



STAFF REPORT – CITY COUNCIL MEETING

July 17, 2024

TO: Honorable Mayor and City Council Members

FROM: David Loya, Director of Community Development

PREPARER: Nick Brichta, Community Development Specialist

DATE: July 09, 2024

TITLE: **Adopt Resolution No. 245-03, A Resolution of the City Council of the City of Arcata adopting the CalHome Mobilehome Ownership Program Guidelines.**

RECOMMENDATION:

It is recommended that the Council adopt Resolution No. 245-03, A Resolution of the City Council of the City of Arcata Adopting the CalHome Mobilehome Ownership Program Guidelines.

INTRODUCTION:

The City was awarded a CalHome grant in November of 2023 to be used for homebuyer mortgage assistance limited to manufactured homes. City Staff worked with Department of Housing and Community Development (“Department”) staff to develop guidelines for the program which satisfy the requirements for CalHome funding. Adoption of Resolution No. 245-03 (“Attachment A”) will approve this final draft of the CalHome Mobilehome Ownership Program guidelines (“Exhibit 1”) for use, and staff will open the program to applicants.

BACKGROUND: In March of 2023, the City applied to the Department for a CalHome grant to support its Homeownership Program, which had previously used now-ineligible HOME Partnership Program funds. The City applied for funding to assist in the purchase of 3-5 homes and two mobilehomes. While homebuyer assistance funding for stick-built homes was oversubscribed, in November of 2023, the City received a CalHome grant award in the amount of \$139,593 for homebuyer mortgage assistance limited to manufactured homes. This funding is expected to help finance the purchase of two mobilehomes as directed by Attachment B.

DISCUSSION: City staff have worked with Department staff since the execution of the Standard Agreement to develop compliant guidelines, the most recent draft of which has been approved by the Department. These guidelines describe the application and home purchase processes, set requirements for applicant and housing unit eligibility, and outline the program loan.

This program will assist first time homebuyers with incomes at or below 80% of the adjusted median income for Humboldt County purchase a new or previously owned manufactured homes located in a licensed mobilehome park within the limits of the City of Arcata. These loans shall not exceed 40% if the purchase price for mobilehomes, up to a maximum of \$80,000. All Program assistance shall be made in the form of a forgivable 20-year deferred loan at one and a half percent (1.5%) interest as

required by State CalHome policy. Ten percent (10%) of the principal of the loan shall be forgiven each year beyond the 10th year that the home is owned and continuously occupied by the homeowner. CalHome program loans are due upon sale or transfer, excepting some specific circumstances.

ENVIRONMENTAL REVIEW (CEQA): Environmental Review for compliance with CEQA will be completed for each grant to resident-owners. NEPA Categorical Exempt per 24 CFR58.34(a)(3) (Administration of Program)

BUDGET/FISCAL IMPACT: Most revenue from the CalHome program will pass through to homebuyers. Up to ten percent of the total CalHome Award may be drawn for Activity Delivery Fees.

ATTACHMENTS:

A. Resolution 245-03 (PDF)