

**MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF RIVERSIDE AND
RIVERSIDE HOUSING DEVELOPMENT CORPORATION (RHDC)**

(1590 University Avenue Project)

This MEMORANDUM OF UNDERSTANDING (“MOU”) is made and entered into this ____ day of _____, 2025, by and between the City of Riverside, a California charter city and municipal corporation (“City”), and Riverside Housing Development Corporation (“RHDC”), a California corporation, hereafter referred to individually as a “party” and collectively as the “parties” to this MOU.

RECITALS

WHEREAS, the parties desire to collaborate regarding the acquisition and conversion of One Hundred Fourteen (114) motel rooms at 1590 University Avenue, Riverside, CA 92507 into Ninety-Four (94) permanent supportive housing studio units, Twenty (20) affordable housing studio units, and Two (2) manager’s units, as well as various common areas and supportive services space (the “Project”); and

WHEREAS, the project, to be known as University Terrace Homes, will include 94 permanent supportive housing units for homeless adults with disabilities due to mental health and/or substance abuse at 30% AMI or below, and 20 affordable units for single low-income adults at 50% AMI;

WHEREAS, the parties wish to memorialize this MOU as a non-binding expression of their joint interest in the Project, and to facilitate collaboration, coordination and mutual understanding of the goals and expectations thereof; and

WHEREAS, pursuant Chapter 6 (commencing with Section 50216,) of Part 1 of Division 31 of the Health and Safety Code, and all other relevant provisions established under AB 140 (amended by Stats 2021, Chapter 111, Section 4), the State of California has established Homeless Housing and Assistance Program Round 3 (“HHAP3”), administered by the California Homeless Coordinating and Financing Council in the Business, Consumer Services and Housing Agency (“BCSH”).

WHEREAS, HHAP-3 funding provides one-time block grant funds to thirteen largest cities in the State with populations greater than 300,000 (as of January 1, 2020) to support regional coordination and expand or develop local capacity address their immediate homelessness challenges; and

WHEREAS, Pursuant to Chapter 6 (commencing with Section 50216,) of Part 1 of Division 31 of the Health and Safety Code, and all other relevant provisions established under AB 140 (amended by Stats 2021, Chapter 159, Section 10), the State of California has established Homeless Housing and Assistance Program Round 4 (“HHAP4”) Round 4, administered by the California Homeless Coordinating and Financing Council in the BCSH; and

WHEREAS, the City represents, as a soft commitment, that it intends to provide Seven Million dollars (\$7,000,000.00) of HHAP3 and HHAP4 funding to the advancement of the Project, which includes the \$250,000 of HHAP3 funding approved by City Council on April 2, 2025; and

WHEREAS, the City has applied and been awarded grant funds from the United States of Housing and Urban Development (HUD) for the City's fiscal year 2024-2025 Community Development Block Grant (CDBG), Catalog of Federal Domestic Assistance (CDFA) No. 14.218; and

WHEREAS, the City received funding from the U.S. Department of Housing and Urban Development pursuant to the Housing and Community Development Act of 1974, as amended that is being considered for the Project; and

WHEREAS, City staff needs to complete the National Environmental Policy Act (NEPA) for the Project and amend the City's FY 2024/2025 HUD Annual Action Plan for the requested CDBG funds, which is underway; and

WHEREAS, the City represents, as a soft commitment, that it intends to provide One Million Two Hundred Thirty-Four Thousand Eight Hundred Ninety Dollars and Nine Cents (\$1,234,890.09) of Community Development Block Grant funding to the advancement of the Project; and

WHEREAS, the City has received HOME Investment Partnerships Act funds from the United States Department of Housing and Urban Development (HUD) pursuant to the Cranston-Gonzales National Housing Act of 1990, as amended. The HOME Funds must be used in accordance with the HOME Regulations in order to increase housing for extremely low to low-income households; and

WHEREAS, City staff needs to complete the National Environmental Policy Act (NEPA) for the Project, which is underway; and

WHEREAS, the City represents, as a soft commitment, that it intends to provide One Million dollars (\$1,000,000.00) of HOME Investment Partnerships Program Funds to the advancement of the Project; and

WHEREAS, the City represents, as a soft commitment, that it intends to provide four case managers, funded through the City's Measure Z local tax initiative (annual allocation: \$639,537.58); and

WHEREAS, The City, as Applicant, and RHDC, as Co-Applicant, will apply jointly to the State of California Department of Housing and Community Development ("Department") under the Department's Homekey + 2024 Notice of Funding Availability AMENDED for the development of real property commonly known as 1590 University Avenue in the City of Riverside; and

WHEREAS, if the City is awarded Homekey + funding, the City will prepare a Subrecipient Agreement with RHDC, to include the Homekey+ requirements and roles and responsibilities of the City, and submit the agreements to City Council for final approval.

WHEREAS, the City will allocate funding to RHDC for capital and operating subsidy for the Project in an amount not to exceed \$9,234,890.09. City's commitment of funding to RHDC is contingent upon an award of Homekey + funds, with the exception of the HHAP3 funding of \$250,000 for soft costs that was already awarded through a Subrecipient Agreement.

WHEREAS, the City and RHDC confirm the following roles and responsibilities with regard

to the Project:

1. Owner: RHDC shall acquire the Property for the Project and shall be the sole record Owner on title. Upon award of Homekey + funding, RHDC and the City will enter into a Declaration of Restrictive Covenants to restrict the development, use and occupancy of the Property to the continued and lawful operation of the affordable housing as described herein.
2. Developer: RHDC shall be the sole developer for the Project , and will enter into all contracts with vendors for development and construction of Project, including architect, general contractor, engineer, etc.
3. Operator and Property Manager: RHDC shall be the sole operator and property manager for the Project, and will enter into all contracts for operations of the Project.
4. Lead Service Provider: City shall serve as Lead Services Provider (LSP) for the Project and provide or arrange for the provision of supportive services for tenants in 30% AMI units, including case management and services referrals. City and RHDC will enter into a separate Memorandum of Understanding outlining the scope of work for the City as LSP.

NOW, THEREFORE, the parties hereto mutually agree to the expression of the foregoing Recitals:

(Signatures on following page)

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be duly executed on the date and year first written above.

CITY OF RIVERSIDE, a charter city
and municipal corporation,

Riverside Housing Development Corporation, a
California corporation,

By: _____
City Manager

By: 
Bruce Kulpa (May 7, 2025 11:34 PDT)

Printed Name: Bruce Kulpa

Title: Chief Executive Officer

ATTEST:

By: _____

By: _____
City Clerk

Printed Name: _____

Title: _____

Certified as to funds availability:

By: _____
Chief Financial Officer

APPROVED AS TO FORM:

By: 
Deputy City Attorney

25-0481 SBM 5.5.2025