

## BUSINESS PLAN

### *Humboldt County – Rio Dell Area Disaster Relief*

We look forward to the opportunity to partner with the community of Rio Dell in Humboldt County and working with Humboldt County OES and area partners to provide disaster relief. Our mission at Habitat for Humanity Yuba/Sutter is to end homelessness and substandard housing by providing permanent housing and affordable homeownership possible in the communities we serve.

#### OVERVIEW:

In response to a magnitude 6.4 earthquake that occurred in Humboldt County on December 20, 2022, and a following 5.4 magnitude earthquake on New Year's Day 2023, Habitat for Humanity Yuba/Sutter and Humboldt County OES entered into a Memorandum of Understanding from January 19, 2023, through June 30, 2025. The goal of this partnership is to provide services to the City of Rio Dell (and surrounding areas) to help displaced families by repairing and/or replacing earthquake-damaged homes.

Habitat would work with Humboldt County as a fiscal agent, coordinate the work of sub-contractors, intake applicants and partner agencies with qualifying low-income families, rental property owners, and area non-profit agencies.

The focus would be on navigating currently displaced low-income families to temporary housing, giving priority to units that have been 'RED Tagged' by code enforcement departments, and engaging property owners who seek work to provide their units as affordable housing. Additionally, the program will now include Owner Occupied Rehabilitation for low-income homeowners who have been unable to secure funding elsewhere and desperately need repairs.

Habitat will provide opportunities and outreach through non-profit partnerships, local government agencies, and via our website for the utilization of funding and in providing the USDA 502 and 504 programs.

All current and future monies provided through disaster donations, State grants, and gifts-in-kind to the project will be placed into an account that will be directed to serving the people of Rio Dell.

#### PROCESS:

Habitat for Humanity Yuba/Sutter will provide a Program Brochure to Humboldt County OES and the City of Rio Dell that will be utilized with partner agencies who will be providing outreach services in the local community. The document will provide detailed information on how to apply:

- a. Displaced low-income renters and low-income owner occupants will be directed to our Disaster Case Management Service Provider to help establish case management and work with the individual or family to apply for housing and repairs.
- b. Rental Property Owners seeking repairs will be directed to our Website to apply for property repairs. In order to be approved for work, they must agree to provide the unit as affordable housing and work with us to place individuals in advance of any work to be completed to qualify.

During the application process we will assess the unit or home to compile work needs to be completed:

a. A Physical Needs Assessment (PNA) will need to be completed on each home. This would establish the work related to the earthquake and issues pertaining to the unit that were not the result of the earthquake. The PNA would take into account any documentation provided within RED Tags and YELLOW Tags provided by state and local Code Enforcement.

i. Only work related to the earthquake would be completed through this grant process. Any additional work requested by the property owner or homeowner would be at their expense and done at such a time the earthquake repairs are finished.

ii. The property owner or homeowner would receive a copy of the PNA and the details of the PNA would be included in their work agreement.

iii. The contractor's scope of work would be consistent with the PNA and any findings later would need to be approved after review by the PNA Contractor. This protects both the property owner/homeowner and the contractor from liability related to the scope of work.

b. A minimum of 2 bids will be required for any work over \$25,000 in value. Contractors' bids would need to be signed by the property owner or homeowner. Habitat will require contractors to provide Worker's Compensation Insurance, Liability Insurance, and a Builder's Risk Policy equal to the value of the work being conducted. Contractors will be required to pull permits and will need to complete any and all work required by the building departments as it relates to the scope of work.

c. Habitat would provide a grant up to \$10,000 as well as an additional 'no interest' loan attached to it that would be due and payable by the property owner or homeowner. Requirements for the grant and loan would require the property owner to provide proof that the property remains as affordable housing or any and all notes become due and payable. The loan would be recorded and secured by a Deed of Trust and a Rider to the Deed of Trust containing the covenants, conditions, and restrictions.

#### Completion of Application:

a. Once the project is approved and the scope of work is completed, the property owner will complete a new lease agreement with a current tenant or a new tenant selected from those working with our Disaster Case Management Service Provider. The lease agreement will be required to be completed for a minimum of two years – pending any violations by the tenant that would result in the termination of tenancy. The property owner would also be required to sign a Promissory Note and Deed of Trust for the balance of the no-interest loan in case the work needing completion goes beyond the \$10,000 grant. This note would include the requirements that the property remain as affordable housing and that the property owner provide proof annually.

b. Homeowners receiving assistance will be required to sign a Promissory Note and Deed of Trust for the balance of the no-interest loan in case the work needing completion goes beyond the \$10,000 grant. This note would include requirements for maintaining the property and providing proof of residence annually.

c. Once the note is signed, the contractor may begin work. The scope of work will be included in the language in the promissory note as indicated within the contractor's proposal.

