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April 2, 2025

MEMORANDUM FOR: Interested Parties

FROM: Jennifer Seeger, Deputy Director

Division of State Financial Assistance

ADMINISTRATIVE NOTICE: Notice Number: DSFA 25-03

SUBJECT: Los Angeles County Waitlist Priority for Households Displaced by Wildfires

Administrative Notice: This Administrative Notice establishes a formal written notification of administrative guidelines and policies that affect the operation of Department financing programs. This format is used to identify, clarify, and record administrative guidelines and interpretations of public interest.

This Administrative Notice (Notice) sets forth and establishes the California Department of Housing and Community Development's (HCD or Department) alternate leasing requirements for multifamily rental housing projects that are located in Los Angeles County and assisted by the Department as ordered by Governor Newsom in Executive Order N-23-25 (EO N-23-25) on March 7, 2025. This Notice suspends specific tenant selection procedures authorized by state law, including Department regulations, for the purpose of giving waitlist priority to displaced households who are experiencing homelessness in Los Angeles County due to the proclaimed emergency caused by multiple fires.

Purpose

The objective of Executive Order N-23-25 and this Notice is to further support residents displaced by the emergency who are experiencing homelessness by prioritizing them on waiting lists for affordable rental housing funded by the Department for which they otherwise qualify.

In accordance with EO N-23-25, households displaced from their primary residence in Los Angeles County as a result of the proclaimed emergency shall be prioritized on the waiting lists for rental housing in the Department's housing portfolio upon demonstration that the household (i) was displaced from a residence in Los Angeles County due to the proclaimed emergency; (ii) is currently experiencing homelessness; and (iii) meets all HCD program-eligibility requirements of the vacant dwelling unit.

Applicability

This Notice applies to all multifamily rental housing projects assisted by HCD in the County of Los Angeles.

Policy Requirements

Per EO N-23-25, tenant selection procedures for the Department rental housing portfolio authorized by any state statute, regulation, or guidance document authorized by state law, including, without limitation, title 25 of the California Code of Regulations, section 8305, subdivision (a)(4)(A), are suspended until March 6, 2026 to the extent they would prevent a household eligible for priority housing under this Notice from receiving that priority. This suspension does not apply to federal funding programs administered by the Department. This Notice establishes alternative tenant selection procedures for all HCD-funded projects located in Los Angeles County to prioritize households that were displaced as a result of the wildfires and are currently experiencing homelessness for any vacant units. It does not, however, suspend any program eligibility requirements. All other tenant selection and eligibility requirements for HCD programs remain in effect.

HCD-assisted projects shall accept applications from households eligible for prioritization under this Notice without regard for whether the project's waiting list is open or closed. Households meeting the eligibility criteria in this Notice must be given priority on the waiting list, i.e. must be offered a unit before households not displaced by the proclaimed emergency are offered a unit. The household must meet the targeting population criteria for all funding programs on particular unit, inclusive of all exceptions.

Household Eligibility: Households that meet the following conditions are eligible for waitlist priority under this waiver:

- (i) the household was displaced from their primary residence in Los Angeles County due to the proclaimed emergency:
- (ii) the household is currently experiencing homelessness; and
- (iii) the household meets all HCD program-eligibility requirements of the vacant dwelling unit.

The household eligibility requirements for item (i) "displaced due to the proclaimed emergency" listed above can be evidenced and satisfied by using the Federal Emergency Management Agency's (FEMA) certification that the household is a disaster victim, by collecting any one document listed by FEMA as an acceptable form of Proof of Occupancy or Proof of Ownership, or by utilizing FEMA's expanded flexibility requirements as a last resort.

More information on acceptable proof of occupancy and proof of ownership documentation can be found on FEMA's website here:

https://www.fema.gov/assistance/individual/after-applying/verifying-home-ownership-occupancy

The household eligibility requirements for item (ii) "currently experiencing homelessness" listed above are meeting the conditions in the definition of "homeless" in <u>24 CFR Part 578.3</u>, as amended. Households' homeless status can be evidenced and documented by any method acceptable to HCD programs or Housing and Urban Development programs, including the use of <u>HCD's Third-Party Homeless Verification Form</u> available on HCD's Reporting and Compliance: Loan Programs webpage.

Sponsors are required to document which households were prioritized and housed under this Notice. Sponsors must complete a <u>Los Angeles Wildfire Waitlist Exception Form</u> and include in the household's tenant file. The household's tenant file must also include documentation to support household eligibility (i.e., displacement due to the proclaimed emergency; experiencing homelessness; and evidence that the household meets all HCD program eligibility requirements for the unit). Sponsors shall report any units leased under this Notice to the Department by submitting the <u>Los Angeles Wildfire Waitlist Exception Form to AMCBranch@hcd.ca.gov</u> and also note them on the Schedule of Rental Income.