



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JANUARY 25, 2022**

**FROM: OFFICE OF HOMELESS SOLUTIONS** **WARD: ALL**

**SUBJECT: CALHOME PROGRAM AND COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT WITH NEIGHBORHOOD PARTNERSHIP HOUSING SERVICES, INC. FOR ADMINISTRATION OF THE CITYWIDE HOUSING REHABILITATION PROGRAM FOR FISCAL YEAR 2021/2022 FOR A TOTAL PROGRAM BUDGET OF \$350,000**

## **ISSUE:**

Approve a CalHome Program and Community Development Block Grant Agreement with Neighborhood Partnership Housing Services, Inc. for administration of the Citywide Housing Rehabilitation Program for Fiscal Year 2021/2022 for a total program budget of \$350,000.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve the CalHome Program and Community Development Block Grant Agreement with Neighborhood Partnership Housing Services, Inc. for administration of the Citywide Housing Rehabilitation Program for Fiscal year 2021/2022 for a total program budget of \$350,000; and
2. Authorize the City Manager, or designee, to execute all program related documents and instruments and make minor non-substantive changes as necessary to implement the Citywide Housing Rehabilitation Program.

## **BACKGROUND:**

The City of Riverside has provided low-interest loans and grants for low-income households to rehabilitate owner-occupied single-family homes on a citywide basis since 1976. The purpose of the Citywide Housing Rehabilitation Program (Rehab Program) is to preserve and improve housing stock in the City for low-income households.

The Rehab Program was implemented by Riverside Housing Development Corporation (RHDC) until January 2019. RHDC declined to renew its contract with the City of Riverside as it could no longer provide the staffing required to administer the program. The Purchasing Division published Request for Proposal 1971 Citywide Housing Rehabilitation Program for the Office of Homeless Solutions for a new program administrator in September of 2019 and NPHS was determined to be the lowest responsive bidder. NPHS is an established housing non-profit organization that has

been providing housing services to the Inland Empire for over 25 years with expertise in running housing repair programs for local jurisdictions.

Historically, the Rehab Program was funded annually at the level of \$1.2 million with HOME Investment Partnerships (HOME) Program, CalHome and Redevelopment Housing funds. On June 29, 2011, Governor Brown signed Assembly Bill 1X 26, which eliminated redevelopment agencies throughout the State and thereby eliminated the primary source of funding for the Rehab Program. In order to continue the Rehab Program from fiscal year 2011/ 2012 and beyond, the City Council had approved the use of both HOME and CalHome Program funds, which at one point totaled \$1.2 million and sustained the program for a few years. CalHome Program funds were a one-time grant, and the HOME Program was funding the program with \$200,000. To address the growing need for affordable housing, the City has committed 100% of its HOME Program funds toward the development of affordable housing and has received an award of FY 2021/ 2022 Community Development Block Grant (CDBG) funds to continue offering this program to assist low-income homeowners with home repairs.

### **DISCUSSION:**

Staff is requesting to renew the City's CalHome Program and CDBG Agreement with Neighborhood Partnership Housing Services, Inc. (NPHS) to allocate \$350,000 of CalHome Program Reuse and CDBG funds to continue implementing the Rehab Program until June 30, 2022 with the option to extend the agreement up to four additional years upon satisfactory performance and mutual consent of the City and NPHS or until the program funds have been expended.

NPHS will be paid administrative costs based upon their level of performance. The administrative costs will be limited to 20% of each CDBG grant, not to exceed \$30,000, and 20% of each CalHome Program loan, not to exceed \$40,000. The 20% administrative cap mirrors the maximum administrative set-aside allowed under the CDBG program. The following are the Rehab Program funding categories and corresponding guidelines:

- **CDBG Program Grants**
  - Grants up to \$15,000 for mobile homeowners;
  - Grants up to \$5,000 for single-family homeowners;
  - Six-year owner occupancy requirement covenant;
  - Household cannot exceed 80% of the Area Median Income; and
  - Program available Citywide.
- **CalHome Program Loans**
  - Deferred loans up to \$60,000 at 0% interest;
  - Owner occupancy requirement covenant;
  - Household cannot exceed 80% of the Area Median Income; and
  - Program available Citywide.

### **STRATEGIC PLAN ALIGNMENT:**

The Rehab Program aligns with **Strategic Priority 2 – Community Well-Being**, and **Goal No. 2.2**, collaborate with partner agencies to improve household resiliency.

The Project aligns with each of the Cross-Cutting Threads as follows:

1. **Community Trust** – Riverside is transparent and makes decisions based on sound policy.

Activities and actions by the City serve the public interest, benefit the City's diverse populations, and result in greater public good.

2. **Equity** – The Rehab Program supports the City's racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity and equity.
3. **Fiscal Responsibility** – Riverside is a prudent steward of public funds and ensures responsible management of the City's financial resources while providing quality public services to all.
4. **Innovation** – Riverside is inventive and timely in meeting the community's changing needs and prepares for the future through collaborative partnerships and adaptive processes.
5. **Sustainability & Resiliency** – Riverside is committed to meeting the needs of the present without compromising the needs of the future and ensuring the City's capacity to persevere, adapt and grow during good and difficult times alike.

**FISCAL IMPACT:**

Sufficient funding for the 2021/2022 CalHome Program and CDBG Agreement with NPHS is available in the CDBG Program Account No. 9273000-440120 (\$150,000) and the CalHome Program Reuse Account No. 9242000-440120 (\$200,000).

Prepared by:	Michelle Davis, Housing Authority Manager
Certified as to availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by:	Lea Deesing, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Attachment: CalHome Program and Community Development Block Grant Agreement with Neighborhood Partnerships Housing Services