



COUNTY OF HUMBOLDT

For the meeting of: 5/24/2022

File #: 22-605

To: Board of Supervisors

From: Planning and Building Department

Agenda Section: Consent

SUBJECT:

Resolution Authorizing the Submittal and Signature of a Local Housing Trust Fund Program Grant Application to Establish a Humboldt County Housing Trust Fund.

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the attached Resolution No. 22-___:
 - a. Authorizing an application to be submitted to the Department of Housing and Community Development (HCD) for the 2022 Local Housing Trust Fund (LHTF) Program for up to \$1.5 million; and
 - b. Reserving and authorizing \$1.5 million of American Rescue Plan Act (ARPA) funding (3232-120200) to be used as a 1:1 match for the establishment of Humboldt County Housing Trust Fund; and
 - c. 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 Local Housing Trust Fund Program, and any amendments; and
 - d. Authorize the Auditor-Controller, upon notice of award of the LHTF grant, to create a trust fund for the LHTF Program.

SOURCE OF FUNDING:

California State Department of Housing and Community Development's Local Housing Trust Fund Program; established by Health and Safety Code (HSC) Section 50842.2.; American Rescue Plan Act/State and Local Fiscal Relief Fund (3232-120200)

DISCUSSION:

The Resolution in Attachment 1 authorizes the Planning and Building Department to submit a grant application to the competitive California Local Housing Trust Fund Program for \$1.5 million to do one or more of the following activities:

1. To provide construction loans and/or permanent financing loans for predevelopment costs, acquisition, construction, or rehabilitation of affordable multifamily rental housing projects, emergency shelters, transitional housing, or permanent supportive housing,
2. To provide financing for low-income households to purchase housing or rehabilitate owner-occupied dwellings, and
3. To finance construction, conversion, repair, and rehabilitation of Accessory Dwelling Units or Junior Accessory Dwelling Units for low-income households.

This funding would be matched by \$1.5 million from the County's American Rescue Plan Act (ARPA) funding available for housing related projects. HCD anticipates announcing LHTF awards in late August 2022.

If awarded, Planning and Building staff will return to the Board with an item to approve program guidelines and procedures to allocate both the ARPA funding LHTF funding beginning in winter of 2022-2023, establish the required Housing Trust Fund, and authorize the Planning and Building Department to disburse the funding according to the approved guidelines and procedures.

This recommended Board action is consistent with the County's 2019 Housing Element Implementation Measure H-IM1: **Pursue Funding for Housing and Emergency Shelter Programs** which states in part,

“The County shall pursue funding for housing and shelter programs, including for single room occupancy housing and rehabilitation of housing. Funding and subsidies shall prioritize development of housing affordable to very low-income households, and where there are extraordinary costs for development affordable housing.”

Description of the Local Housing Trust Fund (LHTF) Program

On April 5, 2022, The Department of Housing and Community Development issued a notice of funding availability for the Local Housing Trust Fund (LHTF) Program. The LHTF program provides matching funds to local and regional housing trust funds dedicated to the creation, rehabilitation, or preservation of affordable housing, transitional housing, and emergency shelters. Staff determined that ARPA funding is an eligible match for the establishment of a Local Housing Trust Fund. If the county applies for and receives LHTF funding the impact of the ARPA funding will be doubled.

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. The ARPA budget unit (3232-120200) will provide the required 1:1 match to establish a housing trust fund. It will not affect the General Fund, because all costs associated with the activities will be provided by the grant. Staff will return to your Board with a supplemental budget item if the county is approved for the grant. Any expenditures resulting from approval of the LHTF grant will be accounted for in Planning and Building - Advance Planning (budget unit 1100-282).

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 the implementation of the Local Housing Trust Fund.

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. 22-_____
2. Draft 2022 Local Housing Trust Fund Application

PREVIOUS ACTION/REFERRAL:

Board Order No.: TBD

Meeting of:

File No.: N/A