



STAFF REPORT – CITY COUNCIL MEETING

TO: Honorable Mayor and City Council Members

FROM: David Loya, Director of Community Development

PREPARER: Sara Cunha, Community Development Specialist II

DATE: February 4, 2026

TITLE: Adopt Resolution No. 256-35 Adopting Permanent Local Housing Allocation Funding Allocations for the 2021, 2022, and 2023 Allocation Years; California Environmental Quality Act (CEQA) Exempt per the Commonsense Exemption (CEQA Guidelines Sec. 15061(b)(3)).

RECOMMENDATION:

Adopt Resolution No. 256-35, A Resolution of The City Council of The City of Arcata Adopting Permanent Local Housing Allocation (PLHA) Funding Allocations for the 2021, 2022, and 2023 Allocation Years to implement the Owner-Occupied Rehabilitation Program; CEQA Exempt per the Commonsense Exemption (CEQA Guidelines Sec. 15061(b)(3)).

INTRODUCTION:

The City of Arcata has applied for and received funding for the 2021, 2022 and 2023 allocations from the Permanent Local Housing Allocation (PLHA) Program, administered by the California Department of Housing and Community Development (HCD) to develop and operate an Owner-Occupied Rehabilitation (OOR) Program.

City Council has previously approved the PLHA Owner-Occupied Rehabilitation program guidelines, which are designed to help qualified homeowners make critical repairs to their properties. Eligible improvements include the correction of code violations, remediation of substandard conditions, and health and safety upgrades such as plumbing, roofing, electrical, heating, accessibility, and energy efficiency improvements.

HCD requires jurisdictions to formally adopt PLHA funding allocations by resolution, including the specific allocation years and associated funding amounts, prior to expending funds. Adoption of Resolution No. 256-35 satisfies this requirement and authorizes the City Manager to take actions necessary to establish and implement the PLHA Owner-Occupied Rehabilitation Program and to expend funds accordingly.

BACKGROUND:

The PLHA Owner-Occupied Rehabilitation Program is designed to assist income-qualified homeowners with critical repairs that improve health, safety, and accessibility. Eligible

improvements include correction of code violations, remediation of substandard conditions, and upgrades such as plumbing, roofing, electrical, heating, accessibility, and energy efficiency improvements.

In December 2024, the City applied for PLHA funding for the 2021, 2022, and 2023 allocation years to support low-income homeowners in making essential health, safety, and accessibility-related repairs to their homes. The City Council authorized amendments to the PLHA application for these allocation years by Resolution No. 245-15. On November 20, 2025, the City Council approved the Owner-Occupied Rehabilitation Program Guidelines by Resolution No. 256-22. These guidelines establish program eligibility requirements, allowable uses of funds, and administrative procedures.

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DISCUSSION:

The PLHA Owner-Occupied Rehabilitation Program is an eligible activity under PLHA Activity 7 – Owner-Occupied Rehabilitation. Through this program, the City will use PLHA funds to operate an Owner-Occupied Rehabilitation Program that provides deferred-payment loans to eligible homeowners for essential home repairs needed to meet health, safety, and building code standards, as well as accessibility improvements. Applicants must meet income eligibility requirements and qualify as low- to moderate-income households.

The program has been awarded PLHA funding for the following allocation years and amounts:

- 2021 Allocation: \$208,201
- 2022 Allocation: \$107,399
- 2023 Allocation: \$76,577

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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 2021, and 2022 and 2023 PLHA allocations, totaling \$392,177, where 5% of the award may be used for administrative costs.

RECOMMENDED COUNCIL ACTION:

Motion to adopt Resolution No. 256-35, A Resolution of The City Council of The City of Arcata Adopting Permanent Local Housing Allocation (PLHA) Funding Allocations for the 2021, 2022, and 2023 Allocation Years to implement the Owner-Occupied Rehabilitation Program; CEQA Exempt per the Commonsense Exemption (CEQA Guidelines Sec. 15061(b)(3)). Consent Calendar vote.

ATTACHMENTS:

- A. Resolution No. 256-35