



COUNTY OF HUMBOLDT

Legislation Text

File #: 19-1032, **Version:** 1

To: Board of Supervisors
From: Planning and Building Department

Agenda Section: Consent

SUBJECT:

Authorization to Release Lien on Open Door Community Health Center Office Building Located at 1522 3rd Street, Eureka

RECOMMENDATION(S):

That the Board of Supervisors:

1. Authorize staff to release the lien on Open Door Community Health Center office building located at 1522 3rd Street, Eureka.

SOURCE OF FUNDING:

Community Development Block Grant

DISCUSSION:

Department staff is requesting permission to release the lien on the Open Door Community Health Center (Open Door) office on 3rd Street in Eureka. In 2010 the county received funding from the Community Development Block Grant (CDBG) Program to assist the Mobile Medical Services to acquire their office on 3rd Street. Mobile Medical Services terminated operations in 2011 and the asset was transferred to Open Door.

The original concept was to grant the funds for acquisition of the facility, but CDBG requires that a lien is placed on all public facilities to ensure that federal funds are used for the same public service activity for a minimum of five years. The lien, in the amount of \$360,000, was placed on the property February 6, 2012. There is no associated Promissory Note as the intention was to provide funds as a grant, not a loan. The county has several similar CDBG liens on public facilities that received grants. The facility continues to operate at this site, which is more than the five years. Open Door staff is asking that the lien be removed to allow them to better service community health needs at the main property located on Tydd Street in Eureka.

FINANCIAL IMPACT:

There will be minimal staff costs, less than \$250, to facilitate the reconveyance of the Deed of Trust. If the funds were repaid they would not be repaid to the general fund but would be placed in the CDBG

restricted fund and be used for a CDBG eligible project.

OTHER AGENCY INVOLVEMENT:

Open Door Community Health Center

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose to deny the request and have the funds repaid and deposited in the CDBG restricted fund. Given the importance of community health care this is not recommended.

ATTACHMENTS:

None

PREVIOUS ACTION/REFERRAL:

Board Order No.: None

Meeting of: None