



City of Arts & Innovation

City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 3, 2026

FROM: HOUSING AND HUMAN SERVICES WARD: 2

SUBJECT: AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES SUBRECIPIENT AGREEMENT BETWEEN THE CITY OF RIVERSIDE AND THE PUBLIC WORKS DEPARTMENT OF THE CITY OF RIVERSIDE FOR A \$3,530,352 GRANT TO SUPPORT SUSTAINABLE TRANSPORTATION INFRASTRUCTURE AND TRANSIT-RELATED AMENITIES AS PART OF THE ENTRADA AFFORDABLE HOUSING DEVELOPMENT LOCATED AT 1701 SEVENTH STREET

ISSUES:

Approval of an Affordable Housing and Sustainable Communities Grant Subrecipient Agreement between the City of Riverside and the Public Works Department of the City of Riverside for a \$3,530,352 grant to support Sustainable Transportation Infrastructure and Transit-Related Amenities as part of the Entrada affordable housing project, located at 1701 Seventh Street.

RECOMMENDATIONS:

That the City Council:

1. Approve an Affordable Housing and Sustainable Communities Subrecipient Agreement between the City of Riverside and the Public Works Department of the City of Riverside for a \$3,530,352 grant to support Sustainable Transportation Infrastructure (STI) Transit-Related Amenities (TRA) and as part of the Entrada affordable housing project;
2. Authorize the City Manager, or designee, to sign and execute the attached Affordable Housing and Sustainable Communities Subrecipient Agreement with Public Works Department of the City of Riverside, including making minor and non-substantive changes;
3. Authorize the City Manager, or designee, to amend the contract with the State and Public Works Department of the City of Riverside, to add or replace projects that are contingent upon the grant administrator approval and within the available budgeted funds; and
4. Authorize the Chief Financial Officer, or designee, to record a budget adjustment in the amount of \$3,530,352 upon approval of the Subrecipient Agreement in the Grants and Restricted Programs Fund AHSC – Entrada Public Works Project Accounts.

BACKGROUND:

On February 4, 2020, the City Council approved Resolution No. 23542, authorizing the submission of a joint application by the City and Wakeland Housing and Development Corporation (Wakeland) to the California Department of Housing and Community Development (HCD) for funding under the Affordable Housing and Sustainable Communities (AHSC) Program. The application sought funding for the Entrada affordable housing development and related sustainable transportation and pedestrian safety improvements. Pursuant to AHSC program guidelines, the City was required to serve as a co-applicant because it is the entity with legal authority to implement the proposed Sustainable Transportation Infrastructure (STI) projects. Accordingly, a City Council resolution authorizing participation in the joint AHSC application was required as part of the complete application package.

On or about August 7, 2020, the City received notification from HCD and the Strategic Growth Council (SGC) that the joint AHSC application has been awarded funding in the total amount \$22,121,206. The award included \$13,003,254 in Program Loan Funds for the Entrada housing development and \$9,117,952 in Program Grant Funds for associated street and transportation improvement projects.

On or about February 1, 2022, the City and Wakeland executed an AHSC Co-Applicant Agreement, which formalized the terms and conditions governing the use of the Program grant funds and established the City as an active participant in the planning and implementation of the transit-related components of the AHSC-funded improvements. The Program grant funds were allocated as follows:

- Wakeland (Housing-Related Infrastructure): \$3,235,000
- City (Sustainable Transportation Infrastructure): \$4,126,495
- City (Transit-Related Amenity Projects): \$1,003,857
- Wakeland (Housing and Program): \$ 752,600

The total amount of the grants under the City's STI and RTA projects totaled \$5,130,352.

On or about April 6, 2022, the City, Wakeland, and HCD entered into Standard Agreement 20-AHSC-14692 related to the Program grant funds in the amount of \$9,117,952.

The STI and Transportation-Related Amenity (TRA) projects included the following improvements:

- Construction of high visibility crosswalks, overhead lighting, parklets, and murals along Park Avenue;
- Construction of a Class IV bicycle lane on Linden Avenue between Chicago Avenue and Iowa Avenue;
- Installation of high-visibility crosswalks, accessible pedestrian signal buttons, a diagonal crosswalk, and bus stop improvements at University Avenue and Chicago Avenue;
- Construction of a pedestrian flashing beacon and crosswalk at Patterson Park;
- Installation of advanced signal detention at Iowa Avenue and University Avenue;
- Construction of a pedestrian signal at Chicago Avenue and Seventh Avenue;
- Construction of a solar shaded walkway in partnership with GRID Alternatives, along Chicago Avenue from Seventh Street to University Avenue;
- Expansion and construction of the Vine Street Mobility Hub, including enhanced rider and driver amenities;

- Improvements to three bus stops along Chicago Avenue and University Avenue; and
- Urban greening components serving Riverside Transit Authority (RTA) Route 22 and Omnitrans Route 215.

On August 15, 2023, the City Council approved an AHSC Subrecipient Agreement with Wakeland for the disbursement of Program grant funds to RTA. The agreement authorized funding in an amount not to exceed \$1,500,000 for STI projects and \$453,826 for TRA projects bringing the City's STI and TRA remaining grant balance to \$3,176,526. These projects included the expansion and construction of the Vine Street Mobility Hub, improvements to three bus stops along Chicago Avenue and University Avenue, and urban greening components serving RTA Route 22 and Omnitrans Route 215.

RTA expended a total of \$1,600,000 under this agreement, resulting in an unexpended balance of \$353,826. The remaining funds are proposed to be reallocated to the Public Works Department bringing the City's STI and TRA remaining balance to \$3,530,352 to be facilitated through an AHSC Subrecipient Agreement (Attachment 1).

DISCUSSION:

Following completion of the Entrada affordable housing development and the expansion of the Vine Street Mobility Hub, the City and the project developer encountered significant challenges in implementing the Solar Walkway component of the AHSC-funded improvements. Despite outreach to multiple qualified contractors, all proposals received exceeded \$1,000,000 – substantially higher than the allocated budget of \$550,031. The elevated cost estimates were primarily due to the need for custom engineering, specialized fabrication, and transportation requirements. As a result, the developer was unable to secure a contractor capable of completing the Solar Walkway within the approved budget, which resulted in the need to modify the scope of work.

Approved Revisions to the Scope of Work

On December 5, 2024, Wakeland submitted a request to SGC to revise the AHSC project scope. In early February, the City and Wakeland were notified that SGC had approved the requested revisions, which are summarized as follows:

- Elimination of the Solar Walkway and night art installation, with reallocation of associated funds to the design and construction of:
 - A new Class III bicycle route on Kansas Avenue;
 - Nineteen (19) high-visibility crosswalks with associated audible pedestrian push buttons; and
 - Bus stop improvements at the intersection of University Avenue and Chicago Avenue.
- Reallocation of mural and crosswalk improvements, as described in Wakeland's letter dated December 5, 2024.

Detailed scope revisions, including specific crosswalk locations, are provided in Attachment 2.

Pending Revisions to the Scope of Work

In addition to the modifications above, the City is currently working on a two-year extension request of the project timeline and additional scope modifications which include constructing a traffic circle at the intersection of Park Avenue and 12th Street, speed feedback signs, edge-lit

stop signs as traffic calming measures including ADA ramps along Park Avenue between University Avenue and 12th Street. These improvements will be within the budget allocated for the solar walkway improvements and align with the objective of enhancing safety and vitality along Park Avenue.

Additionally, the Grant includes construction of a Class IV bike lane and installation of solar - reflective “cool pavement” along bike lanes on Linden Avenue between Chicago Avenue and Iowa Avenue. The Community Development Block Grant (CDBG) Project includes paving and striping the same segment of Linden Avenue. Since these improvements will be completed as part of the CDBG Project, the City is requesting that all work on Linden Avenue be removed from the AGSC Grant. However, the cool pavement component originally proposed for Linden Avenue can be added to Kansas Avenue between 3rd St and University Avenue, as the installation of bike sharrows along Kansas Avenue is already part of the AHSC grant scope. The Length of the two segments is similar (approximately 2,600 feet) in length and therefore the associated costs should be comparable.

The City’s Public Works Department, in coordination with Wakeland, is actively working to complete the revised street improvement projects in accordance with the approved scope and AHSC program requirements.

The Public Works Interim Director concurs with this report.

FISCAL IMPACT:

The total fiscal impact of the action is \$3,530,352. Upon City Council approval of the updated projects, a budget adjustment will be recorded in the funds and projects as outlined in the tables below.

Fund	Program	Account	Amount
Grants & Restricted Programs	AHSC Entrada – PW STI	9342550-440210	\$2,980,321
		9342550-894223	(\$2,980,321)
	AHSC Entrada – PW TRA	9342560-440210	\$550,031
		9342560-894223	(\$550,031)
Total			\$0

Funding for the budget adjustment has already been appropriated into the following grant account.

Fund	Program	Account	Amount
Grants & Restricted Programs	AHSC Entrada – PW Infrastructure	9342530-440210	\$2,980,321
	AHSC Entrada – PW Amenities	9342540-440210	\$550,031
Total			\$3,530,352

Prepared by: Andrea Robles, Housing Project Coordinator

Approved by: Michelle Davis, Housing and Human Services Director

Certified as to

availability of funds: Julie Nemes, Interim Finance Director

Approved by: Kris Martinez, Assistant City Manager

Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. AHSC Subrecipient Agreement
2. Request to HCD for Solar Walkway Scope Revision
3. SGC Letter of Approval for Scope Change