

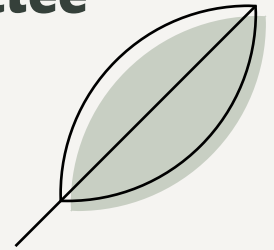
Substantial Amendment

Community Development Block Grant – Disaster Recovery Action Plan

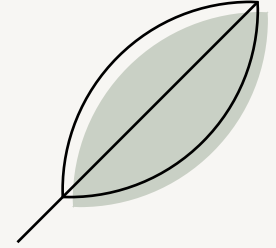
Housing and Community Development Advisory Committee
10/08/2026



Spokane County
WASHINGTON



Summary of Changes



- Renaming Reconstruction/Rehabilitation to Single-Family Housing Recovery
- Removing Multi-Family New Construction
- Addressing language on pre and post award for reimbursement
- Implementing Reimbursement Award Cap Matrix
- Increasing the 120% AMI limitation to 150% AMI for all programs
- Addressing language on proposed mitigation projects section
- Rearranging budget: approximately \$8 million from planning, public services and economic revitalization into housing

Renaming Reconstruction/Rehabilitation to Single-Family Housing Recovery in the Housing Program Section

Why?: To provide clarity for homeowners and partner agencies that activities beyond rehabilitation and reconstruction may occur.

- Clearly define reimbursement as an eligible activity under the program.
- Clarify that site work, specifically slash piles and tree planting/removal, are eligible under the program as well.

Removal of the Multi-Family New Construction Program in the Housing Section

Why?: To consolidate housing programming and allocate resources to better respond to the needs of the community.

- Rental Assistance is still an eligible activity under single-family housing programs.
- Prioritizes reconstruction and reimbursements for homeowners. The change creates a substantial resource investment into the greater housing budget.

Addressing Language on Pre and Post Awards for Reimbursement

Why?: The current Action Plan states that "Only costs incurred after an award will be eligible for reimbursement. Reimbursement of pre-award costs is not allowed."

Spokane County HCD is revising this section to align with information provided in the Universal Notice (8/18/2023 – 1/21/2027) as the eligible pre and post award period. A formal application for assistance may affect eligible costs for reimbursement.

Examples of Reimbursement Cases

Example: Single-Family Homeowner Rehabilitation

Scenario: John was affected by the wildfire and repaired his own home on his own terms, between the day the fire happened (August 18, 2023) up until the 2-year anniversary of the Allocation Announcement Notice (January 21, 2027).

Is John eligible for reimbursement?: Yes, any rehabilitation activities done from the day of the fire up until the 2-year anniversary of the AAN may be reimbursable after review by the county.

Examples of Reimbursement Cases

Example: Single-Family Homeowner Reconstruction

Scenario: Sarah had her home destroyed by the wildfire and began reconstructing in July 2026. Her house is not completed, and she applies for reimbursement of all the work she did so far on December 12, 2026, well before the Allocation Announcement Notice date (January 21, 2027).

Is Sarah eligible for reimbursement?: Yes, any reconstruction activities she has done so far may be eligible for reimbursement after review by the county. **HOWEVER**, any reconstruction costs she continues to incur post-December 12 (the date of her formal application) will not be considered eligible. It is encouraged that Sarah stop all work until the county can formally review her application.

Examples of Reimbursement Cases

Example: Single-Family Homeowner Reconstruction

Scenario: Mark's home was destroyed by the wildfire, and he completely rebuilt his home when he submitted his application for reimbursement on January 8, 2026. However, Mark had rebuilt his home about 50 ft. from where his previous home was destroyed.

Is Mark eligible for reimbursement?: No, any reconstruction activities that occur outside of the same footprint of the damaged structure is not eligible for reimbursement. Note, Mark may still have some options for slash pile removal or other site mitigation work on his property.

Examples of Reimbursement Cases

Example: Single-Family Homeowner Reconstruction

Scenario: Donna's home was destroyed by the wildfire too. She waits until November 2026 to start rebuilding. She completed her rebuild in March 2027 and applies to HCD for reimbursement which is well after the Allocation Announcement Notice date (January 21, 2027).

Is Donna eligible for reimbursement?: Partially, any reconstruction activities that occurred up to January 21, 2027, may be eligible for reimbursement after review by the county. Any expenses incurred after that date are not eligible.

