



COUNTY OF HUMBOLDT

For the meeting of: 10/7/2025

File #: 25-1168

To: Board of Supervisors

From: Planning and Building Department

Agenda Section: Consent

Vote Requirement: 4/5th

SUBJECT:

Supplemental Budget in the Amount of \$4,100 for Community Development Block Grant (CDBG) Program Income (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the supplemental budget (Attachment 1) in the amount of \$4,100 for the CDBG Program Income budget unit 3613-551 for fiscal year 2025-26 (4/5 Vote Required); and
2. Provide the Planning and Building Department with the notice of action.

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Housing for All

Strategic Plan Category: 4002 - Increase and prioritize housing development

DISCUSSION:

This item is requesting your Board approve a supplemental budget action to move \$4,100 of project income (not General Fund money) from the CDBG Special Revenue Fund 3613 into operating budget 551 and increase appropriations in this budget unit's professional services line (3613551-2118) (Attachment 2) to allow payment of a foreclosure vendor to conduct a foreclosure.

The Housing and Grants Division of the Planning and Building Department services a residential loan portfolio created through administration of past CDBG grants. Loan servicing follows a Loan Servicing Policy reviewed and approved by CDBG and by the California Department of Housing and Community Development (HCD). The Loan Servicing Policy includes a Foreclosure Policy for loans that are in default. Loan servicing and foreclosure activities are paid for with Program Income, which comes from loans that are repaid.

There is currently one loan in default. The borrower is unresponsive to staff's efforts to bring them into compliance. The department's foreclosure vendor provided an estimate of \$4,100 to conduct a foreclosure (Attachment 1). The expectation is that initiation of the Foreclosure Policy will motivate the borrower to cure the default, at which time the process would stop, as would fees.

SOURCE OF FUNDING:

CDBG Program Income (3613-551)

FINANCIAL IMPACT:

<i>Expenditures (3613551)</i>	FY25-26 Projected*
<i>Budgeted Expenses</i>	<u>\$0</u>
<i>Additional Appropriation Requested</i>	<u>\$4,100</u>
<i>Total Expenditures</i>	<u>\$4,100</u>

**Projected amounts are estimates and are subject to change.*

<i>Funding Sources (3613551)</i>	FY25-26 Projected*
<i>3613 Use of Fund Balance</i>	<u>\$4,100</u>
<i>Total Funding Sources</i>	<u>\$4,100</u>

**Projected amounts are estimates and are subject to change.*

Narrative Explanation of Financial Impact:

The CDBG Program Income has sufficient funds in 3613 fund balance for the foreclosure fees to the extent they are accumulated up to the maximum estimated and a portion of staff salaries. The attached supplemental budget in the amount of \$4,100 will increase appropriations in 3613-551 to process the foreclosure. There is a portion of salaries that is covered by the General Fund that has already been factored into the existing Advance Planning (1100-282) General Fund allocation.

Narrative Explanation of Staffing Impact:

There are no staffing impacts.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board can choose to deny this request; however, this is not recommended because it would violate approved policies and put the loan at further risk.

ATTACHMENTS:

1. Placer Foreclosure Estimate
2. CDBG Supplemental Budget

PREVIOUS ACTION/REFERRAL:

Meeting of: N/A

File No.: N/A