



**MEMORANDUM**  
**COMMUNITY DEVELOPMENT RESOURCE AGENCY**  
**COMMUNITY DEVELOPMENT SERVICES DIVISION**  
County of Placer

**TO:** Honorable Board of Supervisors **DATE:** August 31, 2021  
**FROM:** Steve Pedretti, Community Development Resource Agency Director  
**BY:** Anne Marie Novotny  
**SUBJECT:** Placer County Mobile Home Repair Program Rehabilitation Loan Write-Off (Loan No. 2000015)

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**ACTION REQUESTED**

1. Authorize the write-off of the uncollectible portion of one Placer County Mobile Home Repair Program Rehabilitation Loan (No. 2000015) in the principal amount of \$4,702 and allow staff to recognize the reduction in value of the Community Development Block Grant (CDBG) and Loan portfolio.

**BACKGROUND**

The Community Development Resource Agency (CDRA) administers the Community Development Block Grant (CDBG) and Loan Programs for the County. The loans in this portfolio were made with funding from the State Department of Housing and Community Development (HCD) and from the former Placer County Redevelopment Agency tax increment funding. Once the loans are made, they are added to CDRA's loan portfolio for long term monitoring and management.

On July 10, 2000, the County entered into a Mobile Home Repair Program Rehabilitation Loan Agreement with the borrower in the amount of \$5,000 to be used for the rehabilitation of a mobile home unit located at 12102 Hemlock Drive in Auburn, California. The loan was funded by a grant received from the HCD CDBG. On July 5, 2000, the borrower signed an unsecured Straight Note promising to pay Placer County on or before August 5, 2015 the principal sum of \$5,000 with interest from July 5, 2000, until paid at the rate of 2.0% per annum. On July 5, 2015, Placer County entered into an Amendment to Promissory Note with the borrower which extended the term of the Note by fifteen years to July 5, 2030. On July 15, 2021, the County obtained a title search from HCD which noted that the borrower was no longer the current registered owner and the sale/transfer of ownership of the mobile home unit located at 12102 Hemlock Drive, Auburn, CA 95603 occurred on February 7, 2020.

Staff contacted the mobile home park in which the unit is located, and the park manager confirmed the unit had transferred ownership in February of 2020 and the former owner (borrower) had moved and did not provide a forwarding address or phone number.

As noted above, this was an unsecured loan and with no ability to find the original owner, the County's recourse is to write off this loan. Writing off the CDBG funded loan allows for the reduction of the amount of the notes receivable due to the County which is necessary to provide an accurate account balance of the loan portfolio. HCD does not impose any penalties on the County for defaulted loans or loan write-offs as long as the grant regulations are followed. As a best management and accounting practice, the Board of Supervisors is being asked to act as a third-party reviewer and authorize the write-off of the uncollectable portion of the CDBG

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loan. With no further recourse, staff requests authority to write-off the balance of the CDBG loan removing it from the loan portfolio. The principal balance of the subject loan (No. 2000015) is \$4,702.00.

The following table identifies the loan and the reason for the requested write-off:

Borrower	Loan Number	Loan Date	Funding Source	Loan Amount Loan Type	Write-Off Amount	Reason for Write-Off
Bruckner	2000015	7/10/2000	State of CA – Community Development Block Grant (CDBG) Program	\$5,000 – Owner occupied Rehabilitation Loan	Balance of loan – \$4,702.00	Ownership transfer and borrower defaulted on loan

**ENVIRONMENTAL IMPACT**

Implementation of the loan write-off will have no environmental impact.

**FISCAL IMPACT**

Implementation of the loan write-off will have no fiscal impact on the County's General Fund.