



Staff Report

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**File #:** 22-0162

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**REQUEST FOR CITY COUNCIL ACTION**

**DATE:** 02/16/2022

**TO:** Honorable Mayor and City Council Members

**FROM:** Community Services Department

**SUBJECT:**

City of Corona's Community Based Organization Grant Program Funding Utilizing an Appropriation from the American Rescue Plan Act (ARPA) funds and adjustments to the ARPA funding allocations.

**EXECUTIVE SUMMARY:**

On November 3, 2021, staff presented options to appropriate American Rescue Plan Act funds to the City Council for approval in the amount of \$29,077,125 for the City of Corona. The American Rescue Plan Act of 2021 allocates funds to states, territories, tribal areas, counties, and cities for relief affected by the COVID-19 pandemic. The City allocated \$500,000 from its \$29.2 million allotment to support the Capital Improvement Project titled Nonprofit Grant Program. This item was presented to the City Council on January 19, 2022 and carried over to the February 2, 2022 meeting. Subsequently, it was carried over to the February 16, 2022 City Council meeting.

**RECOMMENDED ACTION:**

**That the City Council:**

- a. Approve an equal annual allocation of \$166,666 in Community Based Organization Grant Program funding over the next three fiscal years starting with Fiscal Year 2023 and ending in Fiscal Year 2025.
- b. Approve the Community Based Organization Grant Program application and set the minimum funding award at \$2,500 and the maximum award not to exceed \$25,000 per organization per funding cycle.
- c. Authorize staff to solicit applications for funding from the Community Based Organization Grant Program from local nonprofit organizations during the life of the program.

- d. Provide staff with direction on whether to allocate \$150,000 in American Rescue Plan Act funding to the Woman's Improvement Club of Corona, a non-profit organization, for negative economic impacts as a result of the COVID-19 pandemic.
  
- e. Provide staff with direction on whether to reduce the Sixth Street Beautification Project #7673, by \$150,000 in the American Rescue Plan Act fund 413.

**BACKGROUND & HISTORY:**

The American Rescue Plan Act (ARPA) of 2021 appropriates nearly \$220 billion to states, territories, and tribal areas, and \$130 billion to cities and counties for the COVID-19 pandemic relief. Funds are distributed to recipients in the form of a block grant. For cities that are eligible to receive the Community Development Block Grant (CDBG) (i.e., "metropolitan cities," generally with a population of 50,000 or larger), funds are allocated according to a CDBG distribution formula rather than by population. For smaller cities and counties, ARPA provides that dollars will be distributed solely based on population.

ARPA funding is allocated to states, territories, tribal areas, counties, and cities for relief affected by the COVID-19 pandemic. On November 3, 2021, the City Council allocated \$500,000 from the City's \$29.2 million allotment to support a new Capital Improvement Program (CIP) titled Nonprofit Grant Program. The Nonprofit Grant Program is outlined in the analysis of this report and will be referred to as the City of Corona's Community Based Organization Grant Program. The purpose of the program is to support local non-profit organizations offering direct services to Corona residents which align with the City's Strategic Plan but are not offered by the City of Corona. The grant awards from the Community Based Organization Grant Program will leverage the expertise and the impact of the City's nonprofit partners to better serve the community.

At the January 19, 2022 City Council meeting, the City Council directed staff to bring back this item for consideration at the February 2, 2022 City Council meeting, while also identifying potential additional ARPA money that could assist the Women's Improvement Club. As a result, an allotment of \$150,000 is possible to provide financial assistance to the Woman's Improvement Club of Corona, a non-profit local organization, in addition to providing funding for the Community Based Organization Grant Program. The funding for the Women's Improvement Club will provide financial support to help offset negative economic impacts suffered through the pandemic. As 100% of the ARPA funds were allocated to projects in November 2021, the Sixth Street Beautification Project will be reduced by \$150,000.

**ANALYSIS:**

The City of Corona has been committed to serving its residents in partnership with local nonprofit agencies. To qualify as a nonprofit organization for any the City of Corona's grant programs, the agency needs to have a 501(c)3 designation from the Internal Revenue Service (IRS) and be recognized as a nonprofit organization by the State of California. The Community Based Organization Grant Program will be added to the existing grant programs offered by the Community Services Department. The Community Assistance Division administers Community Based Block Grant (CDBG) funds from the United States Department of Housing and Urban Development (HUD) on an annual basis. These funds provide resources to improve the physical, economic, and social conditions within

the community to benefit low-and moderate-income residents. In addition, the City of Corona also offers Co-Sponsorship Programs to Corona nonprofits. The Recreation Division of the Community Services Department administers the City’s Co-Sponsorship Program. This program seeks applications as part of a collaborative effort to strengthen our partnerships with Corona nonprofits by providing organizations with a chance to apply and submit dates to utilize City facilities for their events based on availability. These existing programs provide an excellent structure for the development of the Community Based Organization Grant Program. This new program will be modeled on these existing programs.

