



# COUNTY OF HUMBOLDT

For the meeting of: 4/8/2025

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File #: 25-424

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**To:** Board of Supervisors

**From:** Planning and Building Department

**Agenda Section:** Consent

**Vote Requirement:** Majority

**SUBJECT:**

Resolution Authorizing the Signing and Submission of a HOME Investment Partnership Grant Application in the Amount of \$1.25 Million for Continuation of the First-Time Home Buyer Deferred Loan Program and to Launch a Tenant-Based Rental Assistance Grant Program

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Adopt the attached Resolution (Attachment 1):

- a. Authorizing an application submission to the California Department of Housing and Community Development (HCD) for the HOME Investment Partnership (HOME) Program in the amount of \$1,250,000; and
- b. Authorizing and directing the Planning and Building Department Director or his designee to execute in the name of the County of Humboldt the application, the Standard Agreement, and all other documents required by HCD for application to and participation in the HOME Program, and any amendments thereto.

**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:**

On Dec. 30, 2024, and amended Feb. 11, 2025, HCD issued a Notice of Funding Availability (NOFA) for the HOME Program. The purpose of the HOME Program is to support homeownership for moderate and low-income households and to increase housing opportunities for low to very-low-income households. The county will request a funding allocation to continue the First-Time Home Buyer (FTHB) deferred loan program (\$1 million) and begin a Tenant-Based Rental Assistance (TBRA) grant program (\$250,000) to assist renters with one-time security deposits.

**First-Time Home Buyer**

The county has operated the FTHB program with funding from four sources for the last 20 years. First-Time Home Buyer loans supplement out-of-pocket deposits and primary mortgages by providing gap loans to moderate- to low-income buyers. The gap loan acts as a silent second mortgage. The last two FTHB loans, made from a different funding source, provided permanent housing for 10

people, six of whom were children.

#### Tenant-Based Rental Assistance

TBRA is a new program for the department and the program design will be modeled after successful programs in other departments or jurisdictions. The aim is to assist people with limited means with funds for a security deposit, which is often an obstacle to obtaining rental housing.

HOME limits participation to households earning less than 80% of the Area Median Income (AMI). Currently, an individual cannot earn more than \$49,500 per year and a household of four people must earn no more than \$70,650 to be eligible.

If the county applies for \$1,250,000, the funds will assist approximately five first-time home buyers over the 3-year grant period, and 20-30 households that rent housing. When loans are repaid, they go into a county-managed trust fund and those funds may be loaned out again to another qualifying household.

Accordingly, the Planning & Building Department recommends that the Board of Supervisors approve and execute the attached Resolution regarding the application for funding with HCD, and if awarded, the standard agreement and any amendments thereto, to avoid delay as this funding source is competitive.

#### SOURCE OF FUNDING:

California Department of Housing & Community Development HOME Investment Partnership grant derived from federal funds and disbursed on a reimbursement basis as revenue to 1100282202.

#### FINANCIAL IMPACT:

| <i>Expenditures (Fund, Budget Unit) 1100282202</i> | <i>FY24-25</i> | <i>FY25-26 Projected*</i> | <i>FY26-27 Projected*</i> |
|----------------------------------------------------|----------------|---------------------------|---------------------------|
| <b>Budgeted Expenses</b>                           | <b>0</b>       | <b>625,000</b>            | <b>625,000</b>            |
| <b>Additional Appropriation Requested</b>          | <b>0</b>       | <b>0</b>                  | <b>0</b>                  |
| <b>Total Expenditures</b>                          | <b>0</b>       | <b>625,000</b>            | <b>625,000</b>            |

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

| <i>Funding Sources (Fund, Budget Unit) 1100282202</i> | <i>FY24-25</i> | <i>FY25-26 Projected*</i> | <i>FY26-27 Projected*</i> |
|-------------------------------------------------------|----------------|---------------------------|---------------------------|
| <b>General Fund</b>                                   |                | <b>10,000</b>             | <b>10,000</b>             |
| <b>State/Federal Funds</b>                            |                | <b>625,000</b>            | <b>625,000</b>            |
| <b>Total Funding Sources</b>                          |                | <b>635,000</b>            | <b>635,000</b>            |

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

#### Narrative Explanation of Financial Impact:

The total grant amount requested from HCD is \$1,250,000 for a 36-month contract. Activities related to the grant will be budgeted in the Planning & Building Department - Housing & Grants Division (budget unit 1100282202). Expenditure appropriations have not been included in the FY 2024-25 budget. If awarded, the Planning & Building Department will return with a supplemental budget agenda item.

The grant budget includes 10% for salaries, benefits and indirect costs, which is the maximum allowed by HCD for the specific program activities included in this grant. Up to \$125,000, over a 36-month period, may be used by the department to offset the costs associated with administration of the grant. No new staff will be hired. The department budget will include expenses for any portion of the staff salaries not covered by the grant funds. The source will be the General Plan User Fee collected on development permits and the General Fund. The staff expenses supported by the General Plan User Fee and the General Fund will not be more than 33% of total staff costs.

This grant is applicable to the Board's grant policy and a pre-grant questionnaire has been reviewed by the County Administrative Office (Attachment 2).

#### OTHER AGENCY INVOLVEMENT:

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None

**ALTERNATIVES TO STAFF RECOMMENDATIONS:**

The Board could choose not to secure these funds. This is not recommended because the activities proposed for this grant tangibly promote housing for all.

**ATTACHMENTS:**

Attachment 1 - HOME Resolution

Attachment 2 - Pre-grant questionnaire

**PREVIOUS ACTION/REFERRAL:**

Meeting of: N/A

File No.: N/A