#### Completion of Work:

a. Once the work is finished a Notice of Completion will be signed by the property owner or homeowner,

and the Promissory Note, Deed of Trust, and Rider to the Deed of Trust will be recorded with the Humboldt County Recorder's Office.

b. Within 48 hours of the signing of the Notice of Completion, the tenant or homeowner will have access to the property; this language will be included in the Grant Agreement and Loan Agreement.

c. Notification will be provided to Humboldt County and Rio Dell regarding relocation, and additionally, our Disaster Case Management Service Provider will be notified so that they may update casework records for their client.

This amendment incorporates the new focus on assisting low-income homeowners with necessary repairs, while still addressing the needs of rental property owners and displaced renters.

**COMMUNICATIONS:**

Habitat for Humanity Yuba/Sutter will be the intermediary for communications with local government, contractors, property owners and partner agencies representing renter clients. The agencies and those representing the agencies involved will be as follows:

Habitat for Humanity Yuba/Sutter – Organizational Oversight

JOSEPH HALE

[jhale@yubasutterhabitat.org](mailto:jhale@yubasutterhabitat.org)

President & CEO

Attn: Administration

202 D Street

Marysville, CA 95901

Office: (530) 742-2727, Ext. 211

Mobile: (530) 845-8354

Habitat for Humanity Yuba/Sutter – Project Coordinator

JOHN NICOLETTI

[jnicoletti@yubasutterhabitat.org](mailto:jnicoletti@yubasutterhabitat.org)

Deputy Director – Public Relations & Disaster Management

Attn: Administration

202 D Street

Marysville, CA 95901

Office: (530) 742-2727, Ext. 207

Mobile: (530) 701-1773

Habitat for Humanity Yuba/Sutter – Family Services Department

Camille Benner

[cami@yubasutterhabitat.org](mailto:cami@yubasutterhabitat.org)

(916) 240-3279

202 D Street  
Marysville, CA 95901

Office: (530) 742-2727, Ext. 5

Habitat Consultant – Associated Inspection Services

JEFF HERBOLD SHIMER

[inspector@syix.com](mailto:inspector@syix.com)

Licensed General Contractor and PNA Inspector

10329 Township Road

Live Oak, CA 95953

Mobile: (530) 713-9393

Eel River Valley Long Term Recovery Group

NICK BOWN-CRAWFORD

[nick@humboldtmade.com](mailto:nick@humboldtmade.com)

Arcata House Partnership

DARLENE SPOOR “Disaster Case Management Leadership

[dspoor@arcatahouse.org](mailto:dspoor@arcatahouse.org)

501 9<sup>th</sup> Street

Arcata, CA 95521

Mobile: (707) 382-5890

**COORDINATION:**

Local Government and agencies should reach out to John Nicoletti with any questions regarding the processes within this document, including matters related to tenant, contractor or property owner issues. For matters related to contract changes, amendments or in requesting program changes please reach out to Joseph Hale.

Applicants and partner agencies representing applicants should reach out to Patricia Archuleta in Family Services with questions regarding how to apply, as well as, to the status of applications.

You may also call Jeff Herboldshimer with any questions related to the completed Physical Needs Assessment or you can reach out to John Nicoletti on his behalf for any clarification needed.

Individuals will be able to apply online as well at [www.yubasutterhabitat.org](http://www.yubasutterhabitat.org). Once we receive an application we will forward their information to a caseworker with the local casework agency to begin the application process.

**BUDGET:**

The budget will be broken down into three areas; Administration, Project Delivery and Direct Loans / Supplemental Grants. The budget below is based upon an initial \$250,000 amount to be provided by Humboldt County. Administration will be set at 10% to cover the cost of oversight. Project Delivery will consist of consultant fees, family services staff time, and project materials. Direct Loans / Supplemental

Grants will be provided to property owners to cover the cost of contracted labor. Additional funding provided would be done at the same percentage rates if further money is provided.

#	Item	Percentage	Dollar Amount
1	Administration	10%	\$25,000
2	Project Delivery	10%	\$25,000
3	Direct Loan / Supplemental Grants	80%	\$200,000

\* Supplemental Grants are up to \$10,000 and the max amount per project is set as follows; \$20,000 for YELLOW Tagged Projects and \$60,000 per RED Tagged Projects. RED Tagged projects would be given priority. The goal would be to complete at least 5 RED Tagged projects through this allotment of funding. The allocation of an additional \$250,000 would increase the estimated number of RED Tagged projects to 10.

**TIMELINES:**

The period of time it will take to process an application will be dependent upon the applicant. Habitat for Humanity Yuba/Sutter will however, provide the following timelines based upon the timely completion of paperwork provided by the applicant.

- 10 Days: Application Process (this includes the necessary paperwork provided by applicant)
- 10 days: Completion of Physical Needs Assessment
- 5 days: Completion of Contractor Bids
- 5 days: Preparation and Signing of Contracts
- 30 – 90 days: Duration of Contracted Work (Repair Only) \*

\* New Construction Projects may vary dependent upon requirements set forth by the building department for demolition and new construction.

