



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: SEPTEMBER 16, 2025**

**FROM: OFFICE OF THE CITY MANAGER      WARDS: ALL**

**SUBJECT: AUTHORIZATION TO AMEND ALL FEDERALLY FUNDED SUBCONTRACTS  
AND PASS-THROUGH AGREEMENTS AS-NEEDED TO ENSURE  
COMPLIANCE WITH CURRENT AND FUTURE EXECUTIVE ORDERS**

## **ISSUE:**

Authorize the City Manager or designee to amend all federally funded subcontracts and pass-through agreements as-needed to ensure compliance with current and future federal Executive Orders.

## **RECOMMENDATIONS:**

That the City Council:

1. Authorize the City Manager or designee to amend any and all federally funded subcontracts and pass-through agreements as-needed to ensure compliance with current and future Executive Orders, making minor corrections as necessary.

## **BACKGROUND:**

The City of Riverside currently has over \$250 million in outstanding state and federal grants that directly fund a variety of critical activities, including public safety and infrastructure, parks, libraries, transportation, and quality-of-life programs (please see Exhibit A for a list of current federal contracts). Last year, the City received more than \$39 million in new awards, with federal funding comprising almost one-third of awards received.

Federal grants serve tens of thousands of City residents with projects and programs that would not otherwise be feasible using only General Fund resources. In FY 2024-25, Federal anti-poverty grants, including Community Development Block Grant (CDBG), HOME Investment Partnerships Act (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA), funded more than 20 local projects serving 27,000 (duplicated) low-income residents. The Police and Fire Departments received direct federal funding that supported more than 600 hours of sworn safety staff time, laboratory services, equipment, and specialized training.

In many critical ways the above funding examples, and many others, are potentially at risk. Losing significant federal funding from grants and other sources will create measurable negative impacts across City services; funding gaps that cannot easily or readily be addressed with local General Fund or Measure Z sources.

## **DISCUSSION:**

Since the beginning of the year, the federal government has issued an unprecedented series of Executive Orders (EO's) that seek to govern how localities like the City of Riverside spend federally funded discretionary grants. For the sake of this report, "discretionary" grants as the competitive and generally available NOFA opportunities that the City applies for on an annual basis, as opposed to "entitlement" funding, where the City's annual grant awards have a statutory basis in federal code.

The EO's generally seek to add substantial new parameters to federal grant funding with an overall emphasis on prohibiting racial preferences, illegal immigration, support for transgender individuals, and initiatives and activities deemed to be, "anti-American." Recent EO's also seek to insert contract language into current and future federal grant agreements that would allow for cancellation at any time (for "convenience") if a federal granting agency deems that policy priorities are not being met.

The Offices of the City Manager and City Attorney have been in discussions about how to protect the City when it has federally funded projects, and how to best do this while working with our valued outside partners. The City has decided that it will add an Amendment to all federally funded discretionary subcontracts and pass-through agreements. Discretionary funded projects will be amended first, and entitlement projects later if needed. The Amendment will initially affect approximately 30+ agreements. The City Manager and City Attorney will ultimately work with the departments and outside partners to execute the Amendments.

A draft Amendment is presented at Exhibit B. The City Manager, in partnership with the City Attorney, will amend all current Agreements as needed to ensure EO compliance, and may also amend future agreements as needs dictate. Future Amendments may be updated to reflect new EO's as they are issued.

The Goal of the actions requested in this report will be to protect the City from external legal risks while the legality and policy ramifications of EO's are being debated and litigated elsewhere. The situation with EO's and federal funding guidance are extremely fluid and exacerbated by staff contractions at funding agencies. It is also assumed that there will be a future series of court decisions that add definition and direction to EO's moving forward.

## **FISCAL IMPACT:**

There is no direct fiscal impact in this report as this action is needed to maintain compliance with grants. Indirect impacts to the City will be detailed by staff as they are known in future reports to the City Council.

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Approved by: Kris Martinez, Assistant City Manager  
Approved as to form: Rebecca McKee-Reimbold, Interim City Attorney

Exhibits: A – List of current federal grants  
B – Draft Amendment