



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND COUNCIL DATE: JUNE 16, 2026
FROM: HOUSING AND HOMELESS SOLUTIONS WARD: 5 AND 6
SUBJECT: RESOLUTION AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR \$8,423,448.45 OF ENCAMPMENT RESOLUTION FUNDING PROGRAM ROUND 5 ROLLING FUNDS FOR THE MAGNOLIA CORRIDOR ENCAMPMENT RESOLUTION PROJECT

ISSUE:

Adopt a Resolution authorizing the City Manager, or designee, to submit an application to the State of California Department of Housing and Community Development for \$8,423,448.45 of Encampment Resolution Funding Program Round 5 Rolling funds for the Magnolia Corridor Encampment Resolution Project.

RECOMMENDATIONS:

That the City Council:

1. Adopt a Resolution authorizing the City Manager, or designee, to submit an application to the State of California Department of Housing and Community Development for \$8,423,448.45 of Encampment Resolution Funding Program Round 5 Rolling funds for the Magnolia Corridor Encampment Resolution Project;
2. Authorize the City Manager, or designee, to sign any documents that may be required to apply for, accept, and administer Encampment Resolution Funding Program Round 5 Rolling funds, including the Standard Agreement and Subrecipient Agreements, certifications, amendments, reports, and other related documents, and to make minor or non-substantive changes necessary to complete the application and grant administration process; and
3. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record an increase in revenue in the amount of \$8,423,448.45, or the amount of the grant award and upon receipt of the award, and appropriate expenditures in the same amount in the Grants and Restricted Programs Fund, Encampment Resolution Funding Program project accounts.

BACKGROUND:

The State of California Department of Housing and Community Development (HCD) released the Round 5 Rolling Notice of Funding Availability for the Encampment Resolution Funding

Program (ERF 5R). Eligible applicants include local jurisdictions, including cities, and Continuums of Care. HCD will accept applications on a rolling basis from March 27, 2026 through June 30, 2026, with awards anticipated in September 2026. If funds remain available, a second application window will open from September 1, 2026 through October 31, 2026, with awards anticipated in January 2027.

ERF 5R is intended to support targeted encampment resolution strategies, not communitywide encampment response programs. Applications may propose to serve a single encampment or an encampment zone when there is a single justification for prioritizing the area, the demographics and service needs of encampment residents are sufficiently similar, and the same set of services and service providers will be used to serve and house the individuals in the proposed zone.

The City of Riverside proposes to apply as the eligible City applicant for a targeted intervention in the Magnolia Corridor. The proposed corridor is a priority encampment zone along Magnolia Avenue between Central Avenue and La Sierra Avenue, with recurring hotspot locations connected by the same arterial roadway, commercial frontage, transit access, and service pattern. People reside in tents, makeshift shelters, vehicles, landscaped edges, parking areas, sidewalks, rights-of-way, and adjoining public spaces where belongings may accumulate.

Since July 1, 2025, the City has documented 3,418 unduplicated interactions with unhoused individuals connected to the corridor and related outreach activity. Of those interactions, 912 individuals completed a full intake. The population is primarily single adults living unsheltered in small clusters, vehicles, and recurring hotspot locations, with significant physical health, behavioral health, substance use, documentation, benefits, income, and housing barriers. The City also experiences recurring inflow into this corridor from the County Farm Road area, where County emergency and treatment services are located, including individuals leaving psychiatric or medical holds without a stable housing destination.

The Magnolia Corridor is being prioritized because it is one of Riverside's most persistent and visible unsheltered homelessness zones and requires a dedicated, multidisciplinary response. Its traffic exposure, dispersed hotspots, vehicle habitation, sanitation concerns, service resistance, and recurring inflow create safety risks for residents and the surrounding community. ERF 5R provides an opportunity to focus resources on one defined corridor model, reduce displacement, and move residents toward interim and permanent housing options.

DISCUSSION:

Staff is requesting that City Council authorize submission of an ERF 5R application in the amount of \$8,423,448.45 for the Magnolia Corridor Encampment Resolution Project. The proposal would strengthen the City's existing homelessness response by adding dedicated housing case management, clinical outreach, mobile hygiene, motel-based interim shelter, rapid rehousing, reunification support, pet-related shelter improvements, and program administration support.

Magnolia Corridor Encampment Resolution Project

The project will use a multidisciplinary model that combines existing City Public Safety and Engagement Team (PSET) and street outreach capacity with ERF-funded and leveraged partner services. CityNet would provide housing case management, housing navigation, interim placement coordination, landlord engagement, rapid rehousing support, move-in coordination, reunification planning, and post-placement stabilization. Renewing Hope would provide clinical

outreach, street medicine, and mobile hygiene capacity, including a registered nurse, clinical therapist, community health workers, psychiatric mental health nurse practitioner support, mobile shower staffing, and program support.

