



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 6, 2022

FROM: OFFICE OF THE CITY MANAGER WARDS: ALL

SUBJECT: SUPPLEMENTAL APPROPRIATION OF \$150,000 AS A DISCRETIONARY ASSISTANCE POOL FOR DEPARTMENTS TO OBTAIN OUTSIDE GRANT WRITING ASSISTANCE FROM A CITY-APPROVED PANEL ON AN AS-NEEDED BASIS WHERE EXPERTISE DOES NOT EXIST WITH CITY STAFF TO COMPLETE FUNDING APPLICATIONS – SUPPLEMENTAL APPROPRIATION

ISSUE:

Approval of a \$150,000 supplemental appropriation in the City Manager's budget as a discretionary assistance pool for departments to obtain outside grant writing assistance on as as-needed basis where time limitations and/or expertise does not exist with City staff to complete competitive grant funding applications.

RECOMMENDATIONS:

That the City Council, with five affirmative votes, authorize the Chief Financial Officer, or his designee, to record a supplemental appropriation in the amount of \$150,000 in the General Fund, City Manager-Sundry/General Government account, from General Fund available fund balance, for a discretionary assistance pool for departments to obtain outside grant writing assistance as-needed where time limitations and/or expertise does not exist with City staff to complete competitive grant funding applications.

BACKGROUND:

The City Council has stated a priority for Riverside to maximize ways to bring in external revenue as a way to address increasing costs for service. This mandate is incorporated into the *Envision Riverside 2025* Strategic plan under Priority 5 - High Performing Government. The fiscal challenges that cities are facing from increased staffing costs, and accelerating supply chain and inflationary pressures are having measurable impacts on City revenues. To offset fiscal challenges, the City Manager's Office has been looking at ways to build grant writing capacity to generate additional revenue beyond traditional municipal funding sources by cross-departmentally increasing competitive grant activity.

The City of Riverside has had many successes in receiving competitive grants. Annually, municipal departments bring in millions of dollars in grants that complete worthy projects and reduce pressure on the General Fund. However, many departments have experienced staffing

shortages which limit capacity and time to complete grants, or often departments require specific expertise (policy analyses, budgetary analyses, etc.) which do not exist in the current City staff contingent but might be obtained on a temporary basis that would allow for large and complex grant applications to be submitted. These are instances where need for specific assistance, the immediacy of the grant application, and tight application timelines make hiring a grant writer on a short-term basis a cost-effective option for the City to facilitate completion of competitive grant applications on a timely basis.

DISCUSSION:

The City Manager's Office has established a panel of ten grant writing firms who can complete technical budgetary, cost-benefit, analytic, GIS, and other tasks needed for complex funding applications. The goal of the Grant Writer Panel is to have qualified grant assistance quickly available when a City department needs to complete a funding application, but necessary expertise either does not exist or is not available.

Some departments in the City may be able to access the grant assistance pool utilizing funding from existing budgets. Other departments may require supplemental assistance. In order to have more departments access the pool of consultants (and encourage larger and more complex grant applications), the City Manager's Office is requesting a supplemental appropriation from the General Fund to establish an at-large pool of assistance funding.

To access the funding, the City Manager would review the details of a department requests in terms of the grant opportunity versus need to pay for outside services and alignment with the Strategic Priorities and initiatives of the City. If the request is compelling and offers a return that justifies the expense of hiring from the grant consultant pool, the City Manager may authorize utilizing these grant writing funds to offer assistance. To ensure fair use of the assistance pool, any one request would generally be limited to approximately \$15,000 in assistance, and departments may be asked to provide matching funds, with the City Manager having ultimate discretion.

One example of the synergies that can result from utilizing targeted grant assistance is the City's Transformative Climate Communities (TCC) Grant. The \$31.2 million TCC Grant is, at the time of this report, the largest funding package ever received by the City. With Housing Authority Board approval, the Authority paid \$70,000 for grant assistance to complete the 2,000+ page application; an expense that ultimately amounted to .002% of the overall award. Other awarded TCC Grant applicants in the same funding round paid \$100,000 to \$120,000 for the same services. This funding will provide the City with the resources and expertise needed to make the organization more proactive in grant seeking opportunities.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 5 - High Performing Government** and **Goal 5.4** to maintain fiscal health by addressing gaps between revenues and expenditures.

This report also touches the five cross-cutting threads:

1. **Community Trust** – Building grant capacity will serve the public interest by potentially expanding programs and completing projects with external funding; benefiting the City's diverse populations, and result in greater public good.

2. **Equity** – By program design, funding will be used to allow more City departments to be creative and competitive for grants, resulting in a more equitable distribution of funding opportunity that can reach populations citywide.
3. **Fiscal Responsibility** – The City ensures to maximize outcomes in usage of grant funds.
4. **Innovation** – This funding provides the City with the ability to create an innovative program for building capacity with the result in receiving greater external funding.
5. **Sustainability & Resiliency** – Riverside builds capacity to allow more departments to apply for grants and compete for funding that allows the City to adaptively address resident needs.

FISCAL IMPACT:

The total fiscal impact of this action is \$150,000. Upon City Council approval, a supplemental appropriation of \$150,000 will be recorded into the General Fund, City Manager-Sundry/General Government account 1135000-421000. The funds for this action are available in the available General Fund available fund balance. Allocations for future fiscal years will be included in the City Manager's Departmental Budget submissions.

Prepared by: Jeff McLaughlin, Grants Administrator
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Edward Enriquez, Interim Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney