

RNHS No. 6 Staff Report

Prepared for Affordable Housing Finance Committee Review

Project Overview

Project Name: RNHS Rehab Project #6

Applicant/Sponsor: Richmond Neighborhood Housing Services, Inc. (RNHS)

Location: Scattered-site rental properties in Richmond, CA (three single-family homes and one triplex)

Consistency with Program Priorities: Preservation of Existing Housing Stock

CDBG Eligible Activity: Low-Income Public Housing and other publicly owned residential buildings [24 CFR 570.202 (a)(2)]

CDBG National Objective: Low/Mod Housing Activities | 14A Rehabilitation: Single-Unit Residential

The project includes the rehabilitation of four properties (three single-family homes and one triplex) owned and managed by RNHS.

1. 137 South 6th Street, Richmond (Single-Family Residence): 1 Person Household
2. 144 South 6th Street, Richmond (Single-Family Residence): 2 Person Household
3. 417 South 7th Street, Richmond (Single-Family Residence): 3 Person Household
4. 561-565 South 29th Street, Richmond (Triplex):
 - 561 South 29th Street, Richmond: Vacant
 - 563 South 29th Street, Richmond: 1 Person Household
 - 565 South 29th Street, Richmond: 1 Person Household

The proposed rehab work includes roof replacement, window replacement, exterior paint, kitchen remodel (137 South 6th Street, Richmond), and new bedroom flooring (417 South 7th Street, Richmond). Relocation (of the tenant) would be required for the rehab work at 137 South 6th Street due to the kitchen remodel. No relocation is anticipated for the proposed work at the other sites. All identified repairs are needed in order to maintain the safety and habitability of the residences listed above. The triplex was previously rehabilitated with CDBG funds in 2019. The current proposal includes roof work that was part of the previous CDBG project.

Sources of Funds (Permanent Financing)

• FY 2026/27 CDBG Funds Request:	\$551,618	Applied
• RNHS Reserve Funds:	\$61,291	Committed

Total Permanent Sources: \$612,909

Uses of Funds (Development Budget)

• Rehabilitation	\$421,800
• Relocation	\$11,500
• Project Management:	\$65,000
• Hard Cost Contingency:	\$74,745
• Soft Cost Contingency:	\$39,864

Total Uses: \$612,909

Unit and Affordability Mix

Total Units Rehabilitated: 6 units across 4 properties [three single-family residences (SFR) and one triplex].

137 South 6th Street (SFR)

- Affordability Level: Up to 80% AMI

561 South 29th Street (Triplex)

- Affordability Level: Up to 80% AMI

144 South 6th Street (SFR)

- Affordability Level: Up to 80% AMI

563 South 29th Street (Triplex)

- Affordability Level: Up to 80% AMI

417 South 7th Street (SFR)

- Affordability Level: Up to 80% AMI

565 South 29th Street (Triplex)

- Affordability Level: Up to 80% AMI

Past Performance

RNHS owns and manages 33 below-market rate scattered-site rental properties (single and multi-family residences) throughout Richmond and Oakland, CA. RNHS has been awarded \$1.3 million in CDBG funds since 2017. A total of \$1 million has been expended on rehabilitation work across 13 units in Richmond, CA to date.

County Staff monitored RNHS in March of this year (2026), which included reviewing three client files and a site visit. The files were generally kept in good order, and the units were rented to and occupied by income eligible households at appropriate rent levels. The property we visited appeared to be well maintained.

Cross-Cutting Federal Requirements

An environmental assessment is conducted for each CDBG-assisted home in accordance with federal regulations. Loan funds may be used for mitigation of specific environmental problems, including asbestos and lead-based paint. It is the County's policy not to fund a project with federal funds if it is located within a 100-year flood zone. Temporary relocation assistance is available if required as a result of rehabilitation (e.g., during asbestos or LBP mitigation).

Funding Recommendation Amount

Staff recommends an award of \$350,000 in CDBG funds.

Rationale for Recommendation

Approving funding for RNHS Rehab Project #6 will preserve deeply affordable housing, prevent displacement, support vulnerable tenants, and improve neighborhood stability. Staff is recommending a partial award that excludes the properties located at 561-565 South 29th Street, Richmond (triplex) because they were previously awarded CDBG funds in 2017 (and the work was completed in 2019).

Conditions of Approval

- Compliance with NEPA environmental review requirements completed for each CDBG-assisted unit prior to loan execution.
- Finalized competitive contractor bids required before construction start.
- County approval required for changes to the project scope or budget.
- CDBG funds only to be used at the following properties:
 - 137 South 6th Street, Richmond
 - 144 South 6th Street, Richmond
 - 417 South 7th Street, Richmond