



# COUNTY OF HUMBOLDT

AGENDA ITEM NO.

H-1

For the meeting of: December 16, 2014

Date: October 17, 2014

To: Board of Supervisors

From: Kevin R. Hamblin, Director, Planning and Building Department

Subject: Interest Waiver for Homeowner Rehabilitation Water System Improvement

RECOMMENDATION(S):

That the Board of Supervisors adopt a Resolution to waive the Owner-Occupied Rehabilitation Guidelines 3% interest requirement, on certain water system improvements and related required repairs.

SOURCE OF FUNDING:

Program Income from State of California Department of Housing and Community Development CalHome Program.

DISCUSSION:

Recently the State of California announced that private water system improvements in drought stricken communities is an allowable expense for CalHome Program Income funds. The County of Humboldt has been declared a drought-stricken community. These funds would be issued as

Prepared by Paula Mushrush  
Housing Coordinator

CAO Approval Amyn Olsen

REVIEW:  
Auditor \_\_\_\_\_ County Counsel WBL Human Resources \_\_\_\_\_ Other \_\_\_\_\_

TYPE OF ITEM:

- Consent
- Departmental
- Public Hearing
- Other \_\_\_\_\_

PREVIOUS ACTION/REFERRAL:

Board Order No. \_\_\_\_\_

Meeting of: \_\_\_\_\_

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT**

Upon motion of Supervisor Fennell  
Seconded by Supervisor Lovellace

Ayes Sundberg, Lovellace, Bohn, Fennell, Bass  
Nays \_\_\_\_\_  
Abstain \_\_\_\_\_  
Absent \_\_\_\_\_

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: Dec. 16, 2014

By: Kathy Hayes  
Kathy Hayes, Clerk of the Board

part of an Owner-Occupied Rehabilitation Program. The County currently has approximately \$360,000 in CalHome program income funds on hand, and an active Owner-Occupied Rehabilitation Program. The Program Income funds were generated by the County successfully applying for and receiving \$1,000,000 in CalHome Program Funds for Owner-Occupied Rehabilitation. The County made 23 loans with those funds. The CalHome Program requires that funds be loaned to lower-income homeowners, living in homes valued at or below median home prices. The local jurisdiction has the right to dictate the terms of the loans. Current Board approved Owner-Occupied Guidelines charge 3% simple interest, with no repayment due until the owner sells or moves out of the residence.

County Housing staff has met with Office of Emergency Services and DHHS-Environmental Health to discuss the use of these funds, during the drought declaration. It was agreed that this would be a good use of these funds.

Staff is requesting that your Board waive the 3% interest requirement to allow 0% interest loans for owners that need their private, single-connection residential water source permanently improved. These loans would not need to be repaid until the owner of the property containing the water source moves or sells the property. The permanent improvements can include any improvement such as new well installation, well replacement, and other repairs identified by DHHS-Environmental Health, as necessary to deliver safe drinking water.

Since this is part of the existing Owner-Occupied Rehabilitation Program, a health and safety inspection would be required and might involve additional costs. All other requirements of the Program must be met. This includes, income verification, owner-occupancy, maximum home value, and work completed with permits.

#### FINANCIAL IMPACT:

There will be increased costs in evaluating a homebuyer's eligibility in the initial screening process. Depending on demand, it is anticipated that pre-screening costs will be approximately \$1,000 - \$2,000. The Housing Division has very little discretionary funds, however, the pre-screening costs will be covered with those discretionary funds. Fortunately, once the homeowner is fully approved CalHome funds are available to cover inspections, document verification, and all related administrative costs.

This program is timely and meets the urgent need of providing funding for healthy water to households with water insecurity, who cannot afford to make improvements without assistance.

OTHER AGENCY INVOLVEMENT: The County will have initial referral for these funds from Environmental Health.

#### ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could leave the program as is and allow lower-income homeowners to pay 3% interest for the specified water system improvements and related repairs.

#### ATTACHMENTS:

Attachment 1: Resolution \_\_\_\_\_ Waiver of Owner-Occupied Rehabilitation Guidelines 3% Interest Requirement on Water Supply Improvements and Related Required Repairs

**ATTACHMENT 1**

**Resolution to Approve Waiver of Owner-Occupied  
Rehabilitation Guidelines 3% Interest Requirement on Water Supply  
Improvements and Related Required Repairs**

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA**

Certified copy of portion of proceedings, Meeting of December 16, 2014

RESOLUTION NO. 14-108

**RESOLUTION APPROVING WAIVER OF OWNER-OCCUPIED REHABILITATION  
GUIDELINE 3% INTEREST REQUIREMENT, ON WATER SYSTEM IMPROVEMENTS  
AND THE RELATED REQUIRED HEALTH AND SAFETY REPAIRS**

**WHEREAS**, the County of Humboldt Board of Supervisors recognizes that individual households with private water systems are having problems with their water supply under the current drought conditions; and

**WHEREAS**, the County of Humboldt Board of Supervisors recognizes that some lower-income households cannot afford to fix their private water systems and wishes to bring existing resources forward to assist those households; and


**WHEREAS**, the County of Humboldt has a source of funds from repayment of loans originally made with CalHome funds, which have become program income funds; and

**WHEREAS**, the County Board of Supervisors adopted Owner-Occupied Guidelines October 18, 2011, stating that the interest rate on these loans shall be 3% simple interest; and

**WHEREAS**, the County Board of Supervisors wishes to provide a waiver to the 3% interest requirement for permanent improvements such as new well installation, well replacement, and other repairs identified by DHHS-Environmental Health, as necessary to deliver safe drinking water for those households meeting all other CalHome requirements.

**NOW, THEREFORE, BE IT RESOLVED**, the County of Humboldt Board of Supervisors approves a waiver of the Owner-Occupied Guidelines requirement of 3% interest for permanent improvements such as new well installation, well replacement, and other repairs identified by DHHS-Environmental Health, as necessary to deliver safe drinking water to individual households who meet eligibility requirements.

Dated: December 16, 2014

  
\_\_\_\_\_  
REX BOHN, Chair  
Humboldt County Board of Supervisors

Adopted on motion by Supervisor Fennell, seconded by Supervisor Lovelace, and the following vote:

AYES:	Supervisors	Sundberg, Lovelace, Bohn, Fennell, Bass
NAYS:	Supervisors	--
ABSENT:	Supervisors	--
ABSTAIN:	Supervisors	--

**BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA**

Certified copy of portion of proceedings, Meeting of December 16, 2014

RESOLUTION NO. 14-108

STATE OF CALIFORNIA    )  
County of Humboldt        )

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be a full, true, and correct copy of the original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California as the same now appears of record in my Office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.



By ANA HARTWELL  
Deputy Clerk of the Board of Supervisors of the  
County of Humboldt, State of California