Based on the guidelines of the ARPA funding, the City’s Community Based Organization Program will have a maximum five-year deadline to expend the ARPA funds, with the goal of disseminating the funds within three years. With this goal in mind, City staff is recommending to disseminate the funds over three budget cycles as seen below:

<b>ARPA Funding Dissemination Schedule</b>	
<b>FISCAL YEAR</b>	<b>AMOUNT</b>
2023	\$166,666
2024	\$166,666
2025	\$166,666

*\*Total amount of approximately \$499,998 with approximate appropriation of \$500,000*

This appropriation of ARPA funds will play a significant role in providing critical services to Corona residents through community partnerships that support the City of Corona’s strategic goals. The Community Based Organization (CBO) Grant Program will keep the City’s vision of creating a safe, vibrant, and family-friendly community at its forefront and provide funding to Corona organizations supporting the City’s commitment of creating a community where everyone can thrive. The program will fund nonprofit activities which strengthen the social, family, or economic fabric of the Corona community.

### **The CBO Funding Program Process**

The Community Based Organization (CBO) Grant Program will have two primary components: 1) an annual application process, and 2) an on-site evaluation for approved grant programs. City staff will distribute a request for applications shortly after approval of this item by way of the City’s social media platforms and electronic distribution lists and publications, as well as directly reaching out to nonprofit organizations that the City already has current partnerships with that serve the Corona community. The City is currently working with more than 450 community based organizations that provide services to the Corona community. Staff expects to present a recommendation of awards in Spring 2022 for the City Council’s consideration. Applicants will be notified once the City Council has approved the awards and the grant will open at the beginning of the new fiscal year.

To set parameters on the awards, it is proposed that the Corona CBO Program will have limitations on minimum and maximum funding requests. The minimum funding that will be awarded would be \$2,500 and grant funding requests will not exceed the maximum award of \$25,000 per organization.

The minimum amount of \$2,500 is enough to benefit organizations to support their projects and justify the administrative costs. Providing a maximum amount of \$25,000 allows several organizations to leverage these grant monies for larger capital projects and still allows multiple agencies to receive awards from the \$166,666 annual allocation.

### **CBO Evaluation Process**

Corona CBO proposals will be evaluated based on criteria which include the number of Corona residents or students served, how the proposed programs align with the City's strategic plan, and how well the program impacts the current needs of the Corona community. In addition, to mirror the City's already approved Co-Sponsorship Program, City staff will review the applications and evaluate how the applicant's scope of work align with Corona's strategic plan and will bring the recommendations to the Committee of the Whole and to the City Council for final consideration and approval.

Since this is the initial inception of CBOs for the City of Corona, non-profit organizations that receive funding through this program will receive support from City staff to ensure that the organizations are staying within their scope of work as well as meeting their deadlines in order to receive grant funding.

### **Woman's Improvement Club Allocation**

The Woman's Improvement Club of Corona is a local non-profit organization, operating in the downtown area of Corona. During the COVID-19 pandemic, the organization has experienced significant challenges such as changing operational needs and limited fund-raising opportunities, leading to declines in revenue sources. As such, the City Council may decide to provide an allotment of \$150,000 in ARPA funds to this organization.

The ARPA funds were fully allocated to various projects in November 2021; however, with this new allocation to the Woman's Improvement Club, the Sixth Street Beautification Project #7673 will be reduced by \$150,000. That City anticipates this reduction in funding to the Sixth Street Beautification Project #7673 will be replaced with additional Measure A revenues to be received in Fiscal Year 2022.

### **FINANCIAL IMPACT:**

Funding in the amount of \$500,000 is available in the CIP titled Nonprofit Grant Program, Project No. 76770, within the ARPA Fund 413. Additionally, approval of the recommended actions will create a new ARPA project and provide an allotment of \$150,000 to the Woman's Improvement Club of Corona. The Sixth Street Beautification Project #7673 will be reduced by \$150,000 in the ARPA Fund 413.

### **ENVIRONMENTAL ANALYSIS:**

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential

for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The Community Based Grant Program provides funding to organizations to support their operations and will have no significant impact on the environment. Therefore, no environmental analysis is required.

**PREPARED BY:** VIOLA VAN, MANAGEMENT ANALYST II

**REVIEWED BY:** ANNE K. TURNER, COMMUNITY SERVICES DIRECTOR

**Attachments:**

1. Exhibit 1 - Community Based Organization Grant Program Application
2. Exhibit 2 - Community Based Organization Presentation