



2019-2020 HUD ANNUAL ACTION PLAN POTENTIAL AMENDMENT FOR CARES ACT ALLOCATION

Community & Economic Development

City Council
March 2, 2021



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HUD ANNUAL ACTION PLAN

July 1, 2019 through June 30, 2020

Each year the City receives funds from the U.S.
Department of Housing and Urban Development (HUD)

THE CITY USES THIS PLAN TO

Provide a description of
expected resources
and **objectives**

Describes activities to
be **undertaken** and
performance measures

The plan provides a list of priorities for individual programs



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COMMUNITY DEVELOPMENT BLOCK GRANT CARES ACT FUNDING (CDBG-CV)



- June 2020 – U.S. Department of Housing and Urban Development (HUD) provided the City of Riverside with funding in support of The Coronavirus Aid, Relief and Economic Security Act (CARES Act) for grants to prevent, prepare for, and respond to coronavirus.
- A total of **\$1,870,896** was provided to support the current City of Riverside CDBG program in its response to the Coronavirus pandemic.
- The following projects were deemed eligible:
 - Building and improvements, public facilities;
 - Assistance to businesses, special economic assistance;
 - Public services to provide testing, or COVID responses; and
 - Planning, capacity building, and technical assistance.

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CDBG CARES Act (CDBG-CV) FUNDING FROM HUD



\$1,496,717

Program Status Update

**59
Businesses
Assisted**

**\$416,250
Grant
Assistance**



- May 26, 2020, City Council approved the allocation of CDBG CARES Act of approximately \$1.4 million to the United Way of the Inland Valleys in support of the Microenterprise Business Grant Assistance Program.
- The United Way has worked diligently along with City of Riverside staff to ensure the success of the Program.
- Originally 10-15 applications submitted weekly
- Recently 1-2 applications a week submitted

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FUNDING NEEDS

- Funding relief has and continues to be made available for rental/utility assistance and business support
- Relief funding for food has not been provided the same level of support
- City staff continues to receive calls from seniors regarding food availability.
- Many families in the City also face food insecurity causing some families to make tough decisions between paying bills and purchasing food
- Food pantries face challenges in maintaining sufficient food to provide for the demand
- The need for nutritious and healthy food continues to be a significant need



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COMMUNITY FOOD DISTRIBUTION

The community food distributions illustrate the demand for food



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RECENTLY RELEASED STIMULUS FUNDING

Rental/Utility Assistance-Federal-Emergency Rental Assistance Grant fund received to provide rental assistance and utilities to qualified renters who have been financially impacted by COVID	\$9,851,908
Rental/Utility Assistance State-State Rental Assistance block grant allocation funds have been earmarked for the City to reimburse landlords up to 80% of outstanding rent for eligible households and 25% of forward rent for April 2021 to June 2021 in addition to utility assistance	\$10,603,040
Third Round CDBG CARES Act Funding (These funds have not yet been allocated)	\$2,047,949



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CDBG CARES Act (CDBG-CV) FUNDING OPTIONS

Staff recommends City Council select one of the following three options:

- Option 1: Keep status quo.** All monies will remain in the microenterprise program and current cycle would be closed with a future end date so interested businesses can complete their applications. A new cycle of grants would be advertised at a later date.
- Option 2: Reduce program funding by \$270,000,** which would allow UWIV to fund all remaining applications in process. Reduced funding would be reprogrammed to the City's Food Resiliency program, which is considered a substantial amendment and would require an amendment to the 19-20 HUD Annual Action Plan.
- Option 3: Reprogram all \$1 million of the unspent allocation** to the City's food resiliency program. This option would be problematic to the program as it would eliminate the funding to businesses that may currently be in process. Reprogramming all funds would jeopardize those applications who may be deemed eligible. This option is also considered a substantial amendment and would require an amendment to the 19-20 HUD Annual Action Plan.



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RECOMMENDATIONS

That the City Council:

1. Select one of the three options with consideration to the best use of CARES Act funding for the most current pressing needs of the community during this pandemic:
2. Authorize the City Manager, or his designee, to execute the Amendment to the Memorandum of Understanding (MOU) with the Community & Economic Development Department for the 19-20 Food Resiliency program, including making minor non-substantive changes, and to sign all documents and instruments necessary to implement this action.
3. Provide further direction on small business support and COVID-19 recovery efforts.



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