

# FRESNO CITY COUNCIL



## Information Packet

Agenda Related Item(s) – File ID 20-00609 (4-B)

### ITEM(S)

File ID 20-00609 (4-B) - Actions pertaining to emergency relief related to COVID-19:

1. \*\*\* RESOLUTION - Creating a Housing Retention Grant Program to assist Fresno families impacted by job loss or reduction in working hours related to COVID-19, and adding small business grants to the existing Save our Small Business Program (Subject to Mayor's Veto)
2. \*\*\*RESOLUTION- 46th Amendment to the Annual Appropriation Resolution (AAR) No. 2019-133 to appropriate \$2,000,000 for small businesses and \$1,500,000 for housing retention grants (requires 5 affirmative votes)(Subject to Mayor's Veto).

**Contents of Supplement: Updated Staff Report, Resolution #1 – Creating a Housing Retention Grant Program and Resolution #2 46<sup>th</sup> Annual Appropriation Resolution (AAR)**

### Item(s)

#### **Supplemental Information:**

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

#### **Americans with Disabilities Act (ADA):**

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk's Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.

## REPORT TO THE CITY COUNCIL

**DATE:** May 14, 2020

**FROM:** ESMERALDA SORIA, COUNCILMEMBER  
PAUL CAPRIOGLIO, VICE PRESIDENT  
LUIS CHAVEZ, COUNCILMEMBER

### SUBJECT

#### ..Title

Actions pertaining to emergency relief related to COVID-19:

1. \*\*\* RESOLUTION - Creating a Housing Retention Grant Program to assist Fresno families impacted by job loss or reduction in working hours related to COVID-19, and adding small business grants to the existing Save our Small Business Program (Subject to Mayor's Veto)
2. \*\*\*RESOLUTION- 46th Amendment to the Annual Appropriation Resolution (AAR) No. 2019-133 to appropriate \$2,000,000 for small businesses and \$1,500,000 for housing retention grants (requires 5 affirmative votes)(Subject to Mayor's Veto).

#### ..Body

### RECOMMENDATION

Recommends the City Council adopt Resolution and appropriate funding \$2 million for Save the Small Business Program and \$1.5 million to Fresno COVID19 Emergency Response Fund for Housing Retention Grants.

### EXECUTIVE SUMMARY

Small businesses and working families are experiencing significant financial impacts due the World Wide Pandemic. Closures of businesses to lessen the mortality impact on our residents has meant loss of income and jobs with limited or no other financial resources. The Resolution will provide grants to qualified Small Businesses saving jobs and to households or landlords to sustain housing.

### BACKGROUND

On March 25, 2020, the Fresno City Council passed the "Save Our Small Business Act" that established a \$750,000 small business relief loan-to-grant program. Over 2,000 applications were received. 116 Businesses were provided Loans to Grants. While there have been federal funding business programs available, like the Paycheck Protection Program, majority of our local business owners were not awarded funding. There is an unequivocal need for additional support of our small businesses.

To help mitigate these impacts, this item requests that the City Manager appropriate an additional \$2 million to the Save the Small Business Program and \$1.5 million to the Fresno COVID19 Emergency Response Fund for Housing Retention Grants.

Concerns over COVID-19, along with recommendations of social distancing has had a major impact on the local economy. While such actions are necessary to help reduce the spread of the virus, the

economic fallout is disproportionately impacting minimum wage and low-income workers and small business owners, many of whom live paycheck-to-paycheck. With many of these Fresnoans seeing a reduction in earnings, their risk of being unable to pay the rent and therefore face eviction increases after the eviction moratorium is lifted.

Already 1 of every 4 people in Fresno are living below poverty, thus the pandemic has exacerbated their ability to pay their rent, utilities and buy groceries. The crisis our families are facing is unprecedented and can be seen at food distribution lines. While the Central California Food Bank and many other organizations are helping feed our families; the resources aren't enough to keep our families financially afloat. This relief fund will prevent homelessness and foreclosures for many of our Fresnoans.

### **Covid-19 Relief Fund – Housing Retention Grant**

#### **Eligibility Criteria:**

Grants are available to households that meet the eligibility criteria below to be used to prevent eviction or support housing related financial assistance. Submitting an application does not guarantee financial assistance. Application approval requires that each program requirement be met and supporting verifiable documentation provided.

- Applicant must be a City of Fresno resident.
- Applicant must have a signed rental agreement or an alternate form of documentation verifying applicant's tenancy and monthly rent.
- Provide evidence the Grant will be used to prevent eviction or support housing related financial assistance. This may include, but is not limited to, payment of rent, future rent, utilities, and needed health and safety related home repairs that, if left unaddressed, will jeopardize occupancy. Applicant must provide documentation such assistance is required due to loss of income during the COVID-19 crisis.
- Applicants must be at or below 80% of Area Median Income (AMI). Income must be verified by documentation from a third party or an affidavit signed by the applicant stating current income during the COVID-19 crisis.
- Applicants must meet one or more of the following requirements during the COVID-19 crisis, as verified by supporting documentation. Acceptable documentation may include an affidavit from the Applicant.
  - I. Decrease in income.
  - II. COVID-19 related financial losses.
  - III. Applicant has fallen behind on rent due to other factors related to COVID-19 to be approved at the discretion of the fund administrator.

Administration will utilize available federal funds, to the extent legally available, first from CARES Act, then CDBG, and to next use Low and Moderate Income Housing Asset Fund dollars, or other eligible relief funds.

### **ENVIRONMENTAL FINDINGS**

None

### **LOCAL PREFERENCE**

N/A

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, CREATING A HOUSING RETENTION GRANT PROGRAM TO ASSIST FRESNO FAMILIES IMPACTED BY JOB LOSS OR REDUCTION IN WORKING HOURS RELATED TO COVID-19, AND ADDING SMALL BUSINESS GRANTS TO THE EXISTING SAVE OUR SMALL BUSINESS PROGRAM

WHEREAS, on March 11, 2020, the World Health Organization declared a COVID-19 world-wide pandemic, and on March 16, 2020, Mayor Brand declared a Local Emergency, ratified by the Council; and

WHEREAS, as a result of those declarations, and the growing number of people affected by the disease, day to day life has been significantly impacted for many Fresno residents; and

WHEREAS, working families are experiencing financial impacts and many of Fresno's small businesses have already seen a major drop in gross receipts since the COVID-19 outbreak; and

WHEREAS, businesses and nonprofits are instructing employees to stay home, many without pay, and gig workers and those with performance contracts will no longer be working and garnering income; and

WHEREAS, Congress has enacted several relief packages to address some of the economic fallout of the pandemic, but most Fresnoans who rent their homes still need help and many will experience challenges in paying back the missed rent, which may worsen their long term financial stability and even lead to being evicted; and

1 of 6

Date Adopted:  
Date Approved:  
Effective Date:  
City Attorney Approval: \_\_\_\_\_

Resolution No.

WHEREAS, the missing rent payments will also negatively impact local rental property owners, leading to an adverse domino effect in our community and to our local economy; and

WHEREAS, on March 25, 2020, via Ordinance No. 2020-012, Council created the Fresno COVID-19 Emergency Response Fund, and on March 25, 2020, Council passed the Save our Small Businesses Act to provide relief to small businesses impacted by COVID-19, and on April 23, 2020, Council approved Resolution No. 2020-091 directing appropriations to the COVID-19 Emergency Response Fund to create a consumer grant program to assist Fresno families impacted by job loss or reduction in working hours and directing appropriations to the Save our Small Business Program; and

WHEREAS, the Council now wishes to create, and provide direction for, a Housing Retention Grant Program, and provide further direction for the additional small business grants under the Save our Small Business program; and

WHEREAS, the goal of the Housing Retention Grant Program is to mitigate financial impacts and prevent future homelessness by ensuring Fresno residents have the ability to pay their owed rent to their current landlord; and

WHEREAS, to mitigate these impacts, the Council directs the City Administration and staff to appropriate funding to the Fresno COVID-19 Emergency Response Fund to award Housing Retention grants pursuant to the criteria in this Resolution, and increase the allocation to the Save our Small Business Program.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fresno as follows:

1. An additional appropriation of \$2 million to the Save our Small Business program. Funds shall be issued as grants and reimbursed with Federal funding to the extent legally permissible. The program will be administered by our Economic Development Department.
2. An appropriation of \$1.5 million to the Fresno COVID-19 Emergency Response Fund to be used for Housing Retention grants as described in this Resolution.
3. The Council hereby creates the COVID-19 Housing Retention Grant Program. Grants shall be used to prevent eviction or support housing related financial assistance, and are available to households that meet the eligibility criteria below. Submitting an application does not guarantee financial assistance. Application approval requires each program requirement be met and supporting verifiable documentation provided.
  - a. Applicant must be a City of Fresno resident.
  - b. Applicant must have a signed rental agreement or an alternate form of documentation verifying applicant's tenancy and monthly rent.
  - c. Provide evidence the Grant will be used to prevent eviction or support housing related financial assistance. This may include, but is not limited to, payment of rent, future rent, utilities, and needed health and safety related home repairs that, if left unaddressed, will jeopardize occupancy. Applicant must provide documentation such assistance is required due to loss of income during the COVID-19 crisis.

d. Applicants must be at or below 80% of Area Median Income (AMI). Income must be verified by documentation from a third party or an affidavit signed by the applicant stating current income during the COVID-19 crisis.

e. Applicants must meet one or more of the following requirements during the COVID-19 crisis, as verified by supporting documentation. Acceptable documentation may include an affidavit from the Applicant.

i. Decrease in income.

ii. COVID-19 related financial losses.

iii. Applicant has fallen behind on rent due to other factors related to COVID-19 to be approved at the discretion of the fund administrator.

f. Housing Retention Grants may be awarded:

i. To an individual as a one-time \$500 assistance grant, or a household as a one-time \$1,000 assistance grant, to cover housing related expenses (either rent or mortgage); or

ii. Directly to a participating landlord, covering 80% of their back rent due.

g. The Housing Assistance Grant program will be administered by local nonprofits that already work with the affected population.

h. This requires the nonprofits to develop a process to confirm that the household has demonstrated inability to pay rent and develop a process to obtain the owner's consent to participate in the program. If the landlord agrees to participate, the landlord will **receive 80%** of the

amount rent owed up to **June 2020**. The program may be extended by the Council upon additional funding being made available.

- i. Participating landlords would be prohibited from increasing the rent for the period of the program and prohibited from charging any late fines during the state of emergency.
- j. Participating landlords shall accept the payment as full payment of the missed or insufficient rent.

4. As these programs are COVID-19 related, the Council hereby directs the Administration to first use federal funds, to the extent legally available, first from the CARES Act, then CDBG, and to next use Low and Moderate Income Housing Asset Fund dollars or other eligible funds, or other eligible relief funds. ~~before using any General Fund money that may be appropriated for this purpose.~~

5. This Resolution hereby amends and replaces Resolution 2020-091.

\* \* \* \* \*



STATE OF CALIFORNIA )  
COUNTY OF FRESNO ) ss.  
CITY OF FRESNO )

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the \_\_\_\_\_ day of \_\_\_\_\_ 2020.

AYES :  
NOES :  
ABSENT :  
ABSTAIN :

Mayor Approval: \_\_\_\_\_, 2020  
Mayor Approval/No Return: \_\_\_\_\_, 2020  
Mayor Veto: \_\_\_\_\_, 2020  
Council Override Vote: \_\_\_\_\_, 2020

YVONNE SPENCE, MMC CRM  
City Clerk

By: \_\_\_\_\_  
Deputy Date

APPROVED AS TO FORM:  
DOUGLAS T. SLOAN  
City Attorney

By: \_\_\_\_\_  
Laurie Avedisian-Favini Date  
Assistant City Attorney

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO  
ADOPTING THE 46th AMENDMENT TO THE ANNUAL  
APPROPRIATION RESOLUTION NO. 2019-133 TO APPROPRIATE  
\$2,000,000 FOR SMALL BUSINESSES AND \$1,500,000 FOR  
HOUSING RETENTION GRANTS

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRESNO:

THAT PART III of the Annual Appropriation Resolution No. 2019-133 be and is hereby  
amended as follows:

	<u>Increase/(Decrease)</u>
TO: GENERAL CITY PURPOSE DEPARTMENT General Fund	\$ 2,000,000
TO: PLANNING AND DEVELOPMENT DEPARTMENT CARES	\$ 1,500,000

THAT account titles and numbers requiring adjustment by this Resolution are as follows:

	<u>Increase/(Decrease)</u>
<u>CARES Act Fund</u>	
Revenues:	
Account: <b>33104</b> Fed-Grant	\$3,500,000)
<b>44910</b> Transfer To Other Fund	<u>(3,500,000)</u>
Fund: <b>22054</b>	
Org Unit: <b>520240</b>	
Total Revenues	\$ _____ 0

Date Approved:  
Effective Date:  
Date Adopted:

	<u>Increase/(Decrease)</u>
<b><u>General Fund</u></b>	
Revenues:	
Account: <b>43910</b> Transfer from Other Fund	\$ 2,000,000
Fund: <b>10101</b>	
Org Unit: <b>200130</b>	
Total Revenues	<u>\$ 2,000,000</u>
Appropriations:	
Account: <b>58004</b> Special Projects	<u>\$ 2,000,000</u>
Fund: <b>10101</b>	
Org Unit: <b>200130</b>	
Total Appropriations	<u>\$ 2,000,000</u>
<b><u>CARES</u></b>	
Revenues:	
Account: <b>43910</b> Transfer from Other Fund	<u>\$ 1,500,000</u>
Fund: <b>22065</b>	
Org Unit: <b>400330</b>	
Total Revenues	<u>\$ 1,500,000</u>
Appropriations:	
Account: <b>58004</b> Special Projects	<u>\$ 1,500,000</u>
Fund: <b>22065</b>	
Org Unit: <b>400330</b>	
Total Appropriations	<u>\$ 1,500,000</u>

THAT the purpose is to appropriate \$2,000,000 for small businesses and \$1,500,000 for Housing Retention grants.

**CLERK'S CERTIFICATION**

STATE OF CALIFORNIA }  
COUNTY OF FRESNO } ss.  
CITY OF FRESNO }

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing Resolution was adopted by the Council of the City of Fresno, California, at a regular meeting thereof, held on the \_\_\_\_\_ Day of \_\_\_\_\_, 2020

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

Mayor Approval: \_\_\_\_\_, 2020  
Mayor Approval/No Return: \_\_\_\_\_, 2020  
Mayor Veto: \_\_\_\_\_, 2020  
Council Override Veto: \_\_\_\_\_, 2020

\_\_\_\_\_  
YVONNE SPENCE, MMC  
City Clerk

BY: \_\_\_\_\_  
Deputy