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# **NEWPORT BEACH**

## **City Council Staff Report**

September 27, 2022  
Agenda Item No. 18

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** Seimone Jurjis, Community Development Director - 949-644-3232, [sjurjis@newportbeachca.gov](mailto:sjurjis@newportbeachca.gov)

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**PHONE:** 949-644-3236

**TITLE:** Community Development Block Grant Program Year 2021-22, Consolidated Annual Performance and Evaluation Report

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**ABSTRACT:**

For the City Council's consideration is a request to authorize the City Manager or her designee to submit the 2021-22 Consolidated Annual Performance and Evaluation Report (CAPER) to the U.S. Department of Housing and Urban Development (HUD). After the close of every fiscal year, HUD requires the City of Newport Beach (City) to prepare and submit a CAPER to account for the funding issued to program subrecