



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JANUARY 5, 2021

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARDS: ALL
DEPARTMENT

SUBJECT: PROPOSED AMENDMENT TO THE CITY OF RIVERSIDE 2019-2020 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ANNUAL ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM TO UNALLOCATE UNUSED OR CANCELLED PUBLIC SERVICE PROJECT FUNDS

ISSUE:

Approve an amendment to the 2019-2020 HUD Annual Action Plan to unallocate remaining or unused funds from completed or canceled Public Service Projects.

RECOMMENDATIONS:

That the City Council:

1. Authorize an amendment to the 2019-2020 HUD Annual Action Plan to reduce the allocations of the following previously approved Public Service Projects in the aggregate amount of \$52,762.00 to the amounts that were used for actual expenses throughout the program year: 1) Dress for Success - Riverside - Professional Women's Group & Career Center Program; 2) Girl Scouts of San Geronio - Classroom to Career Educational Enrichment Program; 3) Habitat for Humanity- A Brush With Kindness; 4) Rebirth Homes - Victim to Survivor Job Creation; 5) Parks, Recreation and Community Services Department - Senior Meals Social Programming; 6) Parks, Recreation and Community Services Department - Youth Sports/Classes/Activities; 7) Smart Riverside; 8) Family Service Association - Mobile Fresh Grocery Store on Wheels Program, and 9) Feeding America - Kids Product Market; and
2. Authorize the City Manager, or his designee, to sign all documents and instruments necessary to implement this action, including making minor non-substantive changes.

BACKGROUND:

On July 2, 2019, the City Council adopted the 2019-2020 HUD Annual Action Plan. This plan allocated CDBG funds to various Public Service projects to be used during the 2019-2020 project year. CDBG regulations cap the amount of funds that can be allocated to public service projects to 15% of the current annual CDBG allocation. This regulation prohibits unused Public Service funds from being rolled over from one year to another.

On June 2, 2020 the City Council adopted the 2020-2024 Citizen Participation Plan. Under the Citizen Participation Plan, any CDBG project which has more than 10% of their original allocation unused at completion of the project must be presented to the public before the remaining funds can be unallocated for future use. The proposed amendment to this Annual Action Plan will modify the allocations of nine public service projects with more than 10% of their original allocations remaining so the projects can be closed-out and the funds can be released to the Unprogrammed Funds account for future capital improvement or economic development projects.

DISCUSSION:

Due to COVID-19 pandemic related closures and social distancing requirements, many public service providers were unable to perform activities as planned. CDBG funds are expended on a reimbursement basis and cannot be paid out unless qualifying costs have been incurred and proposed activities have taken place.

The proposed amendment to the HUD 2019-2020 Annual Action Plan will officially reduce the allocation amounts of the public service projects to the amounts that were used on qualifying expenses during the program year.

Organization	2019-2020 Allocation	Remaining Balance	Percentage Remaining
Dress for Success, Riverside	\$5,753	\$5,753	100%
Girl Scouts of San Gorgonio	\$5,000	\$5,000	100%
Habitat for Humanity ABWK	\$25,000	\$3,284.96	13%
Rebirth Homes	\$7,000	\$5323	76%
PRCS Senior Breakfast	\$5,000	\$4,136.13	83%
PRCS Youth Sports League	\$13,000	\$4,465	34%
Smart Riverside	\$7,000	\$7,000	100%
Family Service Association	\$8,800	\$8,800	100%
Feeding America	\$9,000	\$9,000	100%
Total		\$52,762	

A public notice was issued announcing the proposed amendment to the 2019-2020 HUD Annual Action Plan and a 30-day public comment period was provided in compliance with HUD regulations. The original notice was published in the Press Enterprise on Saturday, December 5, 2020 and included the date this action would be considered by the City Council.

FISCAL IMPACT:

As outlined in the table above, the total one-time fiscal impact of the action is \$52,762, which will be transferred to the CDBG Unprogrammed Funds account so the funds can be repurposed and used for eligible CDBG Capital Improvement Projects. These funds were approved and allocated as part of the HUD Annual Action Plan process on July 2, 2019. There is no further financial impact.

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: Kristi J. Smith, Interim City Attorney