



November 3, 2017

Larry Wuerstle
 CPD Program Manager, Region 9
 United States Department of Housing & Urban Development
 One Sansome Street, Suite 1200
 San Francisco, CA 94104

Email larry.wuerstle@hud.gov

RE: REQUEST FOR WAIVER OF COMMUNITY PLANNING AND DEVELOPMENT (CPD) GRANT PROGRAM AND CONSOLIDATED PLAN REQUIREMENTS TO FACILITATE RECOVERY FROM WILDFIRES (FEMA-4344-DR)

Dear Mr. Wuerstle:

As you are aware, the City of Santa Rosa has been heavily impacted by the wildfires that started on October 9; over half of the destroyed housing stock within Sonoma County was in Santa Rosa's jurisdiction. The devastation caused by the wildfires resulted in a Presidential declaration of a major disaster for the State of California (FEMA-4344-DR) on October 10, 2017. Consequently, the City of Santa Rosa now requests a waiver of the following regulatory provisions upon your determination of good cause in accordance with 24 CFR 5.110, 24 CFR 91.600, and 24 CFR 570.5, which provide authority for the HUD Secretary, through the local HUD Field Office CPD Director, to waive specific regulatory requirements of the CDBG, HOME, and HOPWA programs.

1. Citizen Participation Public Comment Period for Consolidated Plan Amendment

Because of the disaster, the City of Santa Rosa (City) plans to amend its 2016 – 2020 Consolidated Plan to provide the utmost flexibility in responding to aid requests from program beneficiaries and program-eligible families to address damage caused by the fires. We request waiver of the 30-day public comment period requirement of 24 CFR 91.105(c)(2) and (k), 91.115(c)(2) and (i), and 91.401 to reduce the public comment period to seven days to balance the need to quickly assist families dealing with the aftereffects of the fires while continuing to provide reasonable notice and opportunity for citizens to comment on the proposed uses of CDBG, HOME, and HOPWA program funds. We request that this waiver be granted through the end of the 2017 program year.

2. Citizen Participation Reasonable Notice and Opportunity to Comment

The destruction wrought by the recent wildfires has made it difficult to provide notice to citizens in accordance with the City's Citizen Participation Plan, therefore we request waiver of 24 CFR 91.105(c)(2) and (k) and 24 CFR 91.115(c)(2) and (i) to allow the City to determine what constitutes reasonable

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notice and opportunity to comment. It is the City's intent to publish a notice of opportunity to comment on the proposed amendments to its Consolidated Plan three to five days before the seven-day comment period begins. We request that this waiver be granted through the end of the 2017 program year.

3. CDBG New Housing Construction

To expedite the rebuilding process, the City requests suspension of Section 105(a) of HCDA and waiver of 24 CFR 570.207(b)(3) to permit the City to directly use CDBG funds for new housing construction activities. In addition, the City may utilize the reconstruction provisions at Section 105(a)(4) of HCDA, which provide for the use of CDBG funds for clearance, demolition, removal, and reconstruction or rehabilitation of buildings and improvements. The City requests this waiver remain in effect for two years from the date of the disaster declaration of October 10, 2017, through October 10, 2019.

4. CDBG Suspension of Public Services Cap

Section 105(a)(8) of the HCDA and 24 CFR 570.201(e)(1) limit the amount of CDBG funds that may be used to provide public services to 15% of the grantee's most recent CDBG grant plus 15% of program income received. The City has, in recent years, used the public services portion of its CDBG dollars and program income to fund services to the City's homeless population through the Family Support Center (provides homeless families with services including but not limited to emergency shelter, food, clothing, children's activities, medical and dental care, and client-focused family action plans to overcome homelessness) and the Homeless Services Center (a day facility for the homeless that provides showers, laundry, outreach, medical referral, and intake for emergency shelters; may also be used to receive mail and phone messages). Many of the donations of food and other supplies that would normally be made for use in these two programs were diverted to disaster relief, causing a shortage of food, emergency shelter, and case management or related services, therefore the City requests a waiver of the public services cap to provide additional assistance to its homeless residents and others who have registered with FEMA. The City also requests waiver of this regulation to consider providing downpayment assistance to families who lost their homes and have registered with FEMA. The City requests this waiver remain in effect for two years from the date of the disaster declaration of October 10, 2017, to October 10, 2019.

5. CDBG Emergency Grant Payments for up to Six Months

CDBG regulations at 24 CFR 570.207(b)(4) prohibit income payments, but permit emergency grant payments for three months. The City requests waiver of the provisions of 24 CFR 570.207(b)(4) and 24 CFR 570.420(b)(3) to permit emergency grant payments for items such as food, clothing, housing (rent or mortgage), or utilities for up to six consecutive months from the date of the disaster declaration, October 10, 2017, through April 10, 2017. If utilized for emergency grants, these payments may be used to assist families who have

registered with FEMA and would be administered by a local service provider of items such as those mentioned above. Affected individuals and families will be required to apply for assistance from the local service provider selected to administer the program. The City requests this waiver remain in effect for two years from the date of the disaster declaration of October 10, 2017, through October 10, 2019.

6. HOME – Relief from Certification Requirements on Use of HOME Funds for Tenant-Based Rental Assistance (TBRA)

Section 212(a)(3)(A)(i) of NAHA, 24 CFR 91.225(d)(1), and 24 CFR 92.209(b) require a participating jurisdiction (PJ) that intends to use HOME funds to provide TBRA to certify that the provision of such assistance is an essential part of its Consolidated Plan. The City intends to amend its 2016 – 2020 Consolidated Plan to use its HOME funds allocated in Fiscal Years 2017 and 2018 to provide TBRA to families affected by the fires and requests a waiver of the requirement of the TBRA certification requirements. The City requests this waiver remain in effect for two years from the date of the disaster declaration of October 10, 2017, to October 10, 2019.

7. HOME – Suspension of the 10% Administration and Planning Cap

Section 212(c) of NAHA and 24 CFR 92.207 limit the amount of HOME funds that a PJ may use for administrative and planning costs associated with its HOME award to 10% of its annual HOME allocation, plus 10% of any program income received. The City requests a waiver of this requirement to allow the use of up to 20% of its Fiscal Year 2017 and 2018 HOME allocations, plus 20% of any program income received, for administrative and planning costs. The use of HOME for TBRA will likely increase the administrative burden for the City; increasing the cap will provide the City with the ability to respond to and administer the needs of families utilizing TBRA expediently and effectively. The City requests this waiver remain in effect for two years from the date of the disaster declaration of October 10, 2017, to October 10, 2019.

8. HOME – Suspension of Various TBRA Program Requirements

Section 212(a)(3)(ii) of NAHA requires a PJ to establish written tenant selection criteria for TBRA and 24 CFR 92.209(c) of the regulation requires those criteria to be consistent with the local housing needs and priorities established in the PJ's Consolidated Plan. Section 92.209(e) requires that the term of a HOME TBRA contract made with a landlord begin on the first day of the lease. Section 92.209(h)(1) limits the subsidy that a PJ may pay toward a TBRA recipient's rent to the difference between the PJ's rent standard for the unit size and 30% of the family's adjusted monthly income. Section 92.209(i) requires that units occupied by TBRA recipients meet the housing quality standards (HQS) established in 24 CFR 982.401(j).

The City requests waiver of 24 CFR 92.209(e) for persons or families displaced by the fires for a period of 12 months from the date of the disaster declaration, October 10, 2017, through October 10, 2018, thereby providing more flexibility for the City to respond to its residents' need for TBRA. In addition, the City requests waiver of 24 CFR 92.209 (h)(1) with respect to the maximum TBRA subsidy amount for a period of 24 months from the date of the disaster declaration, October 10, 2017, through October 10, 2019, due to the City's lack of housing stock (a 1% vacancy pre-disaster) and its status as a high-cost area. The City does not anticipate waiving HQS standards for TBRA recipients in its jurisdiction.

9. HOME – Suspension and Waiver of CHDO Set-Aside

Section 23 of NAHA and 24 CFR 92.300(a)(1) establish a set-aside for Community Housing Development Organizations (CHDOs) of 15% of each annual allocation of HOME funds for housing owned, developed, or sponsored by CHDOs. The City requests suspension and waiver of the CHDO set-aside to relieve it of requirements that may impede the obligation and use of funds to expeditiously provide housing to displaced persons and repair properties damaged by the fires. We request this suspension for Fiscal Years 2017, 2018 and 2019 to utilize this portion of the City's HOME funds for TBRA.

10. HOME – Suspension and Waiver of Maximum Per Unit Subsidy Limits

Section 212(e) of NAHA and 24 CFR 92.250(a) limit the amount of HOME funds the PJ may invest per unit. The PJ's investment may not exceed the per-unit dollar limitations established under Section 221(d)(3) of the National Housing Act (12 USC 17151(d)(3)(ii)) for elevator-type projects that apply to the area in which the housing is located. While the City does not currently anticipate utilizing HOME funds for constructing housing, the needs of the residents of our jurisdiction may change as access to sites is made available and clean-up of debris is completed. Because many housing units may require substantial funding to either complete renovation or reconstruction, and because the costs for labor and materials will likely increase due to higher demand, the City requests suspension of the maximum per-unit subsidy to provide the needed flexibility to assist affected low-income families. The City requests this waiver remain in effect for two years from the date of the disaster declaration of October 10, 2017, to October 10, 2019.

11. HOPWA – FMR Rent Standard

24 CFR 574.320(a)(2), Rent Standard, requires HOPWA grantees to establish rent standards for TBRA programs based on fair market rent (FMR); generally, the TBRA payment may not exceed the difference between the rent standard and 30% of the family's adjusted income. The City requests waiver of the FMR standard limit to establish rent standards, by unit size, that are reasonable and based on rents being charged for comparable unassisted units in the area while

considering the location, size, type, quality, amenities, facilities, management, and maintenance of each unit. The City and its HOPWA project sponsor will, however, ensure the reasonableness of rent charged for each unit as per 24 CFR 574.320(a)(3). Pre-disaster, vacant units were scarce, and the decrease in available units post-disaster has led to rapidly increasing rents, therefore causing the need for increased flexibility in the FMR standard. The City requests waiver of the FMR standard to expedite efforts to identify suitable housing units in the disaster area for rent to HOPWA beneficiaries and HOPWA-eligible families that have been affected by the fires and to provide assistance to families in the area that must rent units at rates that exceed the City's normal rent standard. The City requests this waiver remain in effect for two years from the date of the disaster declaration of October 10, 2017, to October 10, 2019.

12. HOPWA TBRA Lease Term Flexibility

Many landlords may be hesitant to sign a 12-month lease agreement with HOPWA TBRA clients given the changes to rent rates, the increase in housing scarcity, and widespread housing vulnerability amongst all residents of Santa Rosa displaced by the fires. By providing the option to offer shorter initial lease periods or contract periods, the City's project sponsor hopes to encourage higher rates of participation by local landlords, thereby enabling the City's project sponsor to secure housing for HOPWA clients. The City requests this waiver remain in effect for two years from the date of the disaster declaration of October 10, 2017, to October 10, 2019.

The City respectfully requests expedited review and approval of this waiver request because of the elevated level of need in our community post-disaster. Should you require any additional information, please contact Nancy Manchester, Housing Program Specialist at nmanchester@srcity.org or 707-543-4339.

Sincerely,



SEAN McGLYNN
City Manager

c: Jean Prasher Richardson, Region IX HUD CPD Representative
David Guhin, Director of Planning & Economic Development & Housing
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David Gouin, Director of Housing & Community Services
Megan Basinger, Housing & Community Services Manager
Nancy Manchester, Housing Program Specialist