



City of Arts & Innovation

Date: 8-3-21
Item No.: 14a

City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 3, 2021

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARDS: ALL DEPARTMENT

SUBJECT: PUBLIC HEARING - WAIVE THE SUNSHINE ORDINANCE FOR AN AMENDMENT TO THE CITY OF RIVERSIDE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT 2019-2020 ANNUAL ACTION PLAN TO ALLOCATE \$3,126,622 OF EMERGENCY SOLUTIONS GRANT CARES ACT FUNDING FOR SHELTER OPERATIONS, HOMELESS STREET OUTREACH, AND ADMINISTRATION; AND \$2,047,949 OF COMMUNITY DEVELOPMENT BLOCK GRANT CARES ACT SECOND ROUND OF FUNDING TO ASSIST ACTIVITIES THAT PREVENT, PREPARE FOR, OR RESPOND TO THE CORONAVIRUS PANDEMIC – SUPPLEMENTAL APPROPRIATION

ISSUES:

Waive the Sunshine Ordinance and approve an amendment to the City of Riverside United States Department of Housing and Urban Development 2019-2020 Annual Action Plan to allocate \$3,126,622 of Emergency Solutions Grant CARES Act funding for shelter operations, homeless street outreach, and administration; and to allocate \$2,047,949 of Community Development Block Grant Funds CARES Act funding for activities that prevent, prepare for, or respond to the Coronavirus Pandemic.

RECOMMENDATIONS:

That the City Council:

1. Waive the Sunshine Ordinance by a two-thirds vote pursuant to Riverside Municipal Code Section 4.05.050(D)(1)(a) and Section 4.05.050(D)(1)(b);
2. Conduct the Public Hearing;
3. Approve an amendment to the City of Riverside United States Department of Housing and Urban Development 2019-2020 Annual Action Plan to allocate \$3,126,622 of Emergency Solutions Grant CARES Act second round of funding for shelter operations, homeless street outreach and administration, and \$2,047,949 of Community Development Block Grant CARES Act second round of funding for activities that prevent, prepare for, or respond to the Coronavirus Pandemic;

4. Authorize the City Manager or his designee to execute the United States Department of Housing and Urban Development grant agreements for the second round of Emergency Solutions CARES Act and Community Development Block Grant CARES Act including making minor non-substantive changes;
5. Authorize the City Manager or his designee to execute a CDBG-CV 2 Memorandum of Understanding with the Community & Economic Development Department, Arts & Cultural Affairs Division for the Food Resiliency Programs and to execute ESG-CV 2 agreements with Kingdom Causes, Inc. dba "City Net," Mercy House Living Centers, Path of Life Ministries and Step Up on Second Street, Inc. for the programs identified in the staff report, including making minor non-substantive changes to be prepared by the City Attorney's Office;
6. With at least five affirmative votes, authorize an increase in revenues and appropriate expenditures in an amount equal to \$3,126,622 in the Development Grants Fund, Emergency Solutions Grant CARES accounts;
7. With at least five affirmative votes, authorize an increase in revenues and appropriate expenditures in an amount equal to \$2,047,949 in the Community Development Block Grant Fund; and
8. With at least five affirmative votes, authorize an increase in revenues and appropriate expenditures in an amount equal to \$1,638,359 in the Grants and Restricted Programs Fund, CARES Food Program accounts.

BACKGROUND:

Emergency Solutions Grant CARES Act

In April 2020, the City of Riverside was awarded \$968,672 of Emergency Solutions Grant CARES Act (ESG-CV) funding to prevent, prepare for, and respond to the coronavirus pandemic among individuals and families who are homeless or receiving homeless assistance; and to support additional homeless assistance and homeless prevention activities to mitigate the impacts of COVID-19. On May 26, 2020, the City Council approved allocating the ESG-CV funding towards the following activities:

| | |
|---------------------------------|--------------|
| • Homeless Prevention: | \$420,000.00 |
| • Rapid Re-Housing: | \$214,988.80 |
| • Outreach Services: | \$105,500.00 |
| • Emergency Shelter Operations: | \$131,316.00 |
| • Administration: | \$ 96,867.20 |

Due to the overwhelming federal resources being allocated toward the Rental Assistance Program to assist renters with past due rent and utilities and the rent eviction moratorium being extended to July 30, 2021, HUD has strongly encouraged grantees to reallocate funding from homeless prevention to other ESG eligible activities such as outreach services or shelter services.

