



# COUNTY OF HUMBOLDT

For the meeting of: 11/16/2021

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File #: 21-1606

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**To:** Board of Supervisors

**From:** Planning and Building Department

**Agenda Section:** Consent

**SUBJECT:**

Resolution Authorizing the Submittal and Signature of a CalHome Program Grant Application for a First Time Homebuyer Loan Program and an Accessory Dwelling Unit Construction Loan Program.

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Adopt the attached Resolution No. 21-\_\_\_:
  - a. Authorizing an application to be submitted to the Department of Housing and Community Development (HCD) for the 2021 CalHome Grant Program for up to \$4.8 million; and
  - b. Authorizing and directing the Planning and Building Department Director to execute in the name of the County of Humboldt the application, the Standard Agreement, and all other documents required by HCD for participation in the CalHome Program, and any amendments.

**SOURCE OF FUNDING:**

California State Department of Housing and Community Development CalHome Grant; funded by the Affordable Housing Bond Act Trust Fund of 2018.

**DISCUSSION:**

On Sept. 21, 2021, the State of California's Department of Housing and Community Development (HCD) CalHome Program issued a Notice of Funding Availability (NOFA). The purpose of the CalHome Program is to support existing homeownership programs aimed at low- and very low-income households to increase homeownership, encourage neighborhood revitalization and sustainable development, and maximize the use of existing homes. The 2021 CalHome NOFA allows loans to qualified borrowers to develop accessory dwelling units (ADUs) with loan funds.

Staff is recommending that the county apply for Owner Occupied Rehabilitation (OOR) and ADU program loan funding. The county has operated an OOR program with funding from three sources for the last 16 years. The OOR program provides loan funds to income-qualified homeowners to make needed repairs on their homes. Borrowers may make health and safety improvements. Energy efficiency improvements are also an eligible expense. The ADU program loans provide a subordinated, deferred, low-interest loan to qualifying homeowners to develop a second unit on their property.

CalHome loans may also be used for ADU/JADU rehabilitation, reconstruction, or repair. The County applied unsuccessfully for funding from the CalHome ADU program last year. This funding source is competitive.

Currently the CalHome Program limits participation to individuals and households that earn less than 80% of the area's median income. In 2021, an individual earning less than \$39,150 per year is eligible to borrow CalHome funds; a household of four people would need to earn less than \$55,900 to be eligible. In most cases, the maximum funding amount per loan is \$100,000.

If the county applies for \$4.8 million for this activity, the funds will be able to assist up to 43 families over the 3-year grant period. When the loans are repaid the funds may be re-loaned from a county-managed trust fund allowing the program to operate in perpetuity.

FINANCIAL IMPACT:

This action solicits grant funds from the State of California to stabilize neighborhoods, increases rental housing for lower income citizens of Humboldt County. It will not affect the General Fund, because all costs associated with the activities will be provided by the grant. This grant program will be managed by the Advanced planning budget unit (1100282) of the Planning and Building Department in conjunction with the other first-time homebuyer and owner-occupied rehabilitation loans. This is a competitive grant, and the funding amount will not be known until the grant is awarded. Upon notification of the grant award and amount of funding to be made available, a supplemental budget will be submitted for Board approval.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by seeking outside funding sources to benefit Humboldt County needs protecting vulnerable populations and creating opportunities for improved safety and health.

OTHER AGENCY INVOLVEMENT:

The California Department of Housing and Community Develop will provide the funding and oversee implementation of the grant.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose to not apply for these funds. This is not recommended because there is a demand for additional housing in Humboldt County.

ATTACHMENTS:

1. Board of Supervisors Resolution No. 21-\_\_\_\_\_
2. 2021 CalHome Grant Application
3. Letter of Designation for Planning and Building Director to sign grant documents

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

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