COUNTY OF HUMBOLDT

For the meeting of: 10/6/2026

File #: 26-963

To: Board of Supervisors

From: Planning and Building Department

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:
Authorization to Submit Applications to the California Department of Housing and Community Development to use $1,810,078 of HOME Investment Partnership Program Income to Provide Additional Funding for the We Are Up project and to Provide Loans for the Owner-Occupied Rehab Program

RECOMMENDATION(S):
That the Board of Supervisors:

1. Adopt the Resolution (Attachment 1) to take the following actions:
   a. Approve an application for a contract to implement an affordable housing rental project using HOME program income (PI); and
   b. Authorize and direct the Planning & Building Department Director to execute in the name of the County of Humboldt the application, standard agreement, and all other documents required for participation in HOME programs, and any amendments thereto; and
2. Adopt the Resolution (Attachment 2) to take the following actions:
   a. Approve an application for a contract to implement an Owner-Occupied Rehabilitation Loan Program using HOME program income (PI); and
   b. Authorize and direct the Planning & Building Department Director to execute in the name of the County of Humboldt the application, standard agreement, and all other documents required for participation in HOME programs, and any amendments thereto; and
3. Direct the Clerk of the Board to return one fully executed and certified copy of each Resolution to the Planning & Building Department.

STRATEGIC PLAN:
This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Housing for All

Strategic Plan Category: 4002 - Increase and prioritize housing development

DISCUSSION:

For approximately 25 years the county has been applying for funding from the HOME Investment Partnership (HOME) program. The US department of Housing and Urban Development funds the HOME Program, funding is disbursed to non-entitlement jurisdictions by the California Department of Housing and Community Development (HCD). HOME funds have been loaned and granted to fund housing projects and programs in Humboldt County. Currently the county's HOME loan portfolio has 40 active loans valued at approximately $14.6 million. From time-to-time, interest and principal on these loans are repaid. These repayments become program income that can be applied to HOME eligible projects and programs. Currently the HOME program income is held in a trust fund, Budget Unit 3960553201, and has a balance of $1,810,078.

HCD's application of the HOME program guidelines require that program income be allocated before additional grant funds are disbursed. The County of Humboldt has an award for $1 million that cannot be accessed until PI funds are allocated. The county is not eligible to apply for additional HOME funding until the PI is allocated, and it is possible that the federal HOME program could try to recapture unallocated HOME program income and return it to the federal budget. The HOME program requires that local jurisdictions apply to use program income and to enter into a standard agreement to access program income. For these reasons staff have prepared draft resolutions authorizing two applications to utilize the HOME program income on hand.

The first application will allocate $1,525,000 to the We Are Up Project. The HOME PI funds will narrow We Are Up's funding gap for the $22.3 million, 30-unit affordable rental housing project in McKinleyville and make the project likely to be fully funded with a Low-Income Tax Credit Allocation in 2027. The second application will allocate $239,078 of program income on hand, and up to $500,000 of future program income receipts, to the county's Owner-Occupied Rehabilitation (OOR) Loan Program. When approved, these applications will fully allocate the county's HOME program income. Administrative funds have been reserved for the ongoing operation and management of the HOME program income.

The resulting $1,810,078 budget and projected future receipts of program income will be split over Fiscal Years 2026-27 and 2027-28.

SOURCE OF FUNDING:

California Department of Housing & Community Development HOME Investment Partnership Program Income Revolving Loan Fund (3960).

FINANCIAL IMPACT:

Narrative Explanation of Financial Impact:

This action will make $1,810,078 available for expenditure. Activities related to the allocation of

program income will be budgeted in the Home Program Income Budget Unit (3960553-201).

Two and a half percent of allocated funds may be used for salaries and benefits to offset the costs associated with administration of the program income. The department budget will include expenses for any portion of the staff salaries not covered by the grant funds. The source will be the General Plan User Fees collected on development permits and the General Fund. The staff expenses supported by the General Plan User Fee and the General Fund will not be more than 33% of total staff costs.

OTHER AGENCY INVOLVEMENT:
None

ALTERNATIVES TO STAFF RECOMMENDATIONS:
The Board may elect not to approve the resolutions authorizing the use of HOME Program Income. Staff does not recommend this action as it will prevent the Planning & Building Department from utilizing $1,810,078 for a housing project and program implementation.

ATTACHMENTS:
Attachment 1 - Draft Resolution - We Are Up Project
Attachment 2 - Draft Resolution - OOR

PREVIOUS ACTION/REFERRAL:
None