



STAFF REPORT – CITY COUNCIL MEETING

TO: Honorable Mayor and City Council Members

FROM: David Loya, Community Development Director

PREPARER: Sara Channell, Community Development Specialist II

DATE: October 1, 2025

TITLE: Adopt Resolution No. 256-12 Approving Guidelines for the HOME Investment Partnership Tenant-Based Rental Assistance (TBRA) Program – Not a Project Pursuant to the California Environmental Quality Act (CEQA).

RECOMMENDATION:

It is recommended that the Council adopt Resolution No. 256-12 Approving Guidelines for the HOME Investment Partnership Tenant-Based Rental Assistance (TBRA) Program – not a project per California Environmental Quality Act (CEQA).

INTRODUCTION:

On May 1, 2024, the City Council, through Resolution No. 234-39, authorized the submission of the 2022-2023 HOME Investment Partnership Program (HOME) grant application to extend the City's current Tenant-Based Rental Assistance (Rental Assistance) Program for the next three years. On August 7, 2025, the City was awarded the HOME grant for the rental assistance program in the amount of \$1,500,000. In addition to securing funds to operate the program, the City will need to adopt program guidelines. Resolution No. 256-12 will approve the TBRA Program Guidelines.

BACKGROUND:

The City of Arcata's Community Development Department operated a TBRA program starting October 13, 2020, with \$1,000,000 from a 2019 HOME grant. The program has provided assistance with rent, utility costs, and security deposits to a total of ninety-five (95) low-income households in Arcata. The program's waitlist gives preference to seniors and homeless individuals in Arcata as per Council direction.

DISCUSSION:

The proposed Rental Assistance Program is similar to the U.S Department of Housing and Urban Development (HUD) Housing Voucher Program and is designed to assist eligible low-income renters fulfill short-term gaps in their ability to meet basic housing needs. Establishing this Rental Assistance Program will fill a critical gap and provide much-needed support for housing. Unlike the Housing Voucher Program, which is ongoing, the Rental Assistance Program is limited to 24 months of assistance per recipient.

The Rental Assistance Program Guidelines have been drafted in HCD's general format. Any Arcata rental household with an income less than 60% of the area median, as defined by the U.S. Department of Housing and Urban Development, is qualified to apply for assistance from the program; however, the program operator will give waitlist priority to seniors over age 55 and homeless people. The decision to give waitlist priority to seniors and homeless people was based on the Council's direction at the January 18, 2017, council meeting. The program authorizes the funds to be used to:

- A. Provide Rental Assistance to help pay monthly rent and utility costs; and
- B. Provide security deposit assistance, if needed; and
- C. Fund utility deposit assistance in conjunction with Rental Assistance subsidy or security deposit assistance.

The City will administer the program, acting as the Program Operator for management and oversight of all aspects of the program.

ENVIRONMENTAL REVIEW (CEQA):

This program is not subject to CEQA because adopting guidelines to operate a program on sites not identified is not a project according to CEQA.

Additionally, under NEPA, the program is Categorically Exempt per 24 CFR58.34(a)(3) (Administration of Program). The program does not involve physical development or construction and does not have the potential to cause significant environmental impacts.

BUDGET/FISCAL IMPACT:

This program will require both activity delivery and administrative funds to administer the program, which will use HOME program income funds that could be spent on other housing programs and projects. Staff has not identified any alternative projects or programs that might effectively utilize HOME program income funds at this time, however the use of Program Income funds has a potential opportunity cost on other projects or programs. Funds spent on the Rental Assistance Program are not recaptured through loan repayment or other means.

RECOMMENDED COUNCIL ACTION:

Motion to adopt Resolution No. 256-12 Approving Guidelines for the HOME Investment Partnership Tenant-Based Rental Assistance (TBRA) Program – not a project per CEQA. Consent Calendar vote.

ATTACHMENTS:

- A. Resolution 256-12