



City of Arts & Innovation

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City of Riverside Approves Local Affordable Housing Trust Fund

Decision emphasizes commitment to building more affordable workforce housing

RIVERSIDE, Calif. – The City of Riverside is seeking to spur the development of more affordable housing by creating a Local Affordable Housing Trust Fund and applying for \$1.5 million in grant funds set aside for cities, like Riverside, that have been designated as “pro-housing.”

The City Council voted 6-1 Tuesday evening to create the Fund and seek the additional grant money. The decision means Riverside is creating the 42nd such fund in the state.

To generate money to create “workforce housing,” the Fund will receive half of the future land sale proceeds of City-owned properties that were acquired with money from the City’s General Fund. By establishing the Fund, Riverside will be able to apply for as much as \$1.5 million in matching housing trust funds from the state and federal government.

“Riverside recognizes that affordable housing is one of the most pressing issues in our city, region and state,” Mayor Patricia Lock Dawson said. “This approach demonstrates that Riverside is serious about exploring all ways to make housing more affordable for our residents.”

The Fund also will be able to accept grants, charitable contributions, and other sources of funding that are dedicated to affordable housing, such as revenues from capital campaigns organized by private sector organizations or ongoing contributions by major employers.

The Fund can be used to help generate affordable housing in several ways, including serving as matching funds required to obtain state or federal funds; for new construction of rental and owned units; to preserve or rehabilitate multi-family or homeownership units; to acquire vacant land or dilapidated properties; for emergency repairs on homes owned by the occupants; and for tenant-based rental assistance.

The Fund will be able to lend money to private or nonprofit developers for affordable housing projects with repayments of these funds creating a revolving fund that allows for future investment. Developers

of market-rate housing would be able to apply for Fund dollars if they set aside 10 percent of their housing units for affordable rentals and 5 percent for homeownership.

State and federal funds that are set aside for low- and moderate-income households will continue to be used for that purpose even if they are included in the Fund.

“The creation of the affordable housing trust fund greatly expands our ability to support those providing this much-needed resource throughout our city,” Mayor Pro Tem Steve Hemenway said. “It was also important to put controls in place to ensure the funds set aside will go towards its intended purpose, as well as generate the vital housing needed for our Riverside community.”