The project would also coordinate with state, county, and local partners to remove common barriers to housing. The Department of Motor Vehicles currently meets with the team every Thursday to assist with expedited identification services. Riverside County Workforce Development would support vocational pathways; the Riverside County Office of Homeless Services would support Coordinated Entry, housing navigation, and voucher leverage; Riverside University Health System - Behavioral Health, Mobile Crisis Response, and HHOPE would support behavioral health, crisis, and outreach clinical linkage; and Riverside County Department of Public Social Services would assist with benefits.

The proposed service model includes repeated outreach, full intake, health and behavioral health engagement, mobile showers, hygiene support, benefits and document assistance, motel-based non-congregate interim shelter, rapid rehousing assistance, landlord engagement, verified reunification or support-network exits, pet-related supports, and coordinated pathways to permanent housing. Participation in services, sobriety, medication compliance, treatment participation, financial history, rental history, most criminal convictions, or housing readiness will not be used as barriers to outreach, interim placement, rapid rehousing, reunification support, or permanent housing navigation.

The application anticipates approximately 250 people currently living in the prioritized encampment zone as shown in Attachment 1, an additional projected inflow of 250 people during the grant term, and a total projected corridor population of 500 people during the grant term. The proposal is designed to serve approximately 200 people annually, transition approximately 100 people into interim housing, and house approximately 70 people in permanent housing. The budget also supports up to 70 motel-based interim placements, rapid rehousing rental and deposit assistance, and up to 30 verified reunification or support-network exits annually.

Staff is requesting to partner with the following agencies to carry out the grant.

Organization	Activities	Annual Funding Allocation	3 Year Funding Allocation
Renewing Hope	Street Outreach and Services Coordination - Registered Nurse, Clinical Therapist, Community Health Worker, Psychiatric Mental Health Nurse Practitioner, Program Manager, Shower Attendant, and Shower Mobile Driver/Outreach Support	\$714,250.00	\$2,142,750

CityNet	Program Management Support and Housing Navigation/Case Management	\$279,240.62	\$837,721.86
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Non-congregate motel-based interim housing would be used as the primary interim housing opportunity for participants who accept placement. Motel placement provides a low-barrier stabilization period to rest, shower, recover documents, connect to benefits and health care, engage behavioral health supports, and prepare for rapid rehousing, voucher-supported housing, or verified reunification. This approach is particularly important for individuals with physical health conditions, trauma, pets or service animals, or barriers to congregate shelter settings.

Permanent housing strategies would focus on scattered-site rapid rehousing, rental assistance, security deposits, utility deposits, Coordinated Entry, voucher leverage, landlord engagement, and post-placement support. CityNet case managers would begin housing navigation in the field, continue it during interim motel placements, and support lease-up, move-in, benefits, income linkage, landlord communication, and stabilization after placement. Permanent exits may also include verified reunification or support-network reintegration when the participant chooses that path and the receiving party or organization is confirmed as safe and willing.

The proposal also recognizes that pets and service animals are often a barrier to accepting shelter or housing. ERF 5R funds would support pet-related resources and shelter kennel improvements, such as larger kennels, cleaning supplies, warm weather supports, leashes, collars, tags, bedding, waste supplies, and food and water dishes, to help reduce the likelihood that participants decline shelter or housing because they cannot safely accommodate an animal.

Staff anticipates that agreements, staffing assignments, partner case conferencing, and corridor service scheduling would begin following award and contract execution, with the project reaching full operating capacity by January 2027. Placements into interim and permanent housing are anticipated to begin in January 2027, with projected permanent housing outcomes completed by June 2029. The City will utilize the \$5,442,976.59 of the grant funds over a three-year period to provide interim housing, rental subsidy, deposit assistance, utility deposit assistance, family or support network reunification, kennel refurbishment, and grant administration. The total ERF 5R grant funding request is \$8,423,448.45. The grant budget is shown in Attachment 2.

The proposed ERF 5R budget includes \$2,092,339.86 for personnel costs, including housing case management, clinical outreach, community health, mobile shower, and program support staff; \$5,929,992.00 for non-personnel costs, including mobile shower operations and supplies, motel-based interim placements, rapid rehousing rental assistance, security and utility deposits, verified reunification transportation, kennel refurbishments, office supplies, and vehicle operations; and \$401,116.59 million for administrative costs over the grant term. Final budget line items may be adjusted prior to submission or during HCD contracting to align with HCD requirements and the final award amount.

If the Resolution (Attachment 3) is approved by City Council and ERF 5R funds are awarded to the City, staff will proceed with the HCD contracting process.

FISCAL IMPACT:

The total fiscal impact of this action is an increase of revenue and expenditures of up to \$8,423,448.45. Upon award receipt and Council approval, an increase in revenue in the amount of \$8,423,448.45, or the amount of the grant award, and an appropriation of expenditures in the same amount will be recorded in the Grants and Restricted Programs Fund, Encampment Resolution Funding Program project accounts to be established at a later date.

Prepared by: Gregory Coffos, Hulen Place Project Manager
Approved by: Michelle Davis, Housing and Homeless Solutions Director
Certified as to
availability of funds: Julie Nemes, Interim Finance Director
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Attachments:

1. ERF 5R Budget
- 2 Magnolia Corridor Encampment Response GIS Map
3. Resolution