



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 20, 2020

FROM: OFFICE OF HOMELESS SOLUTIONS WARDS: ALL

SUBJECT: CALHOME GRANT APPLICATION RESOLUTION TO REQUEST \$3,180,000 FROM THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT TO SUPPORT A LOW-INCOME ACCESSORY DWELLING UNIT LOAN PROGRAM AND OWNER-OCCUPIED HOUSING REHABILITATION PROGRAM – SUPPLEMENTAL APPROPRIATION

ISSUE:

Adopt a Resolution authorizing the City of Riverside to submit an application to the California Department of Housing and Community Development for the CalHome Program to support an Accessory Dwelling Unit incentive program and the Owner-Occupied Housing Rehabilitation program.

RECOMMENDATIONS:

That the City Council:

1. Adopt a Resolution authorizing the submission of an application to California State Department of Housing and Community Development for funding under the CalHome Program to support an Accessory Dwelling Unit incentive program and the Owner-Occupied Housing Rehabilitation program;
2. Upon grant award, authorize an increase in revenue in the amount of \$3,180,000 to the Miscellaneous Grant Fund and appropriate \$1,500,000 to the Miscellaneous Grant Fund CalHome Rehabilitation Program Account and \$1,680,000 to the Miscellaneous Grant Fund ADU Loan Program Account; and
3. Authorize the City Manager, or his designee, to sign and execute all documents necessary for the administration of the CalHome Program grant, including making minor and non-substantive changes.

BACKGROUND:

The City of Riverside has received competitive CalHome grant funds over multiple years since 2001. On August 31, 2020, the California Department of Housing and Community Development (HCD) released a Notice of Funds Available (NOFA) for another round of funding. Under the CalHome NOFA, \$57 million is available to local public agencies and non-profits throughout the

State of California to assist individual first-time homebuyers through deferred-payment loans for down payment assistance, home rehabilitation, including manufactured homes not on permanent foundations, acquisition and rehabilitation, homebuyer counseling, self-help mortgage assistance, or technical assistance for self-help homeownership. All funds to individual homeowners will be in the form of loans. The maximum grant for which a public agency can apply is \$5,000,000.

DISCUSSION:

Staff is requesting to apply for \$3,180,000 in CalHome Program funds to support a new low-income Accessory Dwelling Unit (ADU) Loan Program and Owner-Occupied Housing Rehabilitation Program. A breakdown in proposed funding is presented below.

Activity	Owner-Occupied Housing Rehabilitation Program	ADU	Total
Loans	\$1,250,000	\$1,400,000	\$2,650,000
Administration	\$ 250,000	\$ 280,000	\$ 530,000
Total	\$1,500,000	\$1,680,000	\$3,180,000

If CalHome funds are awarded to the City, the grant funds would produce 10 low income ADU project development loans and 13 owner-occupied housing rehabilitation loans over the 3-year grant performance period. The ADUs would have a 30-year affordability period. The program provides up to 10% of grant funds to cover administration costs related to carrying out the grant. The proposed programs would be available to persons earning at-or-below 80% of the Area Median Income (at or below \$60,250 for a family of four).

If the City is awarded the CalHome grant, the funds would add additional loan capacity to the City's Housing Rehabilitation Program.

FISCAL IMPACT:

There is no match requirement for this grant. Upon grant award, authorize an increase in revenue in the amount of \$3,180,000 and appropriations of the same amount in the Miscellaneous Grant Fund accounts listed below.

Account Name	Revenue	Expenditure	Amount
CalHome Rehabilitation Program	9342800-334100	9342800-440210	\$1,500,000
ADU Loan Program	9342810-334100	9342810-440210	\$1,680,000
		Total	\$3,180,000

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 Resolution