



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL                      DATE: JULY 14, 2026**

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

**SUBJECT: PURSUANT TO CITY CHARTER SECTION 704 - APPOINTMENT OF THE INTERIM FINANCE DIRECTOR AS CHIEF FINANCIAL OFFICER FOR THE SOLE PURPOSES OF CALLING TO ORDER THE FIRST MEETING OF THE CITY'S INCORPORATED COMMUNITY DEVELOPMENT ENTITY FOR SUBMISSION OF AN APPLICATION TO THE FEDERAL NEW MARKETS TAX CREDITS PROGRAM BENEFITING WORKFORCE HOUSING DEVELOPMENTS AND ASSOCIATED ECONOMIC DEVELOPMENT PROJECTS IN LOW TO MODERATE INCOME AREAS OF THE REGION**

**ISSUE:**

Appointment of the interim Finance Director as Chief Financial Officer for the sole purposes of calling to order the first meeting of the Inland California Community Capital Fund, the City's incorporated Community Development Entity required for submission of an application to the federal New Markets Tax Credits Program.

**RECOMMENDATIONS:**

That the City Council:

1. Appoint the interim Finance Director as Chief Financial Officer for the sole purposes of calling to order the first meeting of the Inland California Community Capital Fund, the City's incorporated Community Development Entity required for submission of an application to the federal New Markets Tax Credits Program.

**BACKGROUND:**

The New Markets Tax Credit Program (NMTC), established in 2000, helps economically distressed communities attract private capital by providing investors with a federal tax credit. Investments made through the NMTC Program are used to finance businesses which invest into neglected and underserved low-income communities. Through the NMTC Program, tax credits are competitively allocated to Community Development Entities (CDEs), who offer tax credits to investors in exchange for equity in the accompanying project. Using the capital from these equity investments, CDEs can make loans and investments to businesses operating in low-income communities utilizing better rates and terms and more flexible features than available on the market. The NMTC program provides a substantial tax credit as an incentive for investing in low to moderate income communities. Investors in the CDE are eligible to claim a tax credit

equal to 5% of its equity investment for each of the first three years and a 6% credit for each of the next four years (39% tax credit total over seven years). The 2023 NMTC round offered \$10 billion in development credits nationwide. In 2025, the NMTC Program was made permanent by Congress.

**DISCUSSION:**

On December 9, 2025 the City Council approved Resolution 24334 that authorized the City to create a CDE for the purposes of applying for NMTC. Under tax federal code a CDE is a domestic corporation or partnership with the primary mission of serving, or providing investment capital for, low-income communities or low-income persons. Once established, the City's CDE will have its own executive committee plus a broader advisory committee. In May of 2026 the City incorporated the Inland California Community Capital Fund (ICCCF) as the CDE that will apply for NMTC on the City's behalf.

Incorporation documents for the ICCCF list the City Manager and the City's Chief Financial Officers as the initial two executive board members. As the City is currently without a permanent City Manager, Riverside's Chief Financial Officer is now acting as City Manager on an interim basis, temporarily merging two positions defined in the City Charter. For the ICCF, this means that there would functionally only be one Executive Board member, which would make the required meeting quorum impossible.

This report requests that the City Council appoint the City's Interim Finance Director as Chief Financial Officer for the sole purposes of having the Executive Board calling to order the first meeting of the ICCCF, at which time the two-person board would appoint three additional members representing the Mayor's Office, Am-Pac Business Capital, and Neighborhood Partnership Housing Services or other entities that strengthen the ICCCF board and/or are required by federal code. The first meeting will also approve initial resolutions, bylaws, and a conflict-of-interest policy. The ICCF will establish an additional non-voting Advisory Board in late fall of 2026. It is anticipated that the first meeting of the ICCF will occur in late July of 2026.

This limited policy exception is made pursuant to City Charter Section 704 which states that the City Manager appoints the City's Chief Financial Officer with the approval of the City Council. The ICCCF is a Brown Act body and will be noticed and recorded in accordance with State law.

**FISCAL IMPACT:**

This report requests a policy exception for a City sponsored corporation. There is no impact to related to this action.

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