



STAFF REPORT – CITY COUNCIL MEETING

TO: Honorable Mayor and City Council Members

FROM: David Loya, Director of Community Development

PREPARER: Sara Channell, Community Development Specialist II

DATE: September 17, 2025

TITLE: Adopt Resolution No. 256-10 Adopting the Permanent Local Housing Allocation Owner-Occupied Rehabilitation Program Guidelines – California Environmental Quality Act (CEQA) Exempt per the Commonsense Exemption.

RECOMMENDATION:

It is recommended that the Council:

Adopt Resolution No. 256-10 a resolution of the City Council of the City of Arcata adopting the Permanent Local Housing Allocation Owner-Occupied Rehabilitation Program Guidelines.

INTRODUCTION:

The City has applied for the 2022 and 2023 allocations from the Permanent Local Housing Program (PLHA), administered by the California Department of Housing and Community Development (HCD) to develop and operate an owner-occupied rehabilitation program. City Staff have drafted program guidelines and are working with HCD staff to ensure guidelines meet PLHA Program requirements. Adoption of Resolution 256-10 (“Attachment A”) will approve this draft of the PLHA Owner-Occupied Rehabilitation Program Guidelines (“Attachment B”) allowing staff to begin outreach to eligible homeowners.

BACKGROUND:

In December of 2024, the City applied for 2022, and 2023 PLHA allocations, totaling \$183,976 from HCD to support low-income homeowners in making essential repairs to their homes. The PLHA Program provides financial assistance to homeowners for rehabilitation projects, and the City is preparing to access these funds. The funding will be allocated through a combination of amortized loans and deferred payment loans, with the City of Arcata acting as the Program Operator.

DISCUSSION:

The Owner-Occupied Rehabilitation Program will provide funding to households with income at or below 80% of the adjusted median income (AMI) for Humboldt County. The assistance will cover the cost of eligible repairs, accessibility upgrades, and energy efficiency upgrades.

Program funding will be awarded as two types of loans:

- Amortized Loans: Fixed simple interest rate of 1.5 % for households at or below 80% AMI.

- Deferred Payment Loans: Fixed simple interest rate of 1.5% with no required repayment for 15 years for households at or below 60% AMI.

The City of Arcata's Housing Rehabilitation Program is designed to help qualified owners rehabilitate their homes. Allowable repairs include eliminating code violations, substandard conditions, and health and safety issues (e.g., plumbing, roofing, electrical, heating, accessibility upgrades, energy efficiency upgrades).

The City will administer the program, acting as the Program Operator for management and oversight of all aspects of the program. Funds will be disbursed to the qualified vendors for home rehabilitation.

ENVIRONMENTAL REVIEW (CEQA):

There are no specific sites proposed for the Owner-Occupied Rehabilitation Program. Generally, rehabilitation of existing structures would qualify as CEQA exempt as ministerial projects, or Existing Facilities (CEQA Guidelines Sec. 15301), and/or Minor Modifications to Land (CEQA Guidelines Sec. 15304). Any project that would not qualify for an exemption is speculative at this time and would require independent environmental review. As proposed, it can be seen with certainty that the program does not have the ability to affect the environment. As such, this action is subject to the commonsense exemption (CEQA Guidelines Sec. 15061(b)(3)).

The funding does not trigger NEPA.

BUDGET/FISCAL IMPACT:

The Owner-Occupied Rehabilitation Program will be funded through the 2022, and 2023 PLHA allocations, totaling \$183,976, where 5% of the award may be used for administrative costs.

RECOMMENDED COUNCIL ACTION:

1. Motion to Adopt Resolution No. 256-10 Adopting the PLHA Owner-Occupied Rehabilitation Program Guidelines. Consent Calendar vote.

ATTACHMENTS:

- A. Resolution No. 256-10
- B. PLHA Owner-Occupied Rehabilitation Program Guidelines