



CITY OF SAN MATEO

City Hall
330 W. 20th Avenue
San Mateo CA 94403
www.cityofsanmateo.org

Agenda Report

Agenda Number: 4

Section Name: {{section.name}}

Account Number: 10-3133

File ID: {{item.tracking_number}}

TO: City Council
FROM: Alex Khojikian, City Manager
PREPARED BY: Community Development Department
MEETING DATE: January 21, 2025

SUBJECT:

CalHome Housing Rehabilitation Loan Program Administration – Agreement

RECOMMENDATION:

Approve an agreement with Rebuilding Together Peninsula (RTP) in the amount of \$140,000 to provide program administration services for the City's housing rehabilitation loan program funded by the State of California CalHome grant program.

BACKGROUND:

Housing Rehabilitation Loan Program

From 1975 to 2012, the City operated an active housing rehabilitation loan program (Program), with over 630 loans funded by federal Community Development Block Grants (CDBG) from the Department of Housing and Urban Development (HUD) and, in later years, from a State of California CalHome (CalHome) grant. During this period, loans were annually reviewed and approved by a Loan Committee comprised of community members representing real estate and lending groups.

Despite the Program's success, it was discontinued in 2012 due to reduced federal grant funds awarded to the City, staff reductions, and difficulty in locating eligible low-income homeowners willing to obtain loans secured against their property. The Loan Committee met for a final time in July 2012, and program funds from CDBG were redirected to benefit the City's community-based projects.

CalHome Home Rehabilitation Loan Program

While federal grant funds were redirected to other City projects, the City continued to fund a housing rehabilitation loan program through CalHome. The CalHome loan fund was nearly depleted in 2012, but over time, the fund has been gradually replenished through loan repayments by borrowers to the City, in varied amounts each year. In 2019, the City released a Request for Proposals (RFP) to select a qualified organization to provide administration of an updated CalHome Home Rehabilitation Loan Program (CalHome Loan Program).

Rebuilding Together Peninsula (RTP) was selected through this RFP process, and on March 1, 2020, the City entered into an administrative agreement (Agreement) with RTP to administer the CalHome Loan Program. The Agreement was renewed by the City on July 1, 2021 to extend RTP's contract performance until June 30, 2023. In partnership with RTP, the City successfully provided CalHome Loan Program assistance to three City residents, despite countervailing factors such as the Covid pandemic disruptions to labor and construction supply chains, staff turnover, the challenge of establishing new administrative processes to review and approve loans in the place of the previous Loan Committee, and timely reimbursement of contractors during staffing shortages. There are currently two additional loan applications in the pipeline with RTP, and possibly more.

The City's Agreement with RTP is expired, and the City is seeking to establish a new agreement (New Agreement) with RTP

to continue its work in administrating the City's CalHome Loan Program.

New Agreement with Rebuilding Together Peninsula

In this New Agreement with RTP, the City seeks to fine-tune the administration of the CalHome Loan Program based on experience from the past three years. Specifically, the New Agreement strengthens RTP's role as project manager, leveraging RTP's expertise in home repair and construction work coordination and aiming to reduce the burden on low-income homeowners, who may lack the resources to manage repair projects with contractors.

RTP is well-positioned to act as project manager for CalHome projects, as the organization performs similar work for its other programs, such as Safe at Home, National Rebuilding Day, and Unleaded Homes San Mateo County. As under the prior Agreement, RTP will collect contractor bids, work with the homeowner to select contractors, and review contractor work. Additionally, the New Agreement shifts responsibility to RTP to directly pay contractor invoices, rather than the City, and to invoice the City for reimbursement. The New Agreement also directs RTP to affirmatively market the City's program to bring it in line with the City's Housing Element preservation policies and programs.

The City's responsibilities remain focused on overall CalHome Loan Program oversight, loan application processing, loan underwriting, and loan servicing of approximately \$500,000 in funds to be awarded to low-income San Mateo residents with home rehabilitation needs, with a maximum loan amount of \$60,000.

Under the agreement, RTP would be paid for services rendered in an amount not to exceed \$140,000. The term of this agreement with RTP is for the period to begin on February 1, 2025 and to end on June 30, 2027.

BUDGET IMPACT:

There is no impact to the General Fund from this Agreement, as CalHome is a revolving loan program that is funded through loan repayments into a reuse CIP account (Fund 590).

ENVIRONMENTAL DETERMINATION:

This Agreement is not a project subject to CEQA, because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. (CEQA Guidelines Section 15378(b)(5).)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 - Agreement with Rebuilding Together Peninsula

STAFF CONTACT

Van Diggans, Housing Specialist II
vdiggans@cityofsanmateo.org