**REPORTING:**

Habitat for Humanity Yuba/Sutter will provide a quarterly report on the status of the program. The report will include 1) Funding Balances – including Collected Payments, 2) Outreach Efforts, 3) Number of Applicants that have Applied, 4) Applicant Status and 5) Number of Projects Completed.

*These reports will be provided as follows:*

- April 1 – June 30, 2023: July 15, 2023 Report
- July 1 – September 30, 2023: October 15, 2023 Report
- October 1 – December 31, 2023: January 15, 2024 Report
- January 1 – March 31, 2024: April 15, 2024 Report
- April 1 – June 30, 2024: July 15, 2024 Report

July 1 – September 30, 2024:    October 15, 2024 Report  
October 1 – December 31, 2024:        January 15, 2025 Report

## **DOCUMENTS:**

Below are the following documents that will be utilized across the project. Any and all documents can be provided to the County of Humboldt and the City of Rio Dell upon request and templates will be provided for the following:

1. Program Brochure
2. Application (Tenant/Owner Occupied) \*
3. Application (Property Owner/Landlord) \*
4. Contractor Agreement
5. Physical Needs Assessment
6. Contractor Bid (Including Detailed Scope of Work)
7. Grant Agreement (Up to \$10,000)
8. Loan Agreement
9. Lease Agreement Template & Requirements (For Landlord & Tenant)
10. Lease Agreement Addendum (Requiring Tenant Provide Proof of Income Annually)
11. Annual Report Packet (To Be Provided Annually By Property Owner for Tenant)
12. Notice of Completion
13. Promissory Note
14. Deed of Trust (Affordable Housing / Includes Scope of Work)
15. Rider to the Deed of Trust (Affordable Housing Conditions, Covenants and Restrictions)
16. Quarterly Report

*\* Applicant(s) will need to provide proof of non-coverage of insurance and documentation showing their residents or property was impacted by the earthquakes that occurred between December 2022 and January 2023.*

## **ADDITIONAL SERVICES:**

- Our organization will be working with local agencies approved by Humboldt County and Rio Dell to provide casework services for those with additional needs which include dealing with physical health, mental health and those that may be suffering the effects of displacement and trauma due to the earthquake disaster. Our Family Services Department will coordinate with this agency to determine those with the greatest need and to set a prioritization schedule through the HMIS Data System. Patricia Archuleta will be the contact for this priority service.
- Our Administration will coordinate with the Rio Dell Planning & Building Department on all work to be completed by contractors to make sure that all requirements meet the required building codes and to includes applications that would help in preventing further damage in the future by earthquakes or ground subsidence.

- As a State Loan Packager with the USDA, we will provide 502, 504 and if made available, any disaster relief funding provided by this program. This service as required would be made available to all residents of the Rio Dell area with a prioritization given to those impacted by the disaster. Our Family Services Department will provide information on these programs to partner agencies and local government, as well as, be made available on our Website. The 502 program is a Self-Help Housing Program that covers the cost of new construction for homes. The 504 program is a grant program that provides up to \$10,000 in funding for home repairs for our senior population. More information on these programs is made available at [usda.gov](http://usda.gov).

**FIDUCIARY RESPONSIBILITIES**

Habitat for Humanity Yuba/Sutter has created a Disaster Account specific to the Humboldt area Rio Dell Earthquakes. This information will be provided separately from this document. All funding in this account will be dedicated to providing services to the Rio Dell area and any additional monies collected from grants, donations and through the recovery of funds generated through loans and repayments will be rolled into this account to provide further services in the community.

The County of Humboldt and the City of Rio Dell will have access to bank statements from this account upon request within five (5) business days and the balance of this account will be provided in our Quarterly Reports.

**ORGANIZATIONAL REQUIREMENTS**

Habitat for Humanity Yuba/Sutter is a low income housing provider. All services rendered by our organization must be for the betterment of low income families in the community.

A qualified family is anyone who falls in the following categories:

#	Category	Percentage of Median Income
1	<b>Low Income</b>	<b>50-80%</b>
2	<b>Very Low Income</b>	<b>30-50%</b>
3	<b>Extremely Low</b>	<b>15-30%</b>

Per guidelines, individuals in these categories will not be permitted to pay above 30% of their income towards housing costs. All documentation we provide will meet this HUD and HCD Guideline and the terms of any loan will reflect this through an extended loan duration if necessary.

Families approved for this program or Landlords who agree to provide their property as affordable housing will also benefit from a no interest loan requirement. Meaning the landlord or family will not be required to pay any interest on their note as long as they meet these requirements.

Habitat for Humanity Yuba/Sutter is an equal housing lender and we do not discriminate on the basis of race, color, national origin, religion, sex, handicap, or familial status.

< Signature on Next Page >

Thank you,



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Joseph Hale, CEO  
Habitat for Humanity Yuba/Sutter