



COUNTY OF HUMBOLDT

For the meeting of: 7/12/2022

File #: 22-834

To: Board of Supervisors

From: Planning and Building Department

Agenda Section: Consent

SUBJECT:

Revision to a Resolution Authorizing the Submittal and Signature of a CalHome Program Grant Application for a First Time Homebuyer Loan Program and an Accessory Dwelling Unit Construction Loan Program.

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 2021 CalHome Grant Program for \$2,660,000; and
 - b. 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 CalHome Program, and any amendments.

SOURCE OF FUNDING:

California State Department of Housing and Community Development CalHome Grant; funded by the Affordable Housing Bond Act Trust Fund of 2018.

DISCUSSION:

On Dec. 3, 2021, acting under authorization from your Board, the Planning and Building Department applied to the California Department of Housing and Community Development (HCD) for CalHome Program grant funds. The application included a request to fund two loan programs:

1. Owner-Occupied Rehabilitation Loan Program, and
2. Accessory Dwelling Unit Loan Program

Recently the Planning and Building received a letter of tentative award from HCD for the application submitted in December. HCD requested some revisions to the resolution submitted with the application. The requested changes have been incorporated into the revised resolution:

1. Specifying the funding amount for the Owner-Occupied Rehabilitation Loan Program as

- \$1,610,000 which will assist up to 15 households, and
2. Specifying the funding amount for Accessory Dwelling Unit Loan Program as \$1,050,000 which will result in the production of up to 9 Accessory Dwelling Units.

Staff is recommending that your Board make these minor revisions to the resolution so that the county can secure \$2,660,000 to implement the Owner-Occupied Rehabilitation (OOR) and ADU program loan programs.

The county has operated an OOR program with funding from three sources for the last 16 years. The OOR program provides loan funds to income qualified homeowners to make needed repairs on their homes. Borrowers may make health and safety improvements. Energy efficiency improvements are also an eligible expense. The ADU program loans provide a subordinated, deferred, low-interest loan to qualifying homeowners to develop a second unit on their property. CalHome loans may also be used for ADU/JADU rehabilitation, reconstruction, or repair. The county applied unsuccessfully for funding from the CalHome ADU program in 2020.

Currently the CalHome Program limits participation to individuals and households that earn less than 80% of the area's median income. In 2021, an individual earning less than \$39,150 per year is eligible to borrow CalHome funds; a household of four people would need to earn less than \$55,900 to be eligible. In most cases, the maximum funding amount per loan is \$100,000.

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. It will not affect the General Fund, because all costs associated with the activities will be provided by the grant.

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 implementation of the grant.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to secure these funds through this resolution revision. This is not recommended because there is a demand for additional housing in Humboldt County.

ATTACHMENTS:

1. Board of Supervisors Resolution No. 22-_____

PREVIOUS ACTION/REFERRAL:

File #: 22-834

Board Order No.: 21-123

Meeting of: 11/16/2021

File No.: 21-1606