COUNTY OF HUMBOLDT

For the meeting of: 10/6/2026

File #: 26-964

To: Board of Supervisors

From: Planning and Building Department

Agenda Section: Consent

Vote Requirement: 4/5th

SUBJECT:
Supplemental Budget to Move $560,078 from Special Revenue Fund 3960 to Budget Unit 3960553201 to Pay HOME Program Expenses to Occur in Fiscal Year 2026-27 (4/5 Vote Required)

RECOMMENDATION(S):
That the Board of Supervisors:

1. Approve a Supplemental Budget (Attachment 1) to Move $ 560,078 from Special Revenue Fund 3960 to Budget Unit 3960553-201. (4/5 Vote Required)

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:
The Board is being asked to approve a supplemental budget adjustment to move $560,078 from Special Revenue Fund 3960 to Budget Unit 3960553-201 to pay HOME Program Expenses during the 2026-2027 fiscal year. The budget for Fiscal Year (FY) 2026-27 allocated $750,000 to Budget Unit 3960553-201 and $500,000 to 3960553-202. This proposed action would make a total of $1,810,078 available to provide funding for the We Are Up Affordable housing project and the county's Owner-Occupied Rehabilitation Loan Program.

The $1,810,078 is program income from repayment of loans and interest payments on loans the county has administered through the HOME program. The US Department of Housing and Urban Development funds the HOME Program, through the California Department of Housing and Community Development (HCD). HOME funds have been loaned to fund housing projects and programs in Humboldt County. Loan and Interest payments on HOME funds become program income (PI) when repaid. These PI Funds are held in Special Revenue Fund 3960, and the PI balance is currently $1,810,078. The approved FY 2026-27 budget already encumbers $1,250,000 of the Special Revenue Fund Balance. This request will move the remaining balance from Special Revenue Fund 3960 to Budget Unit 3960553-201. The funds will be used for expenses incurred in the implementation of the We Are Up Project Affordable Rental Housing Project in McKinleyville and the county's ongoing Owner-Occupied Rehabilitation Loan Program. This budget revision will allow for the expenditure of $1,810,078 for the specified housing activities described in a separate Board action today.

It is expected that there will be additional loan repayments and interest in FY 2027-28 so $500,000 has been included in the request to HCD to be able to use that program income.

This supplemental budget does not involve allocation of money from the General Fund.

SOURCE OF FUNDING:
California Department of Housing & Community Development HOME Investment Partnership Program Income Revolving Loan Special Revenue Fund - 3960.

FINANCIAL IMPACT:

Expenditures (3960553-201)	**FY26-27**	**FY27-28 (projected)**
Budgeted Expenses	1,250,000	500,000
Additional Appropriation Requested	560,078	
Total Expenditures	1,810,078	500,000

Funding Sources (Special Revenue Fund 3960)	**FY26-27**	**FY27-28 (projected)**
Loan Repayments/Other		500,000
Use of Fund Balance	1,810,078	
Total Funding Sources	1,810,078	500,000

Narrative Explanation of Financial Impact:
This action will make a total of $1,810,078 available for the We Are Up Project and the Owner-Occupied Rehabilitation Loan Program. Activities related to the allocation of program income are budgeted to Budget Unit (3960553-201). Approximately $45,000 from Special Revenue Fund 3960 is reserved for HOME Program administrative staff costs. These funds will be moved to Budget Unit (3960553-201) to cover the costs associated with administration of the HOME PI. The department budget will include expenses for any portion of the staff salaries not covered by the Budget Unit (3960553-201) funds. The source will be the General Plan User Fees collected on development permits and the General Fund allocation. No new staffing is required for HOME program implementation.

OTHER AGENCY INVOLVEMENT:
None

ALTERNATIVES TO STAFF RECOMMENDATIONS:
The Board could elect not to approve the additional budget; however, this is not recommended because it will prevent Planning & Building from utilizing $1,810,078 for the housing project and program implementation.

ATTACHMENTS:
1. Supplemental Budget

PREVIOUS ACTION/REFERRAL:
Meeting of: 7/7/26
File No.: 26-691 Planning and Building Budget Adoption