



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: FEBRUARY 4, 2025**

FROM: HOUSING AND HUMAN SERVICES **WARD: ALL**

SUBJECT: CALHOME PROGRAM AGREEMENT WITH NEIGHBORHOOD PARTNERSHIP HOUSING SERVICES, INC. FOR ADMINISTRATION OF THE CITYWIDE HOUSING REHABILITATION PROGRAM UNTIL JUNE 30, 2026 WITH A TOTAL PROGRAM BUDGET OF \$500,000

ISSUE:

Approve a CalHome Program Agreement with Neighborhood Partnership Housing Services, Inc. for administration of the Citywide Housing Rehabilitation Program until June 30, 2026, with a total program budget of \$500,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the CalHome Program Agreement with Neighborhood Partnership Housing Services, Inc., for administration of the Citywide Housing Rehabilitation Program until June 30, 2026 with a total program budget not to exceed \$500,000; and
2. Authorize the City Manager, or designee, to execute the agreement and all program related documents and instruments, including making 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-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 for low-income households.

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 provide the staffing required to administer the program. The Purchasing Division published Request for Proposal 1971 Citywide Housing Rehabilitation Program for the Housing Authority for a new program administrator in September of 2019 and Neighborhood Partnership Housing Services (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 Investment Partnerships (HOME) Program, 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 had committed 100% of its HOME Program funds toward the development of affordable housing. In Fiscal Years 2019/2020 and 2020/2021, the Rehab Program was awarded \$126,000 of Community Development Block Grant funds (CDBG).

Per CalHome Program regulations, CalHome loan payments must be receipted into a CalHome Reuse account to be used for CalHome Program eligible uses.

DISCUSSION:

Staff is requesting to enter into a new CalHome Program Agreement with Neighborhood Partnership Housing Services, Inc. (NPHS) to allocate \$500,000 of CalHome Program Reuse funds to continue implementing the Rehab Program until June 30, 2026, or until program funds have been exhausted, whichever occurs first.

NPHS will be paid administrative costs based upon their level of performance. The administrative costs will be limited to 20% of each CalHome Program loan, not to exceed \$100,000. The following is a breakdown of the CalHome Program requirements:

- **CalHome Program Loans**
 - Deferred loans up to \$60,000 at 0% interest;
 - Owner occupancy requirement covenant;
 - Household cannot exceed 80% of the Area Median Income; and
 - Program available Citywide.

STRATEGIC PLAN ALIGNMENT:

The Rehab Program aligns with **Strategy Priority 2 – Community Well-Being and Goal No. 2.2**, collaborate with partner agencies to improve household resiliency.

The item aligns with each of the Cross-Cutting Threads as follows:

1. **Community Trust** – The City of Riverside has identified the need for rehabilitation assistance as a priority need in the City's Housing Element to maintain the supply of decent affordable housing. The Housing Element outreach process gathered information from specific focus groups and interviews with various organizations and service providers in the housing and community development field, as well as residents of the city.
2. **Equity** – Riverside is supportive of the City's racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity and is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services to ensure every member of the community has equal access to share the benefits of community progress.

3. **Fiscal Responsibility** – This project allows the City to utilize a state budget appropriation to assist low-income homeowners to create economic stability for extremely low-income City residents.
4. **Innovation** – Riverside is inventive and timely in meeting the community’s changing needs and prepares for the future through collaborative partnerships and adaptive processes.
5. **Sustainability & Resiliency** – This Program promotes sustainable housing for low-income residents. Riverside is committed to meeting the needs of the present without compromising the needs of the future and ensuring the City’s capacity to persevere, adapt and grow during good and difficult times alike.

FISCAL IMPACT:

The total fiscal impact of this action is \$500,000. Sufficient funding for the 2024/25 CalHome Program with NPHS is budgeted and available in the Development Grants Fund, CalHome Reuse Account No. 9242000-440120.

Prepared by:	Andrea Robles, Housing Project Coordinator
Approved by:	Michelle Davis, Housing and Human Services Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Mike Futrell, City Manager
Approved as to form:	Jack Liu, Interim City Attorney

Attachment: CalHome Program Agreement with Neighborhood Partnership Housing Services