City of Arts & Innovation

Budget Engagement Commission

TO: **CHAIR AND HONORABLE COMMISSIONERS** **DATE:** **APRIL 10, 2025**

FROM: **FINANCE DEPARTMENT** **WARDS: ALL**

SUBJECT: **MONETARY SUPPORT TO NONPROFIT ORGANIZATIONS**

ISSUE:

Review and discuss monetary support to nonprofits organizations.

RECOMMENDATIONS:

That the Budget Engagement Commission:

1. Receive a report on the City's current support for nonprofit agencies; and

2. Consider a recommendation to the City Council regarding additional support for Riverside nonprofit agencies.

BACKGROUND:

At the February 13, 2025 Budget Engagement Commission (BEC) meeting, Commissioner Vandenberg proposed that the City establish a standing line item to support worthy Riverside area non-profits. It was proposed that this City budgetary support either become an at-large line item or a specific addition to the Riverside Police Department budget. A subcommittee was recommended to consider agencies to receive potential funding.

DISCUSSION:

The City employs numerous initiatives to support nonprofit organizations that serve the Riverside community. Notable recent efforts include the use of American Rescue Plan Act (ARPA) funding to assist nonprofits serving the low-to-moderate income and arts communities. Other programs that benefit Riverside's nonprofit partners include the City's ongoing Sponsorship Program and the Community Development Block Grant.

ARPA was federal funding meant to facilitate the recovery from the devastating economic and health effects of the COVID-19 pandemic. ARPA aided eligible state, local, territorial, and tribal governments with funding for pandemic response needs, including mitigation and prevention,

support to communities and populations most impacted by the COVID-19 pandemic, and fill revenue shortfalls. Examples of Riverside non-profit programs funded by ARPA include:

- Mental Health Support ($199,001) – A partnership between City and local nonprofits providing services, counseling, programs in various languages at no cost or reduced cost to residents facing mental health issues;
- Nonprofit Grant Support ($1,876,233) – A Grant program for 501(c)3 nonprofits which included community organizations, food pantries, and performing arts.
- Other City-nonprofit partnerships to support the Riverside community through the impacts of the Covid-19 pandemic.

Riverside's ARPA project was unique in scope. While many other American cities took their respective ARPA allocations entirely to assist local municipal funds with pandemic related expenses, Riverside adopted a hybrid approach that took a portion of funding to assist in critical municipal services while making a large pool of federal funds available in the local community. Over three years, the City allocated funding for approximately 50 projects and programs, including the three programs listed above.

Nonprofit Revolving Loan Fund:

On March 12, 2024, the City Council voted to approve the creation of the Riverside Nonprofit Resilience Fund, a revolving loan program in partnership with the Inland Empire Community Foundation (IECF) to support the capital and programmatic expansion of local nonprofits. **Funding allocated to the program totaled approximately $2.8 million.** The purpose of the fund is to provide flexible, repayable financing for Riverside-based 501(c)(3) nonprofits to:

- Expand services and reach;
- Acquire or improve facilities;
- Bridge funding gaps tied to contracts; and
- Invest in energy-saving improvements.

Individual loan amounts are anticipated to range from $150,000–$200,000. ICEF is establishing a five-person Investment Advisory Committee, composed of two representatives from the City, a member from the community and at least two members with commercial, community development or impact financing experience. This Committee will be the decision-making body for approving loans. In order that the Program be self-sustaining, IECF will take a proactive approach to finding outside funding to merge with the City's seed dollars to service more clients and grow its capital fund over time.

The Program is meant to fill a critical need to support Riverside's nonprofits that serve vulnerable municipal populations such as (but not limited to) seniors, youth ages 0-5, and those living in low-income communities, as well as other critical needs, all within the City of Riverside. To meet this critical need, the City partnered with the IECF which has a strong record in establishment, outreach, operation, and reporting required for a revolving loan fund that benefits nonprofit agencies benefitting vulnerable populations and critical needs in the City of Riverside.

The Program is currently in the establishment phase. A webpage has been established and a Request for Proposals (RFP) for a Loan Manager is being offered. The webpage can be found at: https://www.iegives.org/funds/riverside-city-nonprofit-resilience-fund/.

Refer to Attachment 1 for a full copy of the March 12, 2024, Council report which describes program, governance, financing structure, and regional and national examples of similar programs.

City Sponsorship Program:

The City Sponsorship Program (Program) provides local non-profit organizations with the opportunity to apply for City funds and/or in-kind services twice each fiscal year. The Program is administered by the Arts & Cultural Affairs Division of the Parks, Recreation, and Community Services Department. Staff annually reviews applications for eligibility, then forwards the requests to the appropriate City Departments and compiles subsequent recommendations. Following Council Committee approval, the full City Council votes for final approval.

Sponsorship applications are evaluated by various City departments, based on each organization's ability to create or enhance its events in the spirit of the City of Riverside Strategic Plan. Other factors that were considered include projected attendance, event/organization history, event budget, City Sponsorship history, and location of project in an underrepresented ward. All participating Departments use the following criteria for review of eligible applications:

1. Projected attendance;
2. Previous Attendance (if applicable);
3. History of Service to Community;
4. Connection to Specific Sections of the Strategic Plan;
5. Eligible Monetary Request;
6. Projected Cost per Participant;
7. Cultural Program;
8. Council Ward; and
9. Availability of the Requested Resource.