All sites shall be evaluated on a case-by-case basis with different factors determining homeowners' reimbursement eligibility.

Implementing Reimbursement Award Cap Matrix

Why?: To provide information on reimbursement award amounts across different income levels.

Reimbursement Award Cap Matrix:

<u>Income Tier/National Objective</u>	<u>Household Income (% AMI)</u>	<u>Reimbursement Cap</u>	<u>CDBG-DR National Objective</u>
<u>LMI – Very Low Income</u>	<u>≤30% AMI</u>	<u>Up to \$400,000</u>	<u>LMI</u>
<u>LMI – Low Income</u>	<u>>30% - 50% AMI</u>	<u>Up to \$400,000</u>	<u>LMI</u>
<u>LMI – Moderate Income</u>	<u>>50% - 80% AMI</u>	<u>Up to \$400,000</u>	<u>LMI</u>
<u>Urgent Need – Band 1</u>	<u>>80% - 100% AMI</u>	<u>Up to \$80,000</u>	<u>Urgent Need Only*</u>
<u>Urgent Need – Band 2</u>	<u>>100% - 120% AMI</u>	<u>Up to \$65,000</u>	<u>Urgent Need Only*</u>
<u>Urgent Need- Band 3</u>	<u>>120% - 150% AMI</u>	<u>Up to \$50,000</u>	<u>Urgent Need Only*</u>

Increasing 120% AMI to 150% AMI

Why?: Based on community feedback, many residents are constrained by the 120% AMI limit.

- Spokane County HCD proposes increasing eligibility to 150% AMI to allow more households to access recovery assistance.
- The increase would cover most of all households impacted.
- The priority for these funds above 80% AMI will be on a first-come-first-serve basis.

Snapshot of Funding for AMI Groups

To comply with HUD's overall benefit requirement that 70% of funds be used to benefit LMI persons, Spokane County has separated the following funds for the Single-Family Housing Recovery program:

80% AMI or lower:

- Approximately **\$19,452,608** will be available for LMI persons.

80.1% - 150% AMI:

- Approximately **\$8,336,832** will be available for persons who qualify under Urgent Need.

Addressing Language on Proposed Mitigation Projects Section

Why?: Based on feedback, many residents are unsure whether these projects have already been selected for funding.

Adding in:

"The projects below are included per the requirements of HCD's Citizen Participation Plan, and while each item may be explored for feasibility or best recovery practices, **no funding guarantees are being made for these proposed projects**. Please see HCD's Quarterly Performance Reports in the Planning Documents section for more information about active awards."

Rearranging Budgets

Why?: To support as many homeowners as possible.

Propose to move approximately \$8,185,952 from Planning, Public Services, Economic Revitalization, and Multi-Family Housing to Single-Family Housing.

In total, **\$27,789,440** would be allocated to assist homeowners with recovery.

Eligible Cost Category	Unmet Need	% of Unmet Need	% of Funding to be Expended in HUD Identified MID	CDBG-DR Allocation Amount	% of CDBG-DR Allocation (Excluding the 15% Mitigation Set-Aside)
Administration (5% cap)				\$2,207,600	5%
Planning (15% cap)			100%	~~\$2,207,600~~ <u>\$1,000,000</u>	~~52%~~
Rental Housing (New Construction)	\$333,250.34	1%	100%	~~\$2,472,512~~	~~60%~~
Owner-Occupied Housing (~~Reconstruction/Rehabilitation~~ <u>Single-Family Housing Recovery</u>)	\$22,446,600.84	51%	100%	~~\$19,603,408~~ <u>\$27,789,440</u>	~~44~~ <u>63</u> %
Infrastructure	\$3,990,000	9%	100%	\$3,532,160	8%
Economic Revitalization	\$16,521,687.71	38%	100%	~~\$2,207,600~~ <u>\$1,000,000</u>	~~52%~~
Public Service (15% cap)	\$410,000	1%	100%	~~\$5,298,240~~ <u>\$2,000,000</u>	~~125%~~
Exempt Public Service (no cap)	\$0	0%	100%	\$0	0%
Total	\$43,701,538.89	100%	100%	\$37,529,200	85%
Funds that have not been allocated:				\$6,622,800	15%

Action Item

- **Motion** to Substantially Amend the Spokane County CDBG-DR Action Plan and to open the 30-day public comment period from **October 8, 2026, to November 9, 2026.**