



City of Arts & Innovation

Housing Authority Memorandum

City of Arts & Innovation

TO: HOUSING AUTHORITY MEMBERS **DATE: SEPTEMBER 17, 2019**

FROM: OFFICE OF HOMELESS SOLUTIONS **WARD: 1**

SUBJECT: FOURTH AMENDMENT TO PROPERTY MANAGEMENT AND OPERATING AGREEMENT BETWEEN THE HOUSING AUTHORITY OF THE CITY OF RIVERSIDE AND RIVERSIDE HOUSING DEVELOPMENT CORPORATION, UPDATING THE COMPENSATION AND PROPERTY SCHEDULES TO INCLUDE 2825-2841 MULBERRY STREET

ISSUE:

Approve the Fourth Amendment to the Property Management and Operating Agreement between Housing Authority of the City of Riverside and Riverside Housing Development Corporation, updating the Agreement's compensation and property schedules to include Housing Authority-owned rental property to be located at 2825-2841 Mulberry Street.

RECOMMENDATIONS:

That the Housing Authority:

1. Approve the Fourth Amendment to the Property Management and Operating Agreement with Riverside Housing Development Corporation, updating the Agreement's compensation and property schedules to include Housing Authority-owned rental property to be located at 2825-2841 Mulberry Street; and
2. Authorize the Executive Director, or his designee, to execute the Fourth Amendment to the Property Management and Operating Agreement with Riverside Housing Development Corporation, including making minor and non-substantive changes as necessary.

BACKGROUND:

The Housing Authority entered into a Property Management and Operating Agreement (Agreement) with Riverside Housing Development Corporation (RHDC) on June 17, 2013 to provide property management services for housing units owned by the Housing Authority. A majority of these units are located in the Eastside Neighborhood and the Chicago/Linden Neighborhood; one is located in the Downtown Neighborhood, and two are located in the Magnolia Center Neighborhood. The Agreement was amended in 2016, 2017, and 2018 to reflect the addition of new rental units.

DISCUSSION:

On June 18, 2019 the City Council and Housing Authority Boards approved a funding agreement for the Mulberry Village Project, which is proposed as a 10-unit permanent supportive housing project. The Fourth Amendment contemplated in this staff report would place these units, when constructed, under the professional management of RHDC ensuring that the Project is well maintained over its lifespan.

RHDC's management fee per unit is \$40, which equates to \$400 per month for the Mulberry Village Project which would be paid through rental income. A Request for Proposals for the property management and operations of the Housing Authority-owned rental properties will be released in 2020 since RHDC's agreement expires on June 30, 2020.

FISCAL IMPACT:

There is no fiscal impact to the City associated with this action. The estimated cost for RHDC's property management fee for this project through June 30, 2020 is \$3,200, which will be funded through the Housing Authority rental income account managed by RHDC. Sufficient funding is available in this account in the amount of \$381,168.80.

Prepared by: Michelle Davis, Housing Authority Manager

Certified as to

availability of funds: Edward Enriquez, Chief Finance Officer/City Treasurer

Approved by: Moises Lopez, Deputy City Manager

Approved as to form: Gary G. Geuss, City Attorney

Attachment: Fourth Amendment to the Property Management and Operating Agreement