



City of Arts & Innovation

Housing Authority Memorandum

**TO: HONORABLE MAYOR AND HOUSING
AUTHORITY MEMBERS**

DATE: JANUARY 23, 2018

FROM: OFFICE OF HOMELESS SOLUTIONS

WARDS: 1, 2 AND 3

**SUBJECT: THIRD AMENDMENT TO PROPERTY MANAGEMENT AND OPERATING
AGREEMENT BETWEEN THE HOUSING AUTHORITY OF THE CITY OF
RIVERSIDE AND RIVERSIDE HOUSING DEVELOPMENT CORPORATION FOR
PROVISION OF PROPERTY MANAGEMENT SERVICES FOR HOUSING
AUTHORITY OWNED AFFORDABLE RENTAL PROPERTIES TO EXTEND THE
TERM OF THE AGREEMENT UNTIL JUNE 30, 2020, AND SET-ASIDE 15% OF
THE RENTAL UNITS FOR PERMANENT SUPPORTIVE HOUSING**

ISSUE:

Approve the Third Amendment to the Property Management and Operating Agreement between the Housing Authority of the City of Riverside and Riverside Housing Development Corporation for the provision of property management services for Housing Authority owned rental properties to extend the term of the agreement until June 30, 2020 and set 15% of the rental units for permanent supportive housing.

RECOMMENDATIONS:

That the Housing Authority:

1. Approve the Third Amendment to the Property Management and Operating Agreement with Riverside Housing Development Corporation for property management services to extend the term until June 30, 2020 and set-aside fifteen percent (15%) of the rental units for permanent supportive housing; and
2. Authorize the Executive Director, or his designee, to execute the Third Amendment to the Property Management and Operating Agreement with Riverside Housing Development Corporation, including making minor and non-substantive changes.

BACKGROUND:

The Housing Authority entered into a Property Management and Operating Agreement (Management Agreement) with Riverside Housing Development Corporation (RHDC) on June 17, 2013 to provide property management services for 130 affordable housing units owned by the Housing Authority. A majority of these units are located in the Eastside Neighborhood, in the vicinity of the Chicago and Linden Avenues (Chicago/Linden Neighborhood) and one is located

in the Downtown Neighborhood.

On January 14, 2016, a First Amendment to the Management Agreement with RHDC was approved by the Housing Authority to add two additional single-family properties, located in Ward 3 to the Management Agreement and remove 1705 and 1733 7th Street from the property management services reducing the total number of units being property managed from 133 to 102. The Agreement term ended on June 17, 2016, with the option to renew the agreement for another 12 months.

On January 10, 2017 a Second Amendment to the Management Agreement with RHDC was approved by the Housing Authority to extend the term to June 30, 2017, modify the scope of work to include carrying out rehabilitation activities, reduce the number of units being managed from 102 to 92 (removal of the ten unit apartment complex at 1725 7th Street).

DISCUSSION:

Staff is requesting the Housing Authority Board to approve the Third Amendment to the Management Agreement with RHDC to extend the term until June 30, 2020 and set-aside 15% of the rental units (14 units) for permanent supportive housing for homeless individuals and families. RHDC will work in partnership with Riverside Continuum of Care permanent supportive housing recipients to provide rental assistance and case management to assist tenants in achieving self-sufficiency. The property monthly management fees are \$4,078 per month. All other terms of the contract, including the two free units (property office and on-site management staff) and one reduced rent unit for a property assistant will remain in the contract and are consistent with industry standards.

In following City and Housing Authority procurement processes, staff will release a Request for Proposals for property management services in 2020 prior to the expiration of this Third Amendment to the Management Agreement.

FISCAL IMPACT:

There is no fiscal impact to the General Fund. The operating budget for the property management service will continue to be covered by the Housing Authority-owned properties rental income.

Prepared by:	Emilio Ramirez, Office of Homeless Solutions Director
Certified as to	
availability of funds:	Adam Raymond, Chief Financial Officer/City Treasurer
Approved by:	Alexander T. Nguyen, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment: Third Amendment to the Property Management and Operating Agreement