



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: December 17, 2025

TITLE: Adopt Resolution No. 256-19, A Resolution of the City Council of the City of Arcata Adopting the Primary Loan Program Guidelines to Work in Conjunction with the CalHome Mobilehome Ownership Program Guidelines.

RECOMMENDATION:

It is recommended that the City Council: Adopt Resolution No. 256-19 A resolution of the City Council of the City of Arcata Adopting the Primary Loan Program Guidelines to Work in Conjunction with the CalHome Mobilehome Ownership Program Guidelines.

INTRODUCTION:

The City of Arcata received a CalHome grant from the Department of Housing and Community Development (“Department”) to support affordable mobilehome ownership opportunities for low-income first-time homebuyers. To address lending limitations identified during program development, staff have prepared program guidelines for a companion City-funded Primary Loan Program. Adoption of Resolution No. 256-19 (“Attachment A”) will approve the final draft for the Primary Loan Program guidelines (“Exhibit 1”). Together, these programs will expand access to homeownership for qualifying households purchasing manufactured homes within Arcata.

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 three to five homes and two mobilehomes.

In November 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. A Standard Agreement between the City and the Department was executed on February 12, 2024, authorizing implementation of the program.

During program development, staff identified that primary lenders were unable to pair their loans with the City’s CalHome secondary loans due to financing constraints. In response, the City Council, during the Fiscal Year (FY) 2025/2026, approved an allocation of \$192,000 to establish a Primary Loan Program to be implemented alongside the CalHome Mobilehome Ownership Program.

DISCUSSION:

The Guidelines establish the framework for issuing City-funded primary loans to qualified applicants within the CalHome Mobilehome Ownership Program. The guidelines define the application and home purchase processes, specify eligibility requirements for applicants and housing units, and outline the terms of the program loan.

Together, these programs will assist first time homebuyers with incomes at or below 80% of the adjusted median income for Humboldt County to purchase 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 55% of the purchase price for mobilehomes. All program assistance shall be made in the form of a 20-year amortized loan with monthly payments at three percent (3%) interest. Program loans are due upon sale or transfer.

ENVIRONMENTAL REVIEW (CEQA):

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

BUDGET/FISCAL IMPACT:

City Council approved \$192,000 from the Basic Fund (250) in the FY25/26 budget in order to fund primary loans which enables the City to use their CalHome grant funds. CalHome funding will be used for administration costs associated with this program.

RECOMMENDED COUNCIL ACTION:

Motion to adopt Resolution No. 256-19, A Resolution of the City Council of the City of Arcata Adopting the Primary Loan Program Guidelines to Work in Conjunction with the CalHome Mobilehome Ownership Program Guidelines. Consent Calendar vote.

ATTACHMENTS:

- A. Resolution No. 256-19