On May 25, 2021, City Council approved reallocating \$413,945.58 of ESG-CV grant funds from homeless prevention to outreach services to continue PSET Outreach Services contracted through City Net for an additional year.

Community Development Block Grant CARES Act

In March 2020, the City of Riverside was awarded an additional \$1,870,896 through its HUD entitlement grants for coronavirus response. These funds were allocated to Program Year 2019-2020 to be used for projects that assist the City in preventing, preparing for, or responding to the coronavirus pandemic. The CARES Act allowed HUD to broaden the reach of its existing grant programs by providing funding above and beyond its traditional allocations. In order to allocate CARES Act funds to new or existing projects, the City proposed an amendment to the HUD Annual Action Plan on May 26, 2020, to fund the United Way of the Inland Valleys to carry out a Microenterprise Business Assistance Grant Program.

In an effort to assist struggling small businesses owned and operated by low-moderate income individuals, the City Council approved allocating CDBG CARES Act (CDBG-CV) funding to the following activities:

- Microenterprise Business Grant Program: \$1,496,717.00
- Administration: \$ 374,179.00

DISCUSSION:

The City was allocated an additional \$5,174,571 through the United States Department of Housing and Urban Development (HUD) ESG and CDBG entitlement grants to prevent, prepare for, or respond to the coronavirus pandemic. These grant funds cannot be committed to any activities until the City amends its HUD 2019-2020 Annual Action Plan to receive \$3,126,622 of ESG-CV2 and \$2,047,949 of CDBG-CV 2 grant funds.

ESG-CV 2

Staff is requesting to amend the City's HUD 2019-2020 Annual Action Plan to allocate \$3,126,622 of ESG-CV 2 funding as follows:

| Program | Grant Amount |
|--|---------------------|
| Temporary Emergency Housing - Pallet Shelter Operations (Non-congregate shelter) | \$1,269,611 |
| Bridge Housing Operations (Non-congregate shelter) | \$1,242,118 |
| Homeless Street Outreach | \$ 166,678 |
| Dedicate 20 shelter beds to City homeless residents | \$ 365,000 |
| Administration | \$ 83,215 |

People experiencing homelessness and those living in congregate housing are at a higher risk of contracting or having complications from COVID-19. To address this concern, the City's ESG-CV 2 funds will cover the operational costs of 86 new and existing non-congregate shelter beds for our homeless residents. These funds will also be used to add a dedicated Homeless Street Outreach team to assist homeless individuals with obtaining vital documents, providing referrals to programs based upon client's needs, obtaining income through employment opportunities or social security income, and completion of a standard assessment tool to quickly determine whether a client has high, moderate, or low acuity and the best housing program to address their acuity level. Lastly, these funds will be used to secure an additional 20 shelter beds at the

Riverside Emergency Shelter dedicated to City of Riverside homeless residents and City's administration costs for operating the grant.

Staff has identified the following organizations and activities for ESG-CV2 funding:

- Temporary Emergency Housing – Pallet Shelters: On April 16, 2020, the City and Kingdom Causes, Inc. DBA City Net executed a First Amendment to Temporary Emergency Housing Operation Agreement, extending the term to June 5, 2021, with two (2) additional one-year options to renew. The ESG-CV2 funding will allow for the Temporary Emergency Housing Operation Agreement to be renewed for an additional year.
- Bridge Housing Program: In 2020, the City had released a Request for Proposals for a program administrator to operate the Bridge Housing Program, a non-congregate shelter with 23 individual rooms, located at 2881 Hulen Place. Mercy House Living Centers was identified as the top responder. At the time this staff report was written, the City Attorney's Office was drafting an agreement with Mercy House Living Centers.
- Homeless Street Outreach: In FY 2020/21, the City released a Notice of Funding Availability (NOFA) for its ESG-CV funds. Step Up On Second Street, Inc. had submitted a response. However, due to limited funding their application was not approved. Staff is recommending funding their application with ESG-CV2 grant funds.
- Dedicate 20 shelter beds to City homeless residents: The City received a proposal from Path of Life Ministries to dedicate 20 beds at the Riverside Emergency Shelter for city of Riverside homeless residents. Referrals will be made by the Public Safety and Engagement Team and City Homeless Street Outreach Teams.

CDBG-CV 2

Staff is requesting to amend the City's HUD 2019-2020 Annual Action Plan to allocate \$2,047,949 of CDBG-CV 2, of which \$1,638,359 will be allocated to the Arts & Cultural Affairs Division to continue to address the City of Riverside's effort in becoming a food-secure community through COVID-19 response and beyond. The remaining 20% will be utilized for the administration of the program. The public health crisis has resulted in an increase in unemployment which has further reduced income available to purchase nutritious food. Food insecurity, while present prior to the crisis, has become prevalent in the community and persists even as economic recovery begins to occur. Access to nutritious food should be at the core of the recovery efforts for a healthy and resilient community. At the peak of the pandemic, both families, often with children, and seniors were faced with the challenge of food insecurity and unfortunately continue to face the same challenge today. CDBG-CV 2 CARES Act funding will serve to assist food insecurity.

Sunshine waiver justification: On July 23, 2021, City staff was notified by the HUD that the entitlement grantees must amend their HUD 2019-2020 Annual Action Plan Program Year for the use of ESG-CV 2 and CDBG CV 2 by August 16, 2021. Due to the short notice, staff is requesting to waive the Sunshine Ordinance to meet the deadline established by HUD. Riverside Municipal Code Sections 4.05.050(D)(1)(a) and 4.05.050(D)(1)(b) provide that Sunshine Notice Requirements may be excused if

(1)The local body, by a two-thirds vote of those members present, adopts a motion determining that, upon consideration of the facts and circumstances, it was not reasonably possible to meet the additional notice requirements under this section and any one of the following exists:

(a)The need to take immediate action on the item is required to avoid a substantial impact

that would occur if the action were deferred to a subsequent special or regular meeting; or,

(b) There is a need to take immediate action which relates to federal, state, county or other governmental agency legislation or action or the local body's eligibility for any grant or gift; or,

Here, the requirements of both (a) and (b) exist, in that the City would be unable to qualify for the grant funding specified in this report unless City's HUD 2019-2020 Annual Action Plan is amended by August 16, 2021. Delaying this report until the August 15, 2021 City Council meeting would further impact staff preparation time to ensure that all documents are properly executed and submitted to qualify for such monies.

FISCAL IMPACT:

The fiscal impact of this recommendation is \$5,174,571 of ESG-CV 2 and CDBG CV-2 grant funding. Upon Council approval of this report, the following will be recorded:

| Description | Revenue Account | Expenditure Account | Amount |
|---|------------------------|----------------------------|--------------------|
| ESG-CV 2 | 9274800-331100 | 9274800- 440110 | \$3,126,622 |
| CDBG-CV 2 | 2835500-331100 | 2835500-452009 | \$2,047,949 |
| Total Grant | | | \$5,174,571 |
| CDBG Allocation to Food Resiliency Programs | 9173400-331100 | 9173400- 440110 | \$1,638,359 |

Prepared by: Michelle Davis, Housing Authority Manager

Certified as to

availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer

Approved by: Rafael Guzman, Assistant City Manager

Approved as to form: Phaedra A. Norton, City Attorney

Attachment: Presentation