



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 18, 2020

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 A ONE YEAR TERM FOR A TOTAL PROGRAM BUDGET NOT TO EXCEED \$350,000 – REQUEST FOR PROPOSAL 1971 CITYWIDE HOUSING REHABILITATION PROGRAM

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 a one-year term for a total program budget not to exceed \$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 a one-year term for a total program budget not to exceed \$350,000; and
2. Authorize the City Manager, or his 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- and moderate-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. At this time, staff is proposing to enter into a CalHome Program and Community Development Block Grant Agreement with Neighborhood Partnership Housing Services, Inc. (NPHS) to implement the Rehab Program until June 30, 2021 (Program Period) or until the program funds have been expended.

The Rehab Program was implemented by Riverside Housing Development Corporation (RHDC) until January 2019. RHDC declined to renew their contract with the City of Riverside as they could

no longer support 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. Thirteen companies downloaded solicitation documents and one proposal was received from NPHS. Following review of the proposal, 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, 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 2020/2021 Community Development Block Grant (CDBG) funds to continue offering this program to assist low income homeowners with home repairs.

DISCUSSION:

At this time, staff is requesting to continue the Rehab Program with NPHS as the Program Administrator using \$350,000 of CDBG and CalHome Program Reuse funds. In order to administer the Rehab Program, 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 \$25,200, and 20% of each CalHome Program loan, not to exceed \$44,800. The following are the Rehab Program categories and corresponding guidelines:

- **CDBG Program Grants**
 - Grants up to \$10,000 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
 - Program available citywide

- **CalHome Program Loans**
 - Deferred loans up to \$40,000 at 0% interest
 - Owner occupancy requirement covenant
 - Household cannot exceed 80% of the Area Median Income
 - Program available citywide

The Purchasing Manager concurs that the recommendation to award RFP No. 1971 to NPHS is in compliance with Purchasing Resolution 23256.

FISCAL IMPACT:

Sufficient funding for the proposed Program Agreement with NPHS is available in the CDBG Program Account No. 927200611-4401200 and the CalHome Program Reuse Account No. 9242000-440120.

Prepared by:	Michelle Davis, Housing Authority Manager
Certified as to availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by:	Moises Lopez, Deputy City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment: CalHome Program and Community Development Block Grant Agreement