

REVIEW OF SANTA ROSA'S COMMUNITY DEVELOPMENT BLOCK GRANT- DISASTER RECOVERY (CDBG-DR) TUBBS AND NUNS FIRE RECOVERY UNMET NEEDS ASSESSMENT

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Disaster Recovery and CDBG-DR

- Mid- to Long-Term Recovery assisted by HUD's Community Development Block Grant, a longstanding HUD Program.
 - First used for disaster recovery in 1992
 - Expanded in 2006 after Hurricane Katrina.
- Intent is to augment additional recovery funds available through FEMA, Small Business Administration, and US Army Corps of Engineers
- Funds authorized through statutory authority provided by Congress specifically for disaster

Disaster Recovery and CDBG-DR

- Program is flexible because CDBG is flexible
 - Used for multiple purposes, with option to modify or waive standard regulations.
- Goals:
 - Benefit low and moderate- income persons,
 - Aid in the prevention or elimination of slums or blight, or
 - Meet a need having a particular urgency (urgent need)

Impact of 2017 Wildfires

- Tubbs Fire burned from October 8 through October 31, 2018.
 - Declared national disaster October 10, 2018
- 100,000 acres destroyed in Sonoma County
- More than 3,000 homes, or 5% of city's housing stock, destroyed in Santa Rosa
- Approx. 400,000 square feet of commercial space destroyed, including two hotels
- Costliest fire to date for California, with estimated loss of \$1.2 billion in Santa Rosa alone

Estimating Unmet Needs

- CDBG-DR unmet needs not just limited to cost of damages; can include situational needs based on broader context of the disaster
 - Examples: long-term impacts on tourism industry; shortage of rental housing; impact of lost tax revenue on government functions
 - **Housing** – particularly for very low income households and vulnerable populations, typically the first priority
 - **Business** – particularly small businesses with damage and/or business interruptions who do not qualify for an SBA loan
 - **Infrastructure** – Public infrastructure and facilities, particularly projects that qualify for FEMA Public Assistance (PA) and resilience needs
- Unmet Need is the cost of rebuilding (or) restoration (or) recovery, minus funds received from FEMA, SBA, insurance, and other identified sources

Housing Summary

- Wildfires caused “significant impact” to all areas affected; approximately 4,000 homes in Santa Rosa were damaged; nearly all had “Major to Severe” damage
- Neighborhoods most devastated in northern areas – Coffey Park, Fountaingrove, and three mobile home parks, notably Journey’s End
- Housing shortage prior to disaster exacerbated by transition of impacted homeowners becoming renters; now shortage of rental housing is dire
- Lack of housing in general likely causing negative impact to economy and city’s tax revenue

Housing Impact Methodology

- HUD's approach, using FEMA Individual Assistance (IA) data
 - Apply a damage category of 1 to 5 based on FEMA's determination of Real Property Loss (RPL) for homeowners, and Personal Property Loss (PPL) for Renters. 1 = Minor Damage; 5 = Severe
- City of Santa Rosa approach
 - Apply a damage of level 1 to 5 based on above methodology
 - In instances where local inspections determined property "Damaged" or "Severely Damaged", and FEMA determination is less, than damage category adjusted upward

Housing Impacts 1 of 2

HUD Approach, Version 1

	Own	Rent	NA	Total
Minor-Low	34	79		113
Minor-High	5	105	1	111
Major-Low	1	213	1	215
Major-High	10	340		350
Severe	116	380		496
Total Damage	166	1,117	2	1,285
Major-Severe Damage	127	933	1	1,061
% Major-Severe Damage	76.5%	83.5%	50.0%	82.6%
Applicants - No Damage	7,185	3,827	17	11,029

Housing Impacts 2 of 2

HUD Approach Adjusted using Local Inspections, Version 2

	Own	Rent	NA	Total
Minor-Low	21	58		79
Minor-High	4	72		76
Major-Low	157	223	4	384
Major-High	9	200		209
Severe	2,302	1,050	7	3,359
Total Damage	2,493	1,603	11	4,107
Major-Severe Damage	2,468	1,473	11	3,952
% Major-Severe Damage	99.0%	91.9%	100.0%	96.2%
Applicants - No Damage	4,858	3,341	8	8,207

Housing Unmet Need Methodology

- Homeowners with Major to Severe Damage and no insurance have unmet needs.
- Rental units affordable to Low and Moderate Income Renters have unmet needs. (Estimated at 49% of rental units based on percentage of affordable units in the most impacted neighborhoods).
- Uses HUD “estimate” of unmet need by damage category: Major-Low = \$40,323; Major-High = \$55,812; and Severe = \$124,481

Housing Unmet Need Estimate

	Unmet Need (HUD/FEMA IA)	Unmet Need (Adjusted using Local Data)	Difference
OWN	\$4,069,302	\$22,776,442	\$18,707,140
RENT	\$36,685,153	\$73,921,145	\$37,235,992
TOTAL	\$40,754,455	\$96,697,587	\$55,943,132

Business Summary

- Destroyed 30 businesses, including a K-Mart, two hotels, and corporate headquarters for Keysight Industries
- Most businesses have rebuilt as of October 2018
- Long-term impacts likely related to lack of housing - may include shortages in childcare, healthcare, service-industry workers
- To estimate a dollar figure for Business Unmet Needs, used data on businesses that applied for a loan with the SBA, and either were denied or withdrew their application.

	Business	Loan Amount	Unmet Need
Applications Approved	122	\$23,083,700	\$0
Applications Denied	86	\$0	\$3,601,873
Applications Withdrawn	107	\$0	\$5,889,855
Total	315	\$23,083,700	\$9,491,728

Infrastructure Summary

- Local Match for FEMA Public Assistance Projects
 - 9 sewer lift stations, rebuilding & relocating fire station, repairing contaminated water system
 - \$20.7M
- Other Infrastructure
 - Coffey Park sidewalks and recreation space
 - Tree Recovery
 - \$4.7-17M
- HMGP Resiliency Projects
 - Backup Generators, retrofitting water treatment facilities, traffic signals, Siren Program
 - \$27M in City Share
- Other Resiliency Projects
 - Evacuation Route improvements, Emergency Operations Center, Emergency Shelter, Outreach and Education Program
 - \$101M in proposed projects

Recommendation

- It is recommended by the Housing & Community Services Department that the Council review the City of Santa Rosa Unmet Recovery Needs Assessment prepared by Hagerty Consulting, Inc.