

675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532



**For the Meeting of November 21, 2022**

Consent Item;  Public Hearing Item

To: City Council

From: Kevin Caldwell, Community Development Director

A handwritten signature in black ink, appearing to be "K Caldwell", is written to the right of the name.

Through: Kyle Knopp, City Manager

Date: November 15, 2023

Subject: CDBG Owner Occupied Loan Updates – earthquake Damage

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**Recommendation:**

That the City Council:

1. Receive and file a brief update on the status of two pending CDBG OOR loans;

**Discussion:**

It's with great pleasure that we inform your Council that there are two pending CDBG Owner-Occupied Rehabilitation loans. As the Council is aware the City and County recently executed a Memorandum of Understanding (MOU) where the County is currently administering the City's CDBG program. Currently, the City has about \$600,000 in Program Income (PI) that is available for Owner Occupied and Owner Investor residential rehabilitation.

Both residences were significantly damaged by the December 20, 2022, Ferndale Earthquake and the January 1, 2023 aftershock and were subsequently Red-Tagged. One of the homes has approximately \$140,000 in repair costs. This owner is hoping to get a \$40,000 grant supplemented by a \$100,000 CDBG OOR loan. The other property has approximately \$150,000 in damage.

Our recently adopted Guidelines limit the maximum CDBG/CalHOME loan amount to \$60,000 per housing unit. Maximum loan amounts for reconstruction projects shall be \$100,000. However, there is an exception. The loan committee (City Manager, Finance Director, and Community Development Director) may approve, on a case-by-case basis, exceptions to exceed the maximum loan amount when the proposed rehabilitation project is defined as reconstruction or replacement or all work items are health and safety issues. Obviously, as a result of the earthquakes, almost all the required work items are health and safety issues. The loan committee is expected to meet on November 22, 2023.