In the last funding cycle, forty-six (46) local, non-profit organizations applied for monetary and/or in-kind sponsorship during the current application process for events to be produced from January 1 – June 30, 2025, and forty-five (45) organizations are recommended as sponsorship recipients. A component of the recommendations for sponsorship includes in-kind sponsorship awards from the Fire Department; Police Department; Parks, Recreation and Community Services Department, and Riverside Public Utilities. The above **non-profits received funding and/or in-kind contributions from the City valued at approximately $229,099** (or cash contributions of approximately $76,200 and in-kind contributions of approximately $152,899).

Community Development Block Grant:

Riverside is an "Entitlement Community" under the Community Development Block Grant (CDBG) Program. "Entitlement Communities," for HUD grants are central cities of Metropolitan Statistical Areas (MSAs), other metropolitan cities with populations of at least 50,000, and qualified urban counties with populations of at least 200,000 that are "entitled" to receive annual grants through a formula calculation. The CDBG Program generally benefits low-to-moderate income individuals. A Low and Moderate Income (LMI) family of four persons would have a combined household income of approximately $82,000 (and below) in 2024. In 2024 approximately 12,000 LMI residents were assisted with capital project expenditures funded by the CDBG program with services including Public Facilities, Public Infrastructure, Fair Housing Services, Public Services, Homelessness Prevention, and Housing Services.

In 2024, the **CDBG Program reported financial assistance in the amount of approximately $416,000 that benefitted 21 programs and projects in the City that benefitted LMI individuals.** A list of funded projects is included below.

Partner:	Project:	Amount:
Arlington Temporary Assistance:	Continuum of Care Assistance	$28,000
Assistance League of Riverside:	Snacks/Lunches for Homeless RUSD Students	$17,000
Big Brothers/Big Sisters of the Inland Empire:	Support Services and Mentorship Program	$11,000
Care Connexxus	Nursing Carre for Frail Elderly and Disabled	$9,000
Catholic Charities San Bernardino and Riverside Counties	Outreach Caseworker Services	$14,000
Fair Housing Council of Riverside	Fair Housing Services	$86,515
Girls on the Run Riverside County	Healthy Living and Experienced Based Runing Curriculum	$10,000
Healthy Leaders Thriving Cities	Produce and Dairy Delivery for Seniors	$17,000
Latino Lawyers Association	Legal Expungement Project	$6,000
Inspire Life Skills Training	Housing for Former Foster and Homeless Youth	$16,000
Janet Goeske Foundation	Senior Programming and Services	$15,130
Junior League of Riverside	Diaper Bank	$14,000
Mercy House Living Center	Camp Anza Services	$9,000
Operation Safehouse	Main Street Transitional Living Program	$15,500
Operation Safehouse	Emergency Shelter for Youth	$15,500
Path of Life Ministries	Community Shelter Program	$67,000
Rebirth Homes	Human Trafficking Programs	$12,000
Riverside Rape Crisis Center	Trauma Intervention and Hotline	$17,000
SAFE Family Justice Center	Service for Abuse Victims	$9,000
Transgender Health and Wellness Center	Support Services and Mental Health Care	$17,000
Voices for Children	Court Appointed Special Advocate Program	$11,000
TOTAL:		**$416,645**

In all, **funding for non-profit organizations that serve City residents total a commitment of funding (one time and ongoing) of approximately $3.4 million.** The City will continue to look for ways to streamline the various funding application processes available to non-profit organizations and encourage them to seek City support, subject to staffing and funding eligibility.

STRATEGIC PLAN ALIGNMENT:

This report and recommendations contained herein align with strategic priority *5.3: Enhance communication and collaboration with community members to improve transparency, build public trust, and encourage shared decision-making* and each of the Cross-Cutting Threads:

1. **Community Trust** – Riverside is transparent and makes decisions based on sound policy, inclusive community engagement, involvement of City Boards & Commissions, and timely and reliable information. Activities and actions by the City serve the public interest, benefit the City's diverse populations, and result in greater public good.

2. **Equity** – Riverside is supportive of the City's racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity and is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services to ensure every member of the community has equal access to share the benefits of community progress.

3. **Fiscal Responsibility** – Riverside is a prudent steward of public funds and ensures responsible management of the City's financial resources while providing quality public services to all.

4. **Innovation** – Riverside is inventive and timely in meeting the community's changing needs and prepares for the future through collaborative partnerships and adaptive processes.

5. **Sustainability & Resiliency** – Riverside is committed to meeting the needs of the present without compromising the needs of the future and ensuring the City's capacity to persevere, adapt and grow during good and difficult times alike.

FISCAL IMPACT:

There is no direct fiscal impact associated with this report. All programs discussed above are subject to specific application criteria and award processes.

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Approved as to form:	Jack Liu, Interim City Attorney

Attachments:

1. Riverside Nonprofit Resilience Fund - March 12, 2024 Council Report
2. Presentation