

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.47**  
(ID # 19169)

**MEETING DATE:**  
Tuesday, August 30, 2022

**FROM :** OFFICE OF ECONOMIC DEVELOPMENT:

**SUBJECT:** RIVERSIDE COUNTY OFFICE OF ECONOMIC DEVELOPMENT: Approval of the Business Revitalization Program; All Districts. [\$11,000,000 - 100% United States Department of Treasury's ARPA funds] (CEQA Exempt)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find that the project is exempt under the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Sections 15061(b)(3) and 15301; and
2. Authorize \$11,000,000 from the County of Riverside's ARPA Economic Recovery allocation, to be used for the Business Revitalization Program; and
3. Authorize the Director of the Riverside County Office of Economic Development, or designee, to take any and all necessary steps to implement and administer the program including signing subsequent, necessary and related documents to implement the program, subject to approval as to form by County Counsel, with participating County departments and local small businesses; and

Continued on page 2

**ACTION:**

*Suzanne Holland*  
Suzanne Holland, Director of Office of Economic Development

8/10/2022

*Aaron Gettis*  
Aaron Gettis, Deputy County Counsel

8/16/2022

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Spiegel, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: August 30, 2022  
xc: OED

Kecia R. Harper  
Clerk of the Board  
By: *[Signature]*  
Deputy

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**RECOMMENDED MOTION:** That the Board of Supervisors:

4. Approve and Authorize the Riverside County Office of Economic Development and Riverside County Transportation and Land Management Agency/Code Enforcement to coordinate and execute projects related to this program; and
5. Approve and direct the Auditor-Controller to make budget adjustments as shown on Schedule A; and
6. Delegate project management authority (managing department) for the Program to the Director of Office of Economic Development in accordance with applicable Board policies, including the authority to utilize consultants and specialized construction trade contractors on approved pre-qualified list and for services in connection with the Program, and within the approved project budget; and
7. Authorize the Purchasing Agent to execute pre-qualified consultant service agreements not to exceed \$100,000, per pre-qualified consultant, per fiscal year, in accordance with applicable Board policies for this Program, and the sum of all Program contracts shall not exceed approved funding.

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 11,000,000	\$ 0	\$ 11,000,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> 100% ARPA Funds			<b>Budget Adjustment:</b> Yes	
			For Fiscal Year: 21/22 - 24/25	

**C.E.O. RECOMMENDATION:** [CEO use]

**BACKGROUND:**

**Summary**

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (H.R. 1319) in to law. The \$1.9 trillion package is intended to combat the COVID-19 pandemic, including the public health and economic impacts. On April 27, 2021, the Executive Office presented the Board of Supervisors with a preliminary ARPA funding allocation then on October 19, 2021, presented a revised funding allocation after the U.S. Treasury released the ARPA interim funding guidelines.

On May 5, 2021, the Board received and filed the Strategic Economic Recovery Framework presented by the Economic Recovery Task Force. The framework contained short-term actions to assist business sectors finding it difficult to rebound from the pandemic and state closures, as well as mid to long range areas of focus for future growth and economic resiliency. Keys to the framework were short and long-term action items coordinated for an

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economic recovery and for the growth of the region whose trajectory includes the principles of equal access to opportunities and addressing barriers for economic equity and inclusion.

On January 6, 2022, the U.S. Treasury issued the final funding guidelines. These guidelines further clarify the detailed eligibility criteria for use of these funds. As a result, under the Economic Recovery category allows for the development of programs to assist businesses and industries struggling to rebound from the pandemic as well as focus on strategic investment projects for future economic growth and resiliency.

On February 8, 2022 the Board approved \$36 million for Economic Recovery in assisting businesses struggling to rebound from the COVID-19 pandemic and stimulate future economic growth and resiliency. The Office of Economic Development is recommending allocating \$11 million of that funding for the Business Revitalization Program:

**Business Revitalization Program - \$11 million**

ARPA includes enumerated eligible uses for building stronger communities through investments in neighborhoods in disproportionately impacted communities. The pandemic underscored the importance of safe and healthy neighborhood environments to public health and economic outcomes. The high rates of vacant or abandoned properties in a neighborhood may exacerbate public health disparities, for example through environmental contaminants that contribute to poor health outcomes or by contributing to higher rates of crime. The Business Revitalization Program aims to support small businesses in unincorporated communities through assistance with commercial rehabilitation, storefront improvements, façade improvements, infrastructure and/or fee assistance, and demolition of substandard structures. Funding will be provided directly to these small businesses or to Riverside County Code Enforcement to assist businesses and property owners with remediating active Code cases. Code Enforcement will provide assistance through commercial structure demolition and nuisance abatement, assisting property owners in distress and offering them and their communities a fresh start. The Office of Economic Development and Code Enforcement will execute this program in accordance with the attached Business Revitalization Program Guidelines and the Code Enforcement Business Revitalization Program Implementation Memorandum.

Many of the county's unincorporated communities struggle to attract private investment and suffer from neglected structures which affect "curb appeal" in the community. This funding will support building and landowners who either desire or need to demolish substandard structures, improve facades of existing businesses, or assist with fees or infrastructure costs. As such, certain services for vacant, dilapidated or abandoned properties are eligible to address the public health and negative economic impacts of the pandemic on disproportionately impacted communities.

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The Program goal is to provide approximately \$2,000,000 per supervisorial district, broken down with half of the funding for Office of Economic Development small business revitalization projects and half of the funding for Code Enforcement assistance with demolitions, nuisance abatement, and property improvement. The Administration budget is comprised of ten (10) percent of allocated project funding (split equally between departments) and will cover staff time in administering the individual projects and the overall program.

**Impact on Residents and Businesses**

The Business Revitalization program will support the County's economic recovery from the pandemic with investments in unincorporated communities that will help remove substandard structures and provide funding for façade upgrades for existing businesses. Through this program, communities will see physical and aesthetic improvements in unincorporated communities which will help stimulate private investment. The Economic Recovery funding will elevate the county's economic profile and long-term resiliency resulting in quality job growth, opportunities for new industry businesses and continued support for existing business growth and retention while improving the health and safety of communities.

**ATTACHMENTS:**

- Schedule A - Budget Adjustment
- Business Revitalization Program Guidelines
- Code Enforcement's Business Revitalization Program Implementation Memorandum

SCHEDULE A  
Office of Economic Development  
Budget Adjustment  
Fiscal Year 2022/2023

Increase Estimated Revenue:

21735-1901000000-763520	Fed-American Rescue Plan Act	\$11,000,000
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Increase in Appropriations:

21735-1901000000-528500	Project Cost Expense	\$11,000,000
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# Business Revitalization Program Guidelines

American Rescue Plan Act - Coronavirus State Fiscal  
Recovery Fund and the Coronavirus  
Local Fiscal Recovery Fund



RIVERSIDE COUNTY  
OFFICE OF ECONOMIC DEVELOPMENT

Riverside County Office of Economic Development  
September 2022

RIVERSIDE COUNTY

OFFICE OF ECONOMIC DEVELOPMENT

3403 10TH STREET, SUITE 400, RIVERSIDE, CA 92501 | (951) 955-8916

In response to the coronavirus disease of 2019 (COVID-19), the American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to provide state, local, and Tribal governments with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery.

The Riverside County Office of Economic Development (RivCoED) will utilize \$10,000,000 of ARPA SLFRF funding to create the Riverside County Business Revitalization Program (Program) to respond to the negative economic impacts of COVID-19 and reinvigorate the local economic recovery.

General Program objectives include, but are not limited to:

- The rehabilitation of commercial properties in unincorporated communities
- Storefront and façade improvements

See the Program Guidelines section of this document for additional information on eligible expenses. The Program is a discretionary incentive program designed to improve approximately forty (40) disproportionately impacted small businesses within the County's disadvantaged and unincorporated communities. Eligible small business owners can apply for a grant of up to \$75,000 for design services and a grant of up to \$175,000 for construction costs and permitting. The County's obligation under this Program is contingent upon the availability of appropriated funds and subject to Program interest.

### **Administration of the Program**

- Centralized Application Process – an online application will be located on the RivCoED webpage at <https://rivcoed.org/brp>.
- The RivCoED website will be the centralized repository for all applications, agreements, and the tracking database.
- The RivCoED landing page will describe Program and provide online preliminary eligibility review.
- Grantees will be required to upload and sign a Program Agreement as part of the process to ensure funding is being used appropriately.
- As part of reporting and tracking requirements, RivCoED will track the number of grants provided along with the corresponding funding amount. A Final Report shall be provided at the end of Program Guideline Terms.

### **Implementation:**

To implement the Program, RivCoED will:

1. Work with the SBA's Small Business Development Center, area Chambers of Commerce, County of Riverside Code Enforcement Department, and other small business support organizations in County to promote and market the program so that as many small business owners as possible throughout the County know about the Program and are able to apply, regardless of location.
2. Launch a rapid deployment application process for the Program and a public link which will direct to an on-line application on RivCoED web site <https://rivcoed.org/brp>. The landing page for the application will describe the program and invite eligible applicants to apply. All application responses will be securely stored and will serve as a repository for all program documents, and available for RivCoED staff to view at any time.
3. Have applications made available in English and Spanish for Program.

4. Have a process that once applications are received, RivCoED will determine the initial eligibility status of the business based on eligibility criteria set by the County of Riverside.
5. Ensure all ineligible applications will be notified of ineligible status by email.
6. Ensure that eligible businesses eligible will be sent a full application, which will require uploading documentation sufficient to determine that all criteria are met by the business.
7. RivCoED will evaluate the documentation provided by the business and approve or decline the application based on information provided by the applicant and the criteria established for the program. Documentation is intended to validate number of employees, business and financial history, business license, and other key documentation necessary to mitigate risk and fraud, and verify adverse impacts caused directly by the pandemic.
8. Require that both declined and approved applicants with completed applications will be notified within 10 business days of the funding decision.
9. Approve applications and have them remotely closed. Documentation will include obtaining signed copies of the Business Revitalization Program Application, Agreement, Grant Deed, Sam.gov Small Business Status registration, etc.
10. Provide all necessary reports and documentation, including progress reports and a Final Report at the end of the Term. All Program documentation and tracking will be available by request of RivCoED staff.

## **PROGRAM GUIDELINES**

### **1. Eligibility**

#### **Eligible Small Business Types**

- Small Private For-Profit with fewer than fifty (50) employees including sole proprietorships, independent contractors, owners, and owners on behalf of tenants.
- Business must be located in the unincorporated communities of Riverside County.
- Excluding Code Enforcement projects, existing businesses must be current on all permits and appropriate land use entitlements.

#### **Ineligible Business Types**

- Non-Profit or Public Entities;
- Startup Businesses (with less than one (1) year of operating history as of September 1, 2022);
- A business engaged in any activity that is illegal under federal, state, or local law;
- A passive business, investment company or investor who files a Schedule E on its tax returns;
- A speculative business, meaning a business for the sole purpose of purchasing and holding an item until the market price increases or other business principally engaged in risky activity for the chance of an unusually large profit;
- A business that restricts patronage for any reason other than capacity, specifically any business that illegally discriminates patronage;
- Residential projects or real estate investment projects including short-term rental operators;
- Casinos/gambling establishments;
- Adult-entertainment related businesses;
- Cannabis-related businesses.

### **2) Terms**

- Applications accepted beginning September 1, 2022



- Funding for design and construction of individual projects must be awarded and obligated by December 31, 2024
- All work must be completed by December 31, 2026.

### **3) Grant Funding**

Maximum Small Business Grant of \$250,000:

- Design Costs up to \$75,000
- Construction Activities and Permitting Costs up to \$175,000

### **4) Joint Participation**

RivCoED will fund up to 100% of the total approved project costs and will manage the procurement of the following services:

- Design consultants
- Construction (and prevailing wages)
- Permitting
- Environmental

The property owner will be responsible for the day-to-day management of the design and construction; however, the County will be available to assist as needed and give clarification on a project. The County will ensure all construction is paid the higher of the federal Davis-Bacon Act or California Director of Industrial Relations prevailing wage rate for any given classification employed in the performance of this contract.

### **5) Eligible Program Costs**

Eligible Program costs may include engineering design, architectural design, fees, permits and construction cost. Improvements will be made based on priority, subject to grant budget. Some of the eligible construction elements include:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Storefront Upgrades</li> <li>• Outdoor Dining Spaces</li> <li>• Ventilation Improvements</li> <li>• Enhanced Cleaning Efforts</li> <li>• Barriers or Partitions</li> <li>• Signage</li> </ul> | <ul style="list-style-type: none"> <li>• Property Beautification</li> <li>• Demolition or deconstruction of Abandoned Buildings</li> <li>• Removal and remediation of environmental contaminants</li> </ul> |
|--|---|

The eligibility of other capital improvements will be examined by County staff on a case-by-case basis.

### **6) Construction**

Construction funding will be provided to approved project applicants who have executed a Program Agreement with the Riverside County Office of Economic Development. The County's contribution will not exceed \$175,000 for construction and any construction costs in excess of the County's contribution shall be the responsibility of the Applicant/Owner.

### **7) Program Agreement**

Applicants are required to enter into the Program Agreement prior to the start of any design or construction. The agreement will outline requirements of the project applicant which will include, but are not limited to, the following:

- Authorized Improvements
- Authorized Funding
- Term and Schedule for Completion
- Insurance and Indemnification Requirements
- Conflict of Interest
- Prevailing Wages
- Mutual compliance with all applicable laws, ordinances, and codes of the federal, state, and local governments.



## CODE ENFORCEMENT DEPARTMENT COUNTY OF RIVERSIDE

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Robert "Bob" Magee  
Director

### Memorandum

To: Michael Franklin & Eric Sydow  
Office of Economic Development

From: Robert "Bob" Magee, Director, Code Enforcement

Date: June 30, 2022

**Re: Business Revitalization Program Implementation**

Cc: Charissa Leach, TLMA Agency Director  
Mary Ortiz, TLMA Admin Services Manager  
Justin Gardiner, Senior Code Enforcement Officer  
Rob Moran, OED, Deputy Director

Pursuant to your request this document will attempt to clarify the program your Office has envisioned through a partnership with Code Enforcement.

**Program Description:** The main goal of the Business Revitalization Program is to assist businesses and create business opportunities within qualified census tract and Low-Mod income areas throughout the unincorporated communities of Riverside County. This assistance will be through commercial structure demolition and nuisance abatement, assisting property owners in distress and offering them and their communities a fresh start.

**Funding:** The funding will be provided through the ARPA – Business Revitalization Program, administered by the Office of Economic Development (OED). \$1,000,000 shall be set aside per Supervisorial District along with \$500,000 for Project Administration (aggregate amount of \$5,500,000).

**Process:** Code Enforcement staff shall identify suitable properties/projects (preferably with open Code Enforcement cases) and submit them to OED for review and approval. Each property/project will have a completed Site Recommendation Worksheet (attached) approved by a Code Enforcement Supervisor, Manager or Director. These sites shall have an estimated clean-up cost of between \$5,000 and \$60,000. Any properties/projects estimated to exceed \$60,000 shall be deemed a Super Fund Site and will be submitted separately for review and approval.



**Robert "Bob" Magee**  
**Director**

## **CODE ENFORCEMENT DEPARTMENT**

### **COUNTY OF RIVERSIDE**

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Once a property is approved by OED staff, Code Enforcement shall secure property owner authorization (form attached) and solicit contractor's bids to perform the work described on the worksheet. Once work is authorized and completed Code Staff shall direct TLMA Fiscal staff to process an invoice for payment.

Code Enforcement shall advertise the positive outcomes via social media platforms with before and after photos as well as testimonials. Code Staff may also seek to develop a signage program for these sites:

**"Another Business Revitalization project  
approved by Supervisor "X"  
administered by Code Enforcement &  
the Office of Economic Development."**

OED staff shall coordinate and provide a billing task code for Code staff to bill against when locating and submitting properties and facilitating agreements. Additional billing task codes will be established for staff administering and supervising the abatement process. OED staff shall work with TLMA Fiscal on the initial \$5,500,000 deposit and any reporting requirements to the Board of Supervisor and/or the ARPA program. A Form 11 shall be authored by OED staff and carried forward for approval by the Board.

**Conclusion:** It is my hope that this memorandum and supporting documents accurately reflect the direction we agreed to during our meeting on June 29, 2022, and that this is the first step toward solidifying the partnership between our departments. I look forward to affirmative reply.



## CODE ENFORCEMENT DEPARTMENT COUNTY OF RIVERSIDE

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Robert "Bob" Magee  
Director

### Business Revitalization Site Selection Worksheet

Date of Inspection \_\_\_\_\_

Existing Code Enforcement Violation(s) \_\_\_\_\_

Site Address/APN \_\_\_\_\_

Is the Site in a Qualified Census Tract: Y/N

Site Description (size, fenced, structure(s), vehicles, etc.) \_\_\_\_\_

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Estimated Clean up cost (between \$5k - \$60k) \_\_\_\_\_

Will an Asbestos Inspection be required?: Y/N

Photos attached:

\_\_\_\_\_  
Approved by Supervisor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved by OED Supervisor

\_\_\_\_\_  
Date



Robert "Bob" Magee  
Director

## CODE ENFORCEMENT DEPARTMENT COUNTY OF RIVERSIDE

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### Business Revitalization One Time Abatement Agreement

Date Offered \_\_\_\_\_

The County of Riverside's Code Enforcement Department has reviewed your special circumstances and is hereby prepared to offer you this one-time property clean up opportunity at no charge.

As the owner of real property identified further as:

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(Assessor Parcel Number, Site Address and Community)

within the unincorporated area of the County of Riverside we are prepared to:

**Assist in the demolition and removal of all structures and the clean-up/disposal of accumulated trash, debris and rubbish that has limited the economic viability of your property while creating a public nuisance in violation of County Ordinance \_\_\_\_\_.**

The property owner acknowledges that this is a one-time offer based on special circumstances and agrees that steps will be taken to reduce or eliminate the likelihood that the situation will repeat itself. Furthermore, no off-site or third-party waste shall be disposed of as part of this Agreement.

The County will bear all costs and verify removal of all waste and close the open code case if/when compliance is achieved. The property owner agrees to Hold the County, its employees, agents, and contractors Harmless from any claims resulting from the work necessary to clean up the property and bring it into compliance.

All work shall be completed within 30 days of the date offered or the Agreement will be deemed void.

\_\_\_\_\_  
Property Owner

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor or Senior Officer

\_\_\_\_\_  
Date