendix E: Unmet Needs Data – Excel Document

## 4. Appendices

### Appendix A: Budget Projections

The tables below present quarterly expenditure projections for the uses of the grant proposed in this Action Plan. The projections are based on the following approach and assumptions:

- The projected expenditures were determined based on anticipated staffing needs, project or program scale, project complexity, presumed level of effort, and the methods of delivery outlined in Section IV.
- The frequency of activities associated with each project was determined quarterly and assigned a phase.
- A phase is intended to reflect the fluctuations of expenses as activities associated with each project are executed and a projection of the resulting drawdown schedule.
- Each phase was assigned a percentage that is determined by the total project cost and how many quarters each project would be in each phase.
- The phase determinations for the FEMA PA Match Program and Multifamily Housing Program account for the scale of the projects and the accompanying level of complexity for planning and design, environmental reviews, and construction.

The phase anticipated for each quarter is indicated in the tables below and are defined as follows:

<b>Budget Schedule Key</b>		
Steady	<b>S</b>	Expenses in this phase are at a consistent or predictable rate.
Ramp Up	<b>RU</b>	Expenses in this phase are beginning to increase to accommodate increased activity in the following quarter(s).
Height	<b>H</b>	Expenses in this phase are at a height due to increased rate and/or size of drawdowns resulting from construction completion benchmarks, staff hiring increases, or similar milestones.
Ramp Down	<b>RD</b>	Expenses in this phase are beginning to decrease toward the end of the program lifecycle.
Closeout/Monitoring	<b>C/M</b>	Expenses in this phase are relatively low due to the decrease in drawdown frequency and size and focus on monitoring and closeout efforts.

# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



2019									
Activity	Activity Allocation	Phase		Phase		Phase		Phase	
		Q1		Q2		Q3		Q4	
Owner-Occupied Rehab and Reconstruction	\$47,627,648			\$1,428,829	RU	\$1,428,829	RU	\$2,381,382	S
FEMA PA Match	\$3,531,803			\$86,529	RU	\$86,529	RU	\$86,529	RU
Multi-Family Housing	\$66,787,799			\$1,836,664	RU	\$1,836,664	RU	\$1,836,664	RU
Administration	\$6,207,750	\$206,925	RU	\$206,925	RU	\$206,925	RU	\$310,387	S
<b>Total Budget</b>	<b>\$124,155,000</b>	<b>\$206,925</b>		<b>\$3,558,948</b>		<b>\$3,558,948</b>		<b>\$4,614,963</b>	
	<b>Funds Remaining</b>	<b>\$123,948,075</b>		<b>\$120,389,127</b>		<b>\$116,830,179</b>		<b>\$112,215,215</b>	

2020									
Activity	Activity Allocation	Phase		Phase		Phase		Phase	
		Q1		Q2		Q3		Q4	
Owner-Occupied Rehab and Reconstruction	\$42,388,607	\$2,381,382	S	\$3,393,470	H	\$2,381,382	S	\$2,381,382	S
FEMA PA Match	\$3,272,215	\$176,590	S	\$176,590	S	\$480,767	H	\$480,767	H
Multi-Family Housing	\$61,277,806	\$3,339,390	S	\$3,339,390	S	\$3,339,390	S	\$3,339,390	S
Administration	\$5,276,588	\$310,388	S	\$310,388	S	\$310,388	S	\$310,388	S
<b>Total Budget</b>	<b>\$112,215,215</b>	<b>\$6,207,750</b>		<b>\$7,219,838</b>		<b>\$6,511,927</b>		<b>\$6,511,927</b>	
	<b>Funds Remaining</b>	<b>\$106,007,465</b>		<b>\$98,787,628</b>		<b>\$92,275,701</b>		<b>\$85,763,775</b>	

# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



2021									
Activity	Activity Allocation	Phase		Phase		Phase		Phase	
		Q1	Q2	Q3	Q4				
Owner-Occupied Rehab and Reconstruction	\$31,850,990	\$3,393,470	H	\$2,381,382	S	\$2,381,382	S	\$3,393,470	H
FEMA PA Match	\$1,957,502	\$176,590	S	\$176,590	S	\$480,767	H	\$480,767	H
Multi-Family Housing	\$47,920,246	\$5,301,282	H	\$5,301,282	H	\$3,339,390	S	\$3,339,390	S
Administration	\$4,035,038	\$310,388	S	\$310,388	S	\$310,388	S	\$310,388	S
<b>Total Budget</b>	<b>\$85,763,775</b>	<b>\$9,181,729</b>		<b>\$8,169,642</b>		<b>\$6,511,927</b>		<b>\$7,524,014</b>	
	<b>Funds Remaining</b>	<b>\$76,582,046</b>		<b>\$68,412,404</b>		<b>\$61,900,478</b>		<b>\$54,376,463</b>	

2022									
Activity	Activity Allocation	Phase		Phase		Phase		Phase	
		Q1	Q2	Q3	Q4				
Owner-Occupied Rehab and Reconstruction	\$20,301,285	\$2,381,382	S	\$2,381,382	S	\$3,393,470	H	\$2,381,382	S
FEMA PA Match	\$642,788	\$176,590	S	\$176,590	S	\$105,954	RD	\$105,954	RD
Multi-Family Housing	\$30,638,903	\$3,339,390	S	\$3,339,390	S	\$5,301,282	H	\$5,301,282	H
Administration	\$2,793,488	\$310,388	S	\$310,388	S	\$310,388	S	\$310,388	S
<b>Total Budget</b>	<b>\$54,376,463</b>	<b>\$6,207,750</b>		<b>\$6,207,750</b>		<b>\$9,111,093</b>		<b>\$8,099,006</b>	
	<b>Funds Remaining</b>	<b>\$48,168,713</b>		<b>\$41,960,963</b>		<b>\$32,849,870</b>		<b>\$24,750,865</b>	

# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



2023									
Activity	Activity Allocation	Phase		Phase		Phase		Phase	
		Q1	Q2	Q3	Q4				
Owner-Occupied Rehab and Reconstruction	\$9,763,668	\$2,381,382	S	\$2,381,382	S	\$1,428,829	RD	\$1,428,829	RD
FEMA PA Match	\$77,700	\$38,850	C/M	\$38,850	C/M				
Multi-Family Housing	\$13,357,560	\$3,339,390	S	\$3,339,390	S	\$2,003,634	RD	\$2,003,634	RD
Administration	\$1,551,938	\$310,388	S	\$310,388	S	\$186,233	RD	\$186,233	RD
<b>Total Budget</b>	<b>\$24,750,865</b>	<b>\$6,070,010</b>		<b>\$6,070,010</b>		<b>\$3,618,696</b>		<b>\$3,618,696</b>	
	<b>Funds Remaining</b>	<b>\$18,680,855</b>		<b>\$12,610,845</b>		<b>\$8,992,150</b>		<b>\$5,373,454</b>	

2024									
Activity	Activity Allocation	Phase		Phase		Phase		Phase	
		Q1	Q2	Q3	Q4				
Owner-Occupied Rehab and Reconstruction	\$2,143,244	\$535,811	C/M	\$535,811	C/M	\$535,811	C/M	\$535,811	C/M
FEMA PA Match	\$0								
Multi-Family Housing	\$2,671,512	\$667,878	C/M	\$667,878	C/M	\$667,878	C/M	\$667,878	C/M
Administration	\$558,698	\$186,233	RD	\$124,155	C/M	\$124,155	C/M	\$124,155	C/M
<b>Total Budget</b>	<b>\$5,373,454</b>	<b>\$1,389,922</b>		<b>\$1,327,844</b>		<b>\$1,327,844</b>		<b>\$1,327,844</b>	
	<b>Funds Remaining</b>	<b>\$3,983,532</b>		<b>\$2,655,688</b>		<b>\$1,327,844</b>		<b>\$0</b>	

# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



## Appendix B: Consultation Summary

DATE	CONTACT TYPE	MEETING	PURPOSE	PARTIES REPRESENTED
4/13/2018	Stakeholder Outreach	Internal Kick Off	HCD and GCR discussed overview of GCR scope of work, CDBG-DR Certifications and Implementation Plan, and CDBG-DR Action Plan.	HCD and GCR
4/30/2018	Stakeholder Outreach	Mendocino County Disaster Recovery Discussion	Mendocino County, HCD, GCR, CalOES, FEMA, and HUD discussed Overview of Disaster Recovery Timeline, County's Overview, CDBG-DR Administrative and Organizational Structures, Data-Impacts and Recovery Needs, and Available Data, and State and Local Coordination.	Mendocino County, HCD, GCR, CalOES, FEMA, and HUD
5/1/2018	Stakeholder Outreach	Napa County Disaster Recovery Discussion	Napa City & County, HCD, GCR, CalOES, FEMA, and HUD discussed Overview of Disaster Recovery Timeline, City and County's Overview, CDBG-DR Administrative and Organizational Structures, Data-Impacts and Recovery Needs, and Available Data, and State and Local Coordination.	Napa City & County, HCD, GCR, CalOES, FEMA, and HUD
5/2/2018	Stakeholder Outreach	Lake County/City of Clearlake Disaster Recovery Discussion	Lake County and the City of Clearlake, HCD, GCR, CalOES, FEMA, and HUD discussed Overview of Disaster Recovery Timeline, City and County's Overview, CDBG-DR Administrative and Organizational Structures, Data-Impacts and Recovery Needs, and Available Data, and State and Local Coordination.	Lake County and the City of Clearlake, HCD, GCR, CalOES, FEMA, and HUD
5/3/2018	Stakeholder Outreach	Yuba County Disaster Recovery Discussion	Yuba County, HCD, GCR, CalOES, FEMA, and HUD discussed Overview of Disaster Recovery Timeline, City and County's Overview, CDBG-DR Administrative and Organizational Structures, Data-Impacts and Recovery Needs,	Yuba County, HCD, GCR, CalOES, FEMA, and HUD



# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



DATE	CONTACT TYPE	MEETING	PURPOSE	PARTIES REPRESENTED
			and Available Data, and State and Local Coordination.	
5/4/2018	Stakeholder Outreach	Nevada County Disaster Recovery Discussion	Nevada County, HCD, GCR, CalOES, FEMA, and HUD discussed Overview of Disaster Recovery Timeline, County's Overview, CDBG-DR Administrative and Organizational Structures, Data-Impacts and Recovery Needs, and Available Data, and State and Local Coordination.	Nevada County, HCD, GCR, CalOES, FEMA, and HUD
5/8/2018	Stakeholder Outreach	Santa Barbara County Disaster Recovery Discussion	Santa Barbara County, SBHCD, SBCO Flood Control, Ernst & Young, HCD, GCR, CalOES, FEMA, and HUD LA Field Office discussed Overview of Disaster Recovery Timeline, County's Overview, CDBG-DR Administrative and Organizational Structures, Data-Impacts and Recovery Needs, and Available Data, and State and Local Coordination.	Santa Barbara County, SBHCD, SBCO Flood Control, Ernst & Young, HCD, GCR, CalOES, FEMA, and HUD LA Field Office
5/9/2018	Stakeholder Outreach	Los Angeles County Disaster Recovery Discussion	LA County OEM, LA CDC, HCD, GCR, CalOES, FEMA, and HUD discussed Overview of Disaster Recovery Timeline, County's Overview, CDBG-DR Administrative and Organizational Structures, Data-Impacts and Recovery Needs, and Available Data, and State and Local Coordination.	LA County OEM, LA CDC, HCD, GCR, CalOES, FEMA, and HUD
5/9/2018	Stakeholder Outreach	City of Los Angeles Disaster Recovery Discussion	City of LA, HCD, GCR, CalOES, FEMA, and HUD discussed Overview of Disaster Recovery Timeline, City and County's Overview, CDBG-DR Administrative and Organizational Structures, Data-Impacts and Recovery Needs, and Available Data, and State and Local Coordination.	City of LA, HCD, GCR, CalOES, FEMA, and HUD

# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



<b>DATE</b>	<b>CONTACT TYPE</b>	<b>MEETING</b>	<b>PURPOSE</b>	<b>PARTIES REPRESENTED</b>
9/24/2018	Stakeholder Briefing	Stakeholder Briefing Webinar: Yuba & Nevada Counties	Yuba County, Nevada County, GCR and HCD discussed local data collected, proposed programs and next steps.	Yuba County, Nevada County, GCR and HCD
9/24/2018	Stakeholder Briefing	Stakeholder Briefing Webinar: Mendocino County	Mendocino County, GCR and HCD discussed local data collected, proposed programs and next steps.	Mendocino County, GCR and HCD
9/25/2018	Stakeholder Briefing	Stakeholder Briefing Webinar: Ventura County & City of Ventura	City of Ventura, Ventura County, GCR and HCD discussed local data collected, proposed programs and next steps.	City of Ventura, Ventura County, GCR and HCD
9/26/2018	Stakeholder Briefing	Stakeholder Briefing Webinar: Santa Barbara County	Santa Barbara County, GCR and HCD discussed local data collected, proposed programs and next steps.	Santa Barbara County, GCR and HCD
9/26/2018	Stakeholder Briefing	Stakeholder Briefing Webinar: City of Santa Rosa and Sonoma County	City of Santa Rosa, GCR, Sonoma County and HCD discussed local data collected, proposed programs and next steps.	City of Santa Rosa, GCR, Sonoma County and HC
9/27/2018	Stakeholder Briefing	Stakeholder Briefing Webinar: City of Napa and Napa County	City of Napa, Napa County, GCR and HCD discussed local data collected, proposed programs and next steps.	City of Napa, Napa County, GCR and HCD
9/27/2018	Stakeholder Briefing	Stakeholder Briefing Webinar: Butte County	Butte County, GCR and HCD discussed local data collected, proposed programs and next steps.	Butte County, GCR and HCD
9/28/2018	Stakeholder Briefing	Stakeholder Briefing Webinar: Lake County and City of Clearlake	City of Clearlake, Lake County, GCR and HCD discussed local data collected, proposed programs and next steps.	City of Clearlake, Lake County, GCR and HC
9/28/2018	Stakeholder Briefing	Stakeholder Briefing Webinar: San Diego County	San Diego County, GCR and HCD discussed local data collected, proposed programs and next steps.	San Diego County, GCR and HCD
10/2/2018	Stakeholder Briefing	Stakeholder Briefing Webinar: LA County and City of LA	City of LA, LA County, GCR and HCD discussed local data collected, proposed programs and next steps.	City of LA, LA County, GCR and HCD
10/2/2018	Public Meeting	Round 1 Public Meeting: Sonoma & Santa Rosa	HCD provided CDBG-DR overview for impacted households and general public.	General Public, HCD, GCR

# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



<b>DATE</b>	<b>CONTACT TYPE</b>	<b>MEETING</b>	<b>PURPOSE</b>	<b>PARTIES REPRESENTED</b>
10/3/2018	Public Meeting	Round 1 Public Meeting: Mendocino & Lake	HCD provided CDBG-DR overview for impacted households and general public.	General Public, HCD, GCR
10/4/2018	Public Meeting	Round 1 Public Meeting: Yuba, Nevada & Butte	HCD provided CDBG-DR overview for impacted households and general public.	General Public, HCD, GCR
10/9/2018	Public Meeting	Round 1 Public Meeting: LA & City of LA	HCD provided CDBG-DR overview for impacted households and general public.	General Public, HCD, GCR
10/11/2018	Public Meeting	Round 1 Public Meeting: Ventura, City of Ventura & Santa Barbara	HCD provided CDBG-DR overview for impacted households and general public.	General Public, HCD, GCR
11/7/2018	Stakeholder Briefing Webinar	Stakeholder Briefing on CDBG-DR Action Plan Public Comment Draft	HCD provided an overview of the CDBG-DR Unmet Needs Action Plan public comment draft for key local stakeholders in a statewide.	Impacted Local Governments, HCD
11/7/2018	Stakeholder Briefing Webinar	Stakeholder Briefing on CDBG-DR Action Plan Public Comment Draft	HCD provided an overview of the CDBG-DR Unmet Needs Action Plan public comment draft for key local stakeholders in a statewide.	Impacted Local Governments, HCD
11/25/2018	Public Meeting	Round 2 Public Meeting: Sonoma County and City of Santa Rosa	HCD presented draft CDBG-DR Unmet Needs Action Plan and accepted verbal and written public comments.	General Public, HCD
11/29/2018	Public Meeting	Round 2 Public Meeting: Mendocino and Lake Counties	HCD presented draft CDBG-DR Unmet Needs Action Plan and accepted verbal and written public comments.	General Public, HCD
12/3/2018	Public Meeting	Round 2 Public Meeting: Napa County	HCD presented draft CDBG-DR Unmet Needs Action Plan and accepted verbal and written public comments.	General Public, HCD
12/4/2018	Public Meeting	Round 2 Public Meeting: Yuba, Nevada, and Butte Counties	HCD presented draft CDBG-DR Unmet Needs Action Plan and accepted verbal and written public comments.	General Public, HCD
12/5/2018	Public Meeting	Round 2 Public Meeting: Ventura, Santa Barbara, and Los Angeles Counties	HCD presented draft CDBG-DR Unmet Needs Action Plan and accepted verbal and written public comments.	General Public, HCD

# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



PURPOSE	PARTIES REPRESENTED
<p>Outreach to HUD approved Counseling Agencies  <i>HCD email communication to HUD approved Counseling Agencies on 10/24/18 about Draft Action Plan. Email on 11/20/18 with invitation to Round II Public Meetings for CDBG-DR Action Plan.</i></p>	Affordable Housing Clearinghouse
	Credit.Org - Ladera
	Greenpath Financial Wellness
	Korean Resource Center
	Orange County Fair Housing Council, Inc
	East La Community Corporation (Elacc)
	Faith and Community Empowerment Formerly Korean Churches for Community Development
	Guidewell Financial Solutions, West Covina
	Korean Resource Center
	Los Angeles Neighborhood Housing Services, Inc
	Money Management International, Los Angeles
	Montebello Housing Development Corp.
	New Economics for Women
	Nid-Hca Reeves
	Nid-Hca Scurry-Herrera
	Nid-Hca A. Jones
	Operation Hope - Pico Rivera Branch
	Shalom Center for T.R.E.E. Of Life
	Thai Community Development Corp.
	Watts Century Latino Org.
West Angeles Community Development Corp.	
Northern Circle Indian Housing Authority, United Native Housing Development Corp.	
Inland Fair Housing and Mediation Board	
Inland Fair Housing and Mediation Board - Victorville Branch (San Bernardino County)	
Lutheran Social Services of Southern California	

# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



PURPOSE	PARTIES REPRESENTED
<p>Outreach to HUD approved Counseling Agencies  <i>HCD email communication to HUD approved Counseling Agencies on 10/24/18. Email on 11/20/18 with invitation to Round II Public Meetings for CDBG-DR Action Plan.</i></p>	Neighborhood Housing Services of The Inland Empire, Inc.
	Nid-Hca Inland Empire
	Nid-Hca Sacramento
	The Greater Sacramento Urban League
	Credit.Org - National City
	Operation Hope- Escondido Branch
	Greenpath Financial Wellness
	Money Management International - San Diego
	National Asian American Coalition (Formerly Known as Mabuhay Alliance)
	Navicore Solutions- San Diego, Ca
	Nid-Hca San Diego
	Union Of Pan Asian Communities
	Catholic Charities, Diocese Of Santa Rosa
	CCCS Of San Francisco
Cabrillo Economic Development Corporation	
Ventura County Community Development Corporation	

PURPOSE	PARTIES REPRESENTED
<p>Outreach to California Native Tribes  <i>HCD email and mail communication to California Native Tribes on 10/07/18. Email Week of December 12, 2018 with invitation to Round II Public Meetings for CDBG-DR Action Plan.</i></p>	Agua Caliente Band of Cahuilla Indians
	Barbareno/ Ventureno Band of Mission Indians
	Barona Band of Mission Indians
	Berry Creek Rancheria of Maidu Indians
	Big Valley Band of Pomo Indians
	Cahto Tribe
	Campo Band of Diegueno Mission Indians
	Cloverdale Rancheria of Pomo Indians
	Coastal Band of the Chumash Nation

# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



PURPOSE	PARTIES REPRESENTED
<p style="text-align: center;">Outreach to California Native Tribes  <i>HCD email and mail communication to California Native Tribes on 10/07/18. Email Week of December 12, 2018 with invitation to Round II Public Meetings for CDBG-DR Action Plan.</i></p>	Colfax-Todds Valley Consolidated Tribe
	Cortina Rancheria - Kletsel Dehe Band of Wintun Indians
	Coyote Valley Band of Pomo Indians
	Dry Creek Rancheria Band of Pomo Indians
	Elem Indian Colony Pomo Tribe
	Estom Yumeka Maidu Tribe of the Enterprise Rancheria
	Ewiaapaayp Band of Kumeyaay Indians
	Federated Indians of Graton Rancheria
	Fernandeno Tataviam Band of Mission Indians
	Gabrelino/ Tongya Nation
	Gabrieleno Band of Mission Indians - Kizh Nation
	Gabrieleno/ Tongya San Gabriel Band of Mission Indians
	Gabrielino-Tongya Tribe
	Greenville Rancheria
	Habematolel Pomo of Upper Lake
	Hopland Band of Pomo Indians
	Iipay Nation of Santa Ysabel
	Inaja-Cosmit Band of Indians
	Jamul Indian Village
	Juaneno Band of Mission Indians Acjachemen Nation
	Kwaaymii Laguna Band of Mission Indians
	Kashia Band of Pomo Indians of the Stewarts Point Rancheria
	Kern Valley Indian Community
	Kitanemuk & Yowlumne Tejon Indians
	Koi Nation of Northern California
KonKow Valley band of Maidu	
Kumeyaay Cultural Repatriation Committee	
La Jolla Band of Luiseno Indians	



# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



PURPOSE	PARTIES REPRESENTED
<p style="text-align: center;">Outreach to California Native Tribes  <i>HCD email and mail communication to California Native Tribes on 10/07/18. Email Week of December 12, 2018 with invitation to Round II Public Meetings for CDBG-DR Action Plan.</i></p>	La Posta Band of Diegueno Mission Indians
	Los Coyotes Band of Cahuilla and Cupeno Indians
	Lytton Rancheria
	Manchester Band of Pomo Indians
	Manzanita Band of Kumeyaay Nation
	Mechoopda Indian Tribe
	Mesa Grande Band of Diegueno Mission Indians
	Middletown Rancheria
	Mishewal-Wappo Tribe of Alexander Valley
	Mooretown Rancheria of Maidu Indians
	Noyo River Indian Community
	Pala Band of Mission Indians
	Pauma Band of Luiseno Indians
	Pinoleville Pomo Indians
	Potter Valley Tribe
<p style="text-align: center;">Outreach to California Native Tribes  <i>HCD email and mail communication to California Native Tribes on 10/07/18. Email Week of December 12, 2018 with invitation to Round II Public Meetings for CDBG-DR Action Plan.</i></p>	Redwood Valley or Litter River Band of Pomo Indians
	Robinson Rancheria Band of Pomo Indians
	Round Valley Indian Tribes of the Round Valley Reservation
	San Luis Rey Band of Mission Indians
	San Manuel Band of Mission Indians
	San Pasqual Band of Diegueno Mission Indians
	Santa Ynez Band of Chumash Indians
	Scotts Valley Band of Pomo Indians
	Sherwood Valley Band of Pomo Indians
	Soboba Band of Luiseno Indians
	Strawberry Valley Rancheria
Sycuan Band of the Kumeyaay Nation	
Tsi Akim Maidu	

# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



PURPOSE	PARTIES REPRESENTED
	United Auburn Indian Community of the Auburn Rancheria
	Viejas Band of Kumeyaay Indians
	Washoe Tribe of Nevada and California
	Yocha Dehe Wintun Nation

PURPOSE	PARTIES REPRESENTED
<p style="text-align: center;">Outreach to Continuum of Care Agencies  <i>Email communication to Continuum of Care Agencies  on 9/17/18. Email Week of  December 12, 2018 with invitation to Round II Public Meetings  for CDBG-DR Action Plan.</i></p>	Santa Rosa/Petaluma/Sonoma County CoC
	Mendocino County CoC
	Napa City & County CoC
	Yuba City & County/Sutter County CoC
	Lake County CoC
	Santa Maria/Santa Barbara County CoC
	Oxnard/San Buenaventura/Ventura County CoC
	Roseville/Rocklin/Placer, Nevada Counties CoC
	Chico/Paradise/Butte County CoC
	Los Angeles City & County CoC
	San Diego City and County CoC
Santa Ana/Anaheim/Orange County CoC	

# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



PURPOSE	PARTIES REPRESENTED
<p>Outreach to Public Housing Authorities  <i>Email communication to Public Housing Authorities on 8/01/18. Email on 11/20/18 with invitation to Round II Public Meetings for CDBG-DR Action Plan.</i></p>	Housing Authority of the City of Anaheim
	Housing Authority of the City of San Buenaventura
	Housing Authority of the City of Santa Paula
	Housing Authority of the County of Santa Barbara
	Housing Authority of the County of San Diego
	Housing Authority of the County of Los Angeles
	Housing and Area Agency on Aging of the County of Lake
	Housing Authority of the County of Santa Rosa
	Housing Authority of the County of Butte
	Housing Authority of the County of Sonoma
	Napa County Housing Authority
	Community Development Commission of the County of Mendocino

# State of California 2018 CDBG-DR Action Plan

Department of Housing and Community Development



PURPOSE	PARTIES REPRESENTED
<p style="text-align: center;">Outreach to Public Housing Authorities Email communication to Public Housing Authorities on 8/01/18. Email on 11/20/18 with invitation to Round II Public Meetings for CDBG-DR Action Plan.</p>	Housing Authority of the City of Anaheim
	Housing Authority of the City of San Buenaventura
	Housing Authority of the City of Santa Paula
	Housing Authority of the County of Santa Barbara
	Housing Authority of the County of San Diego
	Housing Authority of the County of Los Angeles
	Housing and Area Agency on Aging of the County of Lake
	Housing Authority of the County of Santa Rosa
	Housing Authority of the County of Butte
	Housing Authority of the County of Sonoma
	Housing Authority of the City of Napa
	Community Development Commission of the County of Mendocino

### Appendix C: Public Comments

The following provides a summary of public comments received for the CDBG-DR Unmet Needs Action Plan during the public comment period of November 13, 2018 through December 12, 2018. Questions are grouped by topic area.

#### TIMELINE

**PUBLIC COMMENT:** What is the anticipated timing of those funds in terms of flowing to Sonoma County for disbursement?

**HCD RESPONSE:** HCD completed its public outreach and meetings on December 12, 2018 and will submit its Final Action Plan to HUD on December 18, 2018. HCD expects HUD to approve its Action Plan in February 2019 and the Grant Agreement between HCD and HUD to be finalized in March 2019. HCD is targeting April of 2019 to launch both the homeowner program and multifamily program. Disbursements to impacted homeowners are likely to begin in the Summer of 2019. The multifamily program is expected to launch in April 2019 as well with proposals from eligible jurisdictions due by the end of 2019.

**PUBLIC COMMENT:** I am writing to see if you could provide me with some information about the timeline of an RFP and/or disbursement of disaster relief funds in Sonoma County.

**HCD RESPONSE:** At this time, we are developing timelines for releasing Request for Proposals (RFPs) and disbursements for disaster relief, so that once a grant agreement is signed with HUD, funds begin to flow as soon as possible. These are the materials that we shared at the recent public meetings and are available on HCD's website:

- Presentation for Round II Public Meetings:
- <http://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/docs/HCD-CDBGDR-PublicMeeting-Eng.pptx>CDBG-DR Fact Sheet:

<http://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr/docs/CDBG-DR-FactSheet-Eng.pdf>

**PUBLIC COMMENT:** I am inquiring about the multi-family affordable housing funds and do not see this timeline detailed in the material you have sent over. Will it be on a similar timeline as the homeowner funds and most likely available for award in Summer 2019.

**HCD RESPONSE:** HCD expects that the multifamily program guidelines will be available on a similar timeline as the owner-occupied program. HCD must have its Action Plan approved by HUD before a definitive timeline can be established and does not anticipate that HUD will approve the Action Plan before February 2019. HCD will establish a firmer timeline for the multifamily program upon release of the multifamily program guidelines.

#### FUNDING DECISIONS

**PUBLIC COMMENT:** I was wondering what the current amount of CDBG-DR funds is projected for Sonoma County due to the wildfires back in October 2017? The last assumption I saw/heard was somewhere around \$60 million to \$80 million.

**HCD RESPONSE:** HCD is the grantee for the CDBG-DR funds and it will run the owner-occupied reconstruction and rehabilitation program, the program tiering is described in Section IV – Proposed Disaster Recovery Programs, Section 2.a.

Sonoma County is eligible for funding for both the Multifamily Housing Program and the FEMA-Public Assistance Match Infrastructure Program. For the Multifamily Program, the City of Santa Rosa is eligible for up to \$38,469,772 and Sonoma County is eligible for \$4,698,809. For the FEMA Public Assistance Match Infrastructure program, Sonoma County (including Santa Rosa) is eligible for up to \$1,238,072.

### GRANT ELIGIBILITY

**PUBLIC COMMENT:** Is it only for individuals who lost homes or also for local governments and developers who can fulfill the multi-unit requirement?

**HCD RESPONSE:** The CDBG-DR funds must be spent in a way that have a demonstrated tie-back to the qualifying disaster(s), in this case FEMA 4344 and 4353. Individuals who lost homes are encouraged to respond to the owner-occupied program survey that will be launched in the first quarter of 2019. For the multifamily funds, eligible local governments may apply for funding up to an amount as described in in Section IV – Proposed Disaster Recovery Programs, Section 2.a. These multifamily funds are intended to assist renters impacted by the disasters.

**PUBLIC COMMENT:** Can funds be used to build accessory dwellings units (ADUs), i.e., granny units, mother-in-law suits?

**HCD RESPONSE:** Under the current CDBG-DR programs, accessory dwelling units are not an eligible cost. However, HCD is considering how to incentive ADUs within its proposed CDBG-DR programs. Furthermore, HCD is a strong advocate for ADUs and is examining how state funds could be used to support the development of ADUs.

**PUBLIC COMMENT:** Question about the slide with the most impacted and distressed areas. Are Ventura County zip codes part of these areas?

**HCD RESPONSE:** HUD requires that 80 percent of CDBG-DR funding to be spent within areas designated as Most Impacted and Distressed. HUD determined that all of Ventura County is considered a Most Impacted and Distressed Area. For more information on Most Impacted and Distressed Areas, refer to Section II – Needs Assessment, Section 2(c) of HCD’s Action Plan.

**PUBLIC COMMENT:** Will your program be limited to wildfire disasters from 2017?

**HCD RESPONSE:** The federal government allocated the CDBG-DR funds to address unmet recovery needs resulting from the October 2017 wildfires (DR-4344) in Northern and Southern California as well as the December 2017 wildfires, mudslides, and debris flows in Southern California (DR-4353).

**PUBLIC COMMENT:** Is there a list of eligible disaster areas?

**HCD RESPONSE:** Funding will be limited to counties that received a federal disaster declaration. 80 percent of these funds must be spent in areas that HUD has determined as the Most Impacted and Distressed Areas. For a list of Federal Declared Disaster Areas and Most Impacted and Distressed Areas, refer to Figure 2 in the Needs Assessment.



**PUBLIC COMMENT:** Have the income thresholds been set for funding eligibility?

**HCD RESPONSE:** All incomes are welcome to apply; however, 70% of the CDBG-DR grant must be spent to benefit low- and moderate-income households. To see low and moderate income household income limits by number of persons in a household, please visit:

[https://www.huduser.gov/portal/datasets/il/il2018/select\\_Geography.odn](https://www.huduser.gov/portal/datasets/il/il2018/select_Geography.odn)

For its Owner-Occupied Housing Rehabilitation and Reconstruction Program, the state will prioritize homeowners based on tiers, which are outlined in Figure 93 of the Action Plan.

**PUBLIC COMMENT:** What are the criteria for determining if a person is disabled?

**HCD RESPONSE:** Typically, HUD uses the definition of disability from 42 U.S.C. 423, which defines a disability as “the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months.” While this is the typical determining factor, the criteria for determining if a person is disabled will be outlined in the policies and procedures for each program.

**PUBLIC COMMENT:** Are grant recipients required to attend a public meeting in order to receive assistance?

**HCD RESPONSE:** Attendance at a public meeting is not required for assistance. Homeowners impacted by a qualifying disaster are encouraged to complete the program survey. Individual grant determinations will be made according to the policies and procedures for each program.

**PUBLIC COMMENT:** What types of assistance will be made available to renters?

**HCD RESPONSE:** Assistance will be provided to renters through the Multifamily Housing Program, which is outlined in Section 2 – Housing Recovery Programs, Section B. The Multifamily Housing Program will fund affordable rental units for renters earning under 80 percent area median income. The Multifamily Program guidelines, which will be released after the Action Plan is approved, will identify specific eligibility criteria for renters.

**PUBLIC COMMENT:** Are investments, SSI, considered income? How is income calculated?

**HCD RESPONSE:** HCD currently uses the 24 CFR Part 5 income verification methodology, which does take into account certain assets. Investments and savings are considered at 2% of the value. Social Security and Retirement Income are included in the calculation. Income for all household members over the age of 18 is considered in the calculation, as well as certain assistance provided to adult household members for minors in the household. Additional details on what is accounted for in the income calculation can be found [here](#). HCD will outline the method for calculating income in the Owner-Occupied program guidelines

### ELIGIBLE ACTIVITIES

**PUBLIC COMMENT:** Mariposa wants to submit in the CDBG application for a supplemental activity--to help about six homeowners who were displaced by the 2017 Fire. Do you have any thoughts on supplemental activities within CDBG?

**HCD RESPONSE:** The CDBG-DR funds only cover counties covered in the presidential disaster declarations 4344 and 4353 and Mariposa County was not included. The list of eligible disaster areas is available on FEMA's website:

- 4344 - <https://www.fema.gov/disaster/4344>
- 4353 - <https://www.fema.gov/disaster/4353>

**PUBLIC COMMENT:** Could the program be used to pay for animal fencing and animals, which help to clear land of underbrush and grasses?

**HCD RESPONSE:** The Owner-Occupied Housing Rehabilitation and Reconstruction Program Guidelines will include a list of eligible costs for homeowners. However, CDBG-DR funds are primarily designed for rebuilding primary residences, not for fencing or land clearing.

**PUBLIC COMMENT:** Could the program pay to have wells tested and parts replaced, septic systems?

**HCD RESPONSE:** The Owner-Occupied Housing Rehabilitation and Reconstruction Program Guidelines will include a list of specific eligible costs for homeowners.

**PUBLIC COMMENT:** Does the government provide money or materials to replace lost shrubs and trees on hillsides (which help to prevent mudslides)?

**HCD RESPONSE:** The Owner-Occupied Housing Rehabilitation and Reconstruction Program Guidelines will include a list of eligible costs for homeowners. However, CDBG-DR funds are primarily designed for rebuilding primary residences, not for preventative landscaping.

**PUBLIC COMMENT:** Will new multi-family housing construction be allowed on a site not formerly used for multi-family housing?

**HCD RESPONSE:** For this funding, HUD has waived the CDBG requirement that requires a one for one replacement of housing units, which may allow a project like the one mentioned in your comment. The details of the multifamily program will be included in program guidelines released after the Action Plan is approved. However, multifamily housing funded through CDBG-DR must still comply with state and local requirements including local zoning and land use laws.

**PUBLIC COMMENT:** Will the costs to rehouse displaced mobile home residents, including, potentially, development of a new mobile home park, be included as an eligible expense?

**HCD RESPONSE:** Assistance for displaced mobile home residents that were renters will be provided through the construction of units within the Multifamily Housing Program, which is outlined in Section 2 – Housing Recovery Programs, Section B. The Multifamily Housing Program Guidelines will include a list of eligible uses and costs. Displaced residents that owned their mobile homes will be provided through the Owner-Occupied Program.

**PUBLIC COMMENT:** Does smoke damage count as a disaster impact?

**HCD RESPONSE:** Homeowners must demonstrate that their home sustained damage as a result of a qualifying disaster to be eligible for funding from the Owner-Occupied Housing Rehabilitation and Reconstruction Program. The program guidelines will outline specific

regarding the level of damage required for participation as well as the specific eligible costs that the program can cover.

**PUBLIC COMMENT:** Page 126 of the Draft Action Plan identifies “advances on construction” as an ineligible cost. We would like to clarify that this does not preclude the payment structure required to support modular housing construction, where feasible and applicable. Specifically, if modular housing construction is feasible for a project and requires an advance payment to build a template unit to be replicated, we would like clarification that CDBG-DR funds may be used for this purpose.

**HCD RESPONSE:** Specific construction methods (and how the related costs will be addressed) will be outlined in the program guidelines.

**PUBLIC COMMENT:** We ask that the CDBG-DR program include the residents of Journey’s End who have homes that are still standing within the definition of eligibility for the individual ownership grant funds. We request that the CDBG-DR program ensure that relocation benefits paid under the URA be made available as part of funding provided for the affordable housing project presented by Burbank. We request any funds available for such purposes consider the relocation needs of both renters and homeowners who have been displaced.

**HCD RESPONSE:** HCD recognizes the unique challenges facing the residents of Journey’s End and is evaluating options for providing assistance. Eligibility for assistance through the homeowner or multifamily program will be outlined in the guidelines for each program. Determinations regarding eligibility for relocation benefits will be made in accordance with the guidelines established by the Uniform Relocation Act (URA).

### MITIGATION FUNDS

**PUBLIC COMMENT:** What is your current opinion on "mitigation funding" or are you saying to wait until HUD defines and describes?

**HCD RESPONSE:** This Proposed Action Plan covers the \$124 million for Unmet Recovery Needs as outlined in the August 14, 2018 Federal Register Notice ( <https://www.gpo.gov/fdsys/pkg/FR-2018-08-14/pdf/2018-17365.pdf> ). The Department of Housing and Urban Development will issue a separate Federal Register Notice dictating how the \$88 million in Mitigation Funding, announced here <https://www.hud.gov/states/california/news/hudno1801>, will be defined. To stay updated on the status of California’s Mitigation funds, visit [hcd.ca.gov](http://hcd.ca.gov).

**PUBLIC COMMENT:** Do you happen to know if the \$88M of mitigation funding will be restricted to just fire mitigation? Or would mitigation projects for earthquake and flood be eligible as well?

**HCD RESPONSE:** The Department of Housing and Urban Development will issue a separate Federal Register Notice dictating how the \$88 million in Mitigation Funds may be spent. HCD does not have specifics on the eligible uses of the Mitigation Funds at this time.

### POLICY DECISIONS

**PUBLIC COMMENT:** Could the program include the cost of building permits when it calculates the costs of rebuilds?

**HCD RESPONSE:** While the program design has not yet been finalized, it is anticipated that construction contractors will obtain the necessary permits and include the associated costs in their construction bids.

**PUBLIC COMMENT:** Can persons who lost homes rebuild on their relative's property? Are they eligible for the program?

**HCD RESPONSE:** The program guidelines for the Owner-Occupied Housing Rehabilitation and Reconstruction Program will provide specific details on ownership and title requirements for program eligibility.

**PUBLIC COMMENT:** Will eligible expenses be allowed to be reimbursed by the program, including under the multi-family program?

**HCD RESPONSE:** Eligible costs incurred by the homeowner and paid for with private, non-duplicative funds prior to applying for the program and within the first year following the disaster MAY be eligible for a certain level of reimbursement. The survey period will inform the use of owner-occupied recovery funds to pay for homeowner reimbursement payments. We encourage everyone to fill out the survey to make it clear who needs reimbursement.

**PUBLIC COMMENT:** When will residents of mobile homes that escaped fire damage be allowed to return to their homes?

**HCD RESPONSE:** At this time, HCD does not have the ability to provide a timeline for returning to a damaged property. We recommend reaching out to your local Code Enforcement Department or local government for more information.

**PUBLIC COMMENT:** A lot of funding is going to multifamily housing - how does that benefit areas that did not have as large of an impact on rental housing?

**HCD RESPONSE:** The funding split between multifamily and homeowners is based on the percentage of FEMA Individual Assistance registrations for both renters and homeowners with structural and/or property losses. This split looks at all counties covered in the 4344 and 4353 disaster declarations. Areas that had less damage to rental housing are still eligible to apply for the Owner-Occupied program.

**PUBLIC COMMENT:** I don't think land is available for Multi-Family housing, so does that mean that residents will receive less money?

**HCD RESPONSE:** After the Action Plan is approved by HUD, HCD will develop guidelines for the Multifamily Program. Local governments will submit multifamily development proposals for review by the state. HCD encourages local governments applying for funds to engage disaster impacted communities in its project selection process.

**PUBLIC COMMENT:** Can tribes apply? Are people that lived on tribal land eligible?

**HCD RESPONSE:** There are unique considerations involved with using CDBG-DR funding on tribal land, including the ownership structure that is in place. Eligibility requirements will be described in the Owner-Occupied Housing Rehabilitation guidelines.

**PUBLIC COMMENT:** We write to you recommend the California Department of Housing and Community Development include LEED certification alongside CALGreen as a performance option for projects seeking to pursue an enhanced green building standard. By incorporating LEED certification into the plan, the HCD will ensure compliance with CALGreen standards, while at the same time acknowledging the significant overlap between CALGreen and LEED. With LEED offered as an enhanced option for CDGB-DR funded projects, California will set a bold example in encouraging the design, construction, and operation of exceptionally resilient buildings and communities.

**HCD RESPONSE:** In designing and implementing its programs, HCD will emphasize the use of high quality, durable, energy efficient, sustainable, and mold resistant materials and incorporate Green Building Standards for replacement and new construction of residential housing. HCD is considering all industry-recognized standards, including LEED, as required by the Federal Register Notice, as it develops its program guidelines.

### APPLICATION/SURVEY

**PUBLIC COMMENT:** Is there an application for assistance at this time?

**HCD RESPONSE:** There is no application for assistance at this point. Once the state's Action Plan is approved by HUD, HCD will issue a program survey to gauge demand and interest for the Owner-Occupied program. After this survey is completed, HCD will advertise application periods based on the Tiers outlined in the Owner-Occupied program listed in Section IV – Proposed Disaster Recovery Programs, 2, a.

**PUBLIC COMMENT:** How will construction contractors fit into the owner-occupied program and how to they get involved?

**HCD RESPONSE:** Construction contractors will be vital in the state's recovery process. HCD is in the process of determining the best way to receive proposals for construction contractors. HCD may procure one or more primary vendors who will contract directly with construction contractors, or, when the program opens, HCD will release a request for proposals (RFPs) for contractors and vendors to submit bids and quotes. In either instance, bids and quotes will be evaluated based on the specific criteria provided in the published RFPs to determine the contractors' ability to meet the requirements of the services needed. Prior to entering any formal agreement, HCD will require contractors to meet all insurance and bonding requirements as listed in the RFP and provide HCD with all required documents proving the contractor is in good standing and eligible to do business on federally-funded projects. HCD encourages contractors to take steps necessary to meet these requirements and to sign up with HCD's email list to stay informed.

**PUBLIC COMMENT:** How long do we have to fill out the survey?

**HCD RESPONSE:** HCD will circulate the information and timing of the survey when available.

### MISCELLANEOUS

**PUBLIC COMMENT:** Is it appropriate for Guillon, Inc. (a developer) to partner with the city or county to apply for funds and build affordable housing?

**HCD RESPONSE:** For the state's Owner-Occupied Program, applicants will apply directly for assistance from the state. In the Multifamily Program, local governments will apply for funding from the state and those who receive an award will administer it. Jurisdictions will likely team up with developers in constructing their proposals. More information about this process will be contained in the Multifamily Program's guidelines.

**PUBLIC COMMENT:** Napa Fire Long Recovery and Solano/Napa Habitat for Humanity are actively working and have case management in place. Please answer: 1) How can we be of service? 2) How can we as a non-profit be used in Napa/Napa county? 3) How can we become a grantee?

**HCD RESPONSE:** HCD will continue to engage with all stakeholders, including local non-profits, as it drafts the recovery program guidelines. We encourage all stakeholders to sign up with HCD's email list to stay informed. There will be opportunities for housing developers to partner with local governments participating in the multifamily program. HCD is limiting subgrantee relationships to local governments.

**PUBLIC COMMENT:** Can you direct us to a website where we can find information on the fire recovery?

**HCD RESPONSE:** The public may find information on the fire recovery at HCD's Disaster Recovery website, which can be found at:

<http://www.hcd.ca.gov/community-development/disaster-recovery-programs/cdbg-dr.shtml>

The website contains a link to the State's CDBG-DR Draft Action Plan as well as relaying information to the public about where and when the next public meetings will be held. Finally, the site provides links to the Federal Register Notices associated with this grant.

**PUBLIC COMMENT:** We would like to confirm that the public will have an opportunity to comment on the such critical program specifics in a timely manner.

**HCD RESPONSE:** HCD is committed to continuing public outreach throughout the recovery process. In addition, HCD will work with local governments in the program design process.





## Appendix D: CAL FIRE Damage Inspection Worksheet

### Damage Inspection Worksheet

Incident Name:						Incident Number:							
Inspector's Name ( <i>print</i> ):						Inspection Date:							
<b>P R O P E R T Y</b>	<b>Physical Address</b>												
	Latitude ( <i>Degrees Decimal Minutes</i> ):						Longitude ( <i>Degrees Decimal Minutes</i> ):						
	Street Number ( <i>e.g., 1234</i> ):				Street Name:								
	Street Type ( <i>e.g., court, hwy 50, blvd</i> ):				Street Suffix ( <i>e.g., apt 23, bldg c, lot 12</i> ):								
	City:				State: <b>CA</b>		Zip Code:						
	APN:				CAL FIRE Unit:								
	County:				Community ( <i>e.g., focus area</i> ):								
<b>P R O P E R T Y</b>	<b>Structure #</b>												
	<b>Structure Type</b>	<b>1</b>		<b>2</b>		<b>3</b>		<b>4</b>		<b>5</b>		<b>6</b>	
		Yr	✓	Yr	✓	Yr	✓	Yr	✓	Yr	✓	Yr	✓
	1) Single Family Residence												
	a) Single Story												
	b) Multi Story												
	2) Multi-Family Residence (e.g. apartment)												
	a) Single Story												
	b) Multi Story												
	3) Mobile Home												
	a) Single Wide												
	b) Double Wide												
	c) Triple Wide												
	d) Motor Home (if used as a residence)												
	4) Commercial Building (e.g., Industrial, Manufacturing, Office, Retail)												
	a) Single Story												
	b) Multi Story												
	5) Non-habitable												
	a) Shop												
	b) Barn												
	c) Detached Garage												
	d) Outbuilding > 10'x12'												
	6) Other												
	a) School (Educational)												
	b) Hospital (Medical)												
	c) Church												
	d) Miscellaneous												
e) Agriculture													
f) Environment													
g) Infrastructure (Essential Services)													
<b>Location of Structure (Topography)</b>	<b>1</b>		<b>2</b>		<b>3</b>		<b>4</b>		<b>5</b>		<b>6</b>		
a) Chimney													
b) Flat Ground													
c) Ridge Top													
d) Saddle													
<b>Turn Page Over and Complete the Back</b>													

	<b>Construction Types</b> (Exclude Other and Non-Habitable Structures)	<b>Structure # (Write ✓ in appropriate column)</b>					
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>P R O P E R T Y</b>	1) Roof Construction						
	a) Combustible						
	b) Fire Resistant (Non-Combustible)						
	c) Unknown						
	2) Exterior Siding						
	a) Combustible						
	b) Fire Resistant (Non-Combustible)						
	c) Unknown						
	3) Window Panes						
	a) Single-Pane						
	b) Multi-Pane						
	c) Unknown						
	4) Eaves						
	a) Enclosed						
	b) Un-Enclosed						
	c) Unknown						
	5) Deck or Porch						
	a) Masonry						
	b) Composite						
	c) Wood						
	d) Unknown						
6) Vent Screens							
a) Screened (Yes)							
b) Un-screened (No)							
c) Unknown							
<b>Photo Name/Id</b> (Obtain from Mobile Device Metadata)							
<b>D A M A G E  I N S P E C T I O N</b>		<b>Structure # (Write ✓ in appropriate column)</b>					
	<b>Structure(s)</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
	Destroyed (> 75%)						
	Damaged						
	a) 1-9%						
	b) 10-25%						
	c) 26-50%						
	d) 51-75%						
	Structure With No Damage (Record information when directed.)						
	Is Structure With No Damage Compliant with PRC 4291?						
	a) Yes						
	b) No						
	c) Unknown						
	<b>Complete for all structures</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
	Vegetation Clearance						
	a) 30 – 60 feet						
b) 60 – 100 feet							
c) > 100 feet							
d) Not Applicable							
<b>Comment:</b>							