



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: MARCH 11, 2025**

FROM: HOUSING AND HUMAN SERVICES **WARD: 5**

SUBJECT: RESOLUTION AUTHORIZING THE CITY OF RIVERSIDE TO SUBMIT A CALHOME GRANT APPLICATION TO REQUEST \$10,000,000 FROM THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S 2024 HOMEOWNERSHIP SUPER NOFA TO SUPPORT HABITAT FOR HUMANITY RIVERSIDE'S AFFORDABLE HOMEOWNERSHIP DEVELOPMENT OF 13 SINGLE-FAMILY HOMES WITH EIGHT ACCESSORY DWELLING UNITS AT 7382 AND 7384 GARDEN STREET

ISSUE:

Adopt a Resolution authorizing the City of Riverside to submit a CalHome Grant Application to request \$10,000,000 from the State of California Department of Housing and Community Development's 2024 Homeownership Super NOFA to support Habitat for Humanity Riverside's affordable homeownership development of 13 single-family homes with eight accessory dwelling units at 7382 and 7384 Garden Street.

RECOMMENDATIONS:

That the City Council:

1. Adopt a Resolution authorizing the City of Riverside to submit a CalHome Grant Application to request \$10,000,000 from the State of California Department of Housing and Community Development's 2024 Homeownership Super NOFA to support Habitat for Humanity Riverside's affordable homeownership development of 13 single-family homes with eight accessory dwelling units at 7382 and 7384 Garden Street;
2. Authorize the City Manager, or his designee, to sign and execute all documents necessary for the administration of the Cal Home Program grant, including making minor and non-substantive changes;
3. Upon grant award and with at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record an increase in revenue and supplemental appropriation in an amount of up to \$10,000,000 in the HHS Grant Fund.

BACKGROUND:

The City of Riverside has received competitive CalHome grant funds over multiple years since 2001. On December 12, 2024, the California Department of Housing and Community

Development (HCD) released the 2024 Homeownership Super Notice of Funding Availability (Super NOFA) making \$176.8 million available to local public agencies and non-profits throughout the State of California for the CalHome Program (\$143.1 million) and the Joe Serna, Jr. Farmworker Housing Grant Program-Homeownership (\$33.7 million).

These programs provide loans and grants to local public entities and nonprofits for homeownership development projects, self-help technical assistance projects, mortgage assistance programs, owner-occupied rehabilitation program, ADU/JADU programs, shared housing programs and programs for the acquisition of manufactured housing for agricultural households. The maximum grant for which a public agency can apply for is \$10,000,000.

DISCUSSION:

Staff is requesting to apply for \$10,000,000 in CalHome Program Homeownership Development Project Loan funds to support Habitat for Humanity Riverside's proposed project of developing 13 single-family homes with up to eight ADU's at 7382 and 7384 Garden Street (Properties). The homes will be sold to low-income households earning at-or-below 80% of the Area Median Income, which is \$82,000 for a four-person household and the ADUs rented to low income households. The Properties were donated to Habitat for Humanity Riverside in 2019 by the previous owner.

Under the current Super NOFA, CalHome Program funds in support of a Homeownership Development Project can be used for the following costs:

- (a) Purchase of real property;
- (b) Building permits and state and local fees;
- (c) Predevelopment Costs directly related to eligible homeownership development projects, including ADUs and JADUs;
- (d) Onsite Improvements related to eligible Homeownership Development Projects (within the boundaries of the subdivision or individual parcels for scattered site developments). Onsite Improvements do not include construction of housing units;
- (e) Construction Period Expenses, which do not include unit construction costs;
- (f) Escrow, title insurance, recording and other related costs;
- (g) Costs for items intended to assure the completion of construction, such as contractor bond premiums;
- (h) Environmental hazard reports, surveys, and investigations;
- (i) Payoff of bridge loan financing for site acquisition which has a term of 36 months or less; and
- (j) Attorney fees directly associated with activities related to units funded by the CalHome Program.

With these grant funds, the City will be able to provide affordable homeownership opportunities to 13 households and affordable housing for the eight (8) ADUs that will generate income for the homeowners. The homeowners will receive training on tenant rights and the roles and responsibilities of a landlord.

Staff is requesting City Council to adopt a Resolution authorizing the City of Riverside to submit a CalHome Grant Application to request \$10,000,000 from the State of California Department of Housing and Community Development's 2024 Homeownership Super NOFA to support Habitat

for Humanity Riverside's affordable homeownership development of 13 single-family homes with accessory dwelling units at 7382 and 7384 Garden Street;

If CalHome grant funds are awarded to the City, staff will return to City Council with the project's elevations and a loan agreement with Habitat for Humanity Riverside for the development of the Properties. The CalHome grant term is five years.

STRATEGIC PLAN ALIGNMENT:

The Project supports Strategic Priority 2 – Community Well-Being and Goal 2.1 – to facilitate the development of quality and diverse housing supply that is available and affordable to a wide range of income levels.

1. **Community Trust** –The City of Riverside has identified the need for affordable housing as a priority in the City's Housing Element process. 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** –This Program reaches lower income populations of the City and offers equal opportunities for safe and suitable living conditions and housing sustainability as well as opportunities for financial growth.
3. **Fiscal Responsibility** – There is no fiscal impact to the City General Fund associated with this item. This item allows the City to leverage Federal Grants with other state and local funds to increase affordable homeownership opportunities in the City.
4. **Innovation** –The CalHome grant will allow the City to capitalize on state funding to meet ongoing and changing housing needs of very low- to low-income members of the community.
5. **Sustainability & Resiliency** – 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 up to \$10,000,000. Upon City Council approval and award of the CalHome Grant, an increase of the awarded amount in revenue will be recorded in the HHS Grants Fund, CalHome Homeownership Development account and an appropriation of the awarded amount in a grant expenditure account to be set up by the Finance Department.

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: Resolution