



City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE:** April 7, 2009
FROM: CITY MANAGER'S OFFICE **ITEM NO:** 12
WARDS: ALL
SUBJECT: AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009—UPDATE AND
BLANKET AUTHORIZATION FOR SUBMITTAL OF GRANT APPLICATIONS
TO VARIOUS AGENCIES UNDER THE AMERICAN RECOVERY AND
REINVESTMENT ACT OF 2009—RESOLUTION

ISSUE:

The issues for City Council are an update and whether to authorize blanket approval for the submission of grant applications to various agencies under the American Recovery and Reinvestment Act of 2009 (“Stimulus Bill”). This report represents the status as of March 31, 2009.

RECOMMENDATIONS:

That the City Council:

1. Receive and file this report regarding the American Recovery and Reinvestment Act of 2009;
2. Adopt the attached resolution authorizing the submittal of grant applications to various agencies under the Stimulus Bill;
3. Authorize the City Manager, or his designee, to submit grant applications to authorized agencies under the Stimulus Bill; and
4. Direct departments to return to the City Council to accept awarded grants.

BACKGROUND:

The American Recovery and Reinvestment Act was developed in response to the most serious national economic crisis since the Great Depression. The Stimulus Bill, as passed into law on February 16, 2009, commits a total of \$787 billion nationwide and is intended to stimulate and add balance to the economy by investing in job creation and infrastructure through spending and tax cuts.

Of the \$787 billion in federal funds, \$330 billion is allocated to states for aid, \$170 billion for various federal projects and assistance for other non-state programs, and \$287 billion dedicated to tax relief. According to State of California Legislative Analyst Office, California will receive over \$31 billion, a portion of which will be used to address budgetary problems. The other portion of

California’s \$31 billion is allocated to supplement existing state spending on programs such as transportation, CDGB, and energy programs. In addition, significant dollars are available for competitive grants, but the amount California will receive is undetermined at this time.

Based on the estimated appropriations, programming is being developed to match the dollars available.

City of Riverside Status

The following illustrates the Stimulus Bill funding flow to the City of Riverside and actions being taken to ensure maximum funding is received. Grants under the Stimulus Bill are distributed in two methods: formula and competitive. Formula grant funds flow through their existing channels and are based on pre-established criteria such as population, unemployment, crime, etc. To date, the City has confirmed \$6,066,544 in formula funds as detailed in the chart below, with \$16,101,000 in transportation funds expected, but still dependent on AB 3x 20, which was signed by the Governor on Friday, March 27, 2009.

Automatic Formula Grants – Funding

Category	Program	Overview	Stimulus Funds
Community, Economic Development & Housing	CDBG	Used to benefit low-and moderate income persons by providing decent housing, a suitable living environment, and economic opportunities	\$ 904,000
Community, Economic Development & Housing	Homelessness Prevention	Provides resources for rapid re-housing and homeless prevention programs.	\$1,383,070
Public Safety	Byrne JAG (formula)	Supports a broad range of activities to prevent and control crime	\$ 928,874
Transportation	Highway Infrastructure	To supplement existing state highway program (including passenger and freight rail, and port infrastructure)*	\$16,101,000*
Energy	Energy Efficiency and Conservation Block Grants*	To reduce energy use and fossil fuel emissions and for improvements in energy efficiency.	\$2,850,600
Total			\$22,167,544

*dependent on the final distribution determination

The second distribution method is through a competitive process. With the intent of the Stimulus Bill to aggressively move money into the economy, the timeframes associated with grant applications are expected to be aggressive once criteria and guidelines are developed. Therefore, in anticipation of rapid deployment of competing agencies for funds throughout the nation, staff is

requesting blanket authority to apply for grants under the Stimulus Bill as they become available. The following is a list of potential funding agencies identified to date.

- California Emergency Management Agency
- California Energy Commission
- California Environmental Protection Agency
- California Transportation Commission
- Clean Water State Revolving Fund
- Department of Commerce
- Department of Energy
- Department of Housing and Urban Development
- Economic Development Agency
- Federal Emergency Management Agency
- Federal Highway Administration
- National Telecommunications and Information Administration
- Safe Drinking Water Revolving Fund
- State Department of Community Services and Development
- United States Department of Justice, COPS Office
- United States Office of Justice

Specific projects and programs applied for under the Stimulus Bill grants will be dependent upon the final criteria established by the foregoing agencies. Should the City be awarded grant funds, departments would return to the City Council to accept the grant and to execute the necessary documents.

Next Steps

While the Stimulus effort is designed to infuse dollars quickly into the economy, because of the one-time nature of the program, the task of developing criteria and guidelines is posing the greatest challenge and delay to funding agencies and their beneficiaries. Local government input to these criteria is ongoing and is critical for management of next steps. Staff continues to work with its legislative advocates in the nation's capital and the state's capital to track updates and disseminate relevant information to operating departments. The task of identifying grants that are in line with the City Council's strategic priorities and under which the City is eligible is fundamentally completed but remains dependent upon final guidelines.

FISCAL IMPACT:

The City continues to aggressively pursue opportunities to maximize the positive economic impact of the American Recovery and Reinvestment Act of 2009. There is no fiscal impact associated with receipt of this report and blanket authorization to pursue all eligible grant funds under the American Recovery and Reinvestment Act of 2009.

Submitted by: Belinda J. Graham, Assistant City Manager
Certified as to availability of funds: Paul C. Sundeen, Assistant City Manager/CFO/Treasurer
Approved by: Bradley J. Hudson, City Manager
Approved as to form: Gregory P. Priamos, City Attorney

Attachment:
1. Resolution

1 RESOLUTION NO.

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE,
3 CALIFORNIA AUTHORIZING THE CITY MANAGER TO EXECUTE ON
4 BEHALF OF THE CITY OF RIVERSIDE ALL NECESSARY APPLICATIONS,
5 CONTRACTS, PAYMENT REQUESTS, AGREEMENTS AND AMENDMENTS
6 FOR APPLICATION OF GRANT FUNDS UNDER THE AMERICAN
7 RECOVERY AND REINVESTMENT ACT OF 2009.

8 WHEREAS, on February 17, 2009, President Barack Obama signed into law the American
9 Recovery and Reinvestment Act (“ARRA”) of 2009; and

10 WHEREAS, the stated purpose of the ARRA is 1) to preserve and create jobs and promote
11 economic recovery; 2) to assist those most impacted by the recession; 3) to provide investments
12 needed to increase economic efficiency by spurring technological advances in science and health; 4)
13 to invest in transportation, environmental protection, and other infrastructure that will provide long
14 term economic benefits; and 5) to stabilize State and local government budgets, in order to minimize
15 and avoid reductions in essential services and counterproductive state and local tax increases; and

16 WHEREAS, on February 18, 2009, the Director of the Executive Office of the President
17 issued a Memorandum for the Heads of Departments and Agencies transmitting the first installment
18 of government-wide guidance for carrying out programs and activities enacted in the ARRA; and

19 WHEREAS, this installment, entitled Initial Implementing Guidance for the American
20 Recovery and Reinvestment Act of 2009, establishes requirements for the various aspects of ARRA
21 planning and implementation intended to meet the following crucial accountability objectives:

- 22 ▪ Funds are awarded and distributed in a prompt, fair, and reasonable manner;
- 23 ▪ The recipients and uses of all funds are transparent to the public, and the public benefits
24 of these funds are reported clearly, accurately, and in a timely manner;
- 25 ▪ Funds are used for authorized purposes and instances of fraud, waste, error, and abuse are
26 mitigated;
- 27 ▪ Projects funded under this Act avoid unnecessary delays and cost overruns; and
- 28 ▪ Program goals are achieved, including specific program outcomes and improved results
on broader economic indicators; and

1 WHEREAS, pursuant to ARRA, the City of Riverside (“City”) is required to abide by all
2 regulations and/or guidance promulgated thereunder; and

3 WHEREAS, the City desires to apply for all available ARRA grant funding which it is
4 eligible for; and

5 WHEREAS, it is necessary for the City to designate the City Manager, or his designee, to act
6 on behalf of the City in all aspects of the application process to secure available grant funds from
7 various Federal and State agencies administering the ARRA; and

8 WHEREAS, time is of the essence for the City’s submission of applications for ARRA grant
9 funds, as programs that are ready to implement and projects that are fully designed and ready for
10 construction are given priority funding.

11 NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Riverside,
12 California, as follows:

13 Section 1: The City Manager of the City of Riverside, or his designee, is hereby authorized
14 and empowered to execute on behalf of the City all necessary applications, contracts, payment
15 requests, agreements and amendments thereto, for the purpose of satisfying the ARRA grant
16 application process requirements and securing grant funds through the ARRA for the establishment
17 and implementation of economic stimulus programs within the City.

18 ADOPTED by the City Council this _____ day of March, 2009.

19
20 _____
21 Mayor of the City of Riverside

22 Attest:

23
24 _____
25 City Clerk of the City of Riverside

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1 I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the
2 foregoing resolution was duly and regularly introduced and adopted at a meeting of the City Council
3 of said City at its meeting held on the _____ day of March, 2009, by the following vote, to wit:

4 Ayes:

5 Noes:

6 Absent:

7 Abstain:

8 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the
9 City of Riverside, California, this _____ day of March, 2009.

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12 City Clerk of the City of Riverside
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