



# City Council Memorandum

City of Arts & Innovation

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**TO: HONORABLE MAYOR AND CITY COUNCIL                      DATE: JULY 2, 2019**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT              WARDS: ALL**  
**DEPARTMENT**

**SUBJECT: ADOPTION OF THE CITY OF RIVERSIDE ANNUAL ACTION PLAN FOR THE**  
**USE OF FEDERAL ENTITLEMENT FUNDING FROM THE UNITED STATES**  
**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR PROGRAM**  
**YEAR 2019-2020 - FUNDS TRANSFER AND SUPPLEMENTAL**  
**APPROPRIATION**

**ISSUE:**

Adopt the 2019-2020 Annual Action Plan for the use of federal entitlement funding from the United States Department of Housing and Urban Development.

**RECOMMENDATIONS:**

That the City Council:

1. Adopt the 2019-2020 Annual Action Plan for expenditure of Community Development Block Grant, Emergency Solutions Grant, Housing Opportunities for Persons with AIDS and HOME Investment Partnership Program funds;
2. Authorize City staff to make any necessary changes to funding recommendations for potentially funded Community Development Block Grant, Emergency Solutions Grant, Housing Opportunities for Persons with AIDS, and HOME Investment Partnerships Program sub-recipients when a final allocation amount is received and finalized for the 2019-2020 Annual Action Plan for submittal to the United States Department of Housing and Urban Development;
3. Authorize the preparation and execution of the standard Community Development Block Grant, Emergency Solutions Grant, Housing Opportunities for Persons with AIDS and HOME Investment Partnerships Program Agreements with the City's grantees as identified in the 2019-2020 Annual Action Plan;
4. Authorize the City Manager or his designee to execute the United States Department of Housing and Urban Development grant agreements for the Community Development Block Grant, Emergency Solutions Grant, Housing Opportunities for Persons with AIDS and HOME Investment Partnerships programs and the agreements with the City's grantees as identified in the 2019-2020 Annual Action Plan, including making minor, non-substantive changes; and

5. Authorize the appropriation of funds and related interfund and interdepartmental transfers for City Departments receiving funding to the appropriate accounts established by the Finance Department.

## **BACKGROUND:**

As a designated entitlement jurisdiction, the City receives federal funding to support projects and programs that provide decent and affordable housing, sustain suitable living environments, and expand economic opportunities for low- and moderate-income persons. The City is required to develop an Annual Action Plan for the use of these funds, which serves as the means to meet the application and submission requirements for four entitlement programs including Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and HOME Investment Partnerships Program (HOME). The 2019-2020 Annual Action Plan (Plan) must be submitted to the United States Department of Housing and Urban Development (HUD) no later than August 16, 2019.

## **DISCUSSION:**

The City's fiscal year (FY) 2019-2020 HUD allocations for these formula programs as well as the proposed activities to be funded are as follows:

### **Community Development Block Grant (CDBG) - \$3,197,021**

In the draft Plan, the City is using the FY 2019-2020 CDBG funding allocation of \$3,197,021. Activities eligible for funding under the CDBG program include acquisition of real property, construction, rehabilitation or improvements to public facilities, housing-related services and activities, economic development, public services and program planning and administration. Eligible activities are required to meet a CDBG program national objective, which include: 1) assist low- and moderate-income persons; 2) aid in the prevention or elimination of slum or blight; and 3) meet urgent community needs. Projects proposed for CDBG funding in FY 2019-2020 are listed in Attachment 1.

### **Emergency Solutions Grant (ESG) - \$278,459**

In the draft Plan, the City is using the FY 2019-2020 ESG funding allocation of \$278,459. Activities eligible for funding under the ESG program include support for the operations and provision of essential homeless services including street outreach, emergency shelter and rapid re-housing activities. Funding recommendations for FY 2019-2020 ESG allocation are as follows: \$85,000 to Path of Life Ministries to assist with services and operations of the Riverside Year Round Emergency Shelter and \$60,000 for the Cold Weather Emergency Shelter that operates from December to April; \$85,575 to the City of Riverside to assist with rapid re-housing; \$14,000 to City of Riverside to assist with the homeless management information system (HMIS); \$20,884 for program administration and \$13,000 to assist with City of Riverside Outreach Staff.

### **Housing Opportunities for Persons with AIDS (HOPWA) - \$2,922,984**

In the draft Plan, the City is using the FY 2019-2020 HOPWA funding allocation of \$2,922,984. The City has been designated by HUD as the eligible metropolitan service area (EMSA) grantee to administer the HOPWA funding for both Riverside and San Bernardino counties. HOPWA funds may be used for housing projects, rental subsidies, mortgage and utility payments, supportive

services and program administration. Funding recommendations for the FY 2019-2020 HOPWA allocation are as follows: \$1,666,101 to the Housing Authority of the County of Riverside to serve as a Project Sponsor for services activities provided in Riverside County; \$1,169,194 to Foothill AIDS Project for service activities provided in San Bernardino County; and \$87,689 for program administration.

HOME Investment Partnerships Program (HOME) - \$1,134,945

In the draft Plan, the City is using the FY 2019-2020 HOME funding allocation of \$1,134,945. The HOME Program goal is to preserve and increase the supply of decent, safe and sanitary affordable rental and owner-occupied housing for persons at 80% or below the Riverside County area median household income. Ongoing programs that will receive HOME Program funding are the Housing Rehabilitation Program, acquisition and/or rehabilitation of multi-family properties and the development of affordable housing.

Funding will be distributed as follows according to specific HUD program maximum amounts:

Acquisition and rehabilitation of multi-family properties and Infill Residential Development Program	\$821,450
Tenant Based Rental Assistance (funds will be distributed county-wide)	\$200,000
City Program Administration (10% cap)	\$113,495
<b>Total</b>	<b>\$1,134,945</b>

Citizen Participation

The City has an annual requirement to include citizen participation and community input on the use of these funds prior to submitting the Annual Action Plan to HUD. This year, the community input process included a community meeting notice mailed to all City households in October 2018, community input meetings conducted in all seven City Council wards in October and November 2018, a public notice of funding availability release in December 2018, a 30-day public comment period on the draft of the 2019-2020 Action Plan from May 31 to July 1, 2019 and the subject public hearing (noticed for July 2, 2019) to receive public testimony on the proposed Annual Action Plan.

**FISCAL IMPACT:**

Budget estimates are included in the City’s amended FY 2019-2020 budget draft and will be appropriated with the adoption of the budget by the City Council. The anticipated funding identified in the table below is expected to be received from HUD in FY 2019-2020; following confirmation, budget adjustments will be made to bring the City’s budgeted appropriations in line with the actual amounts received.

<b>Programs</b>	<b>Amount</b>
Community Development Block Grant (CDBG)	\$3,197,021
Emergency Solutions Grant (ESG)	\$278,459
Housing Opportunities for Persons with AIDS (HOPWA)	\$2,922,984
HOME Investment Partnerships Program (HOME)	\$1,134,945
<b>Total</b>	<b>\$7,533,409</b>

Prepared by: David Welch, Community & Economic Development Director  
Certified as to  
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer  
Approved by: Rafael Guzman, Assistant City Manager  
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. CDBG Project Funding Recommendations 2019-2020
2. 2019-2020 HUD Annual Action Plan DRAFT
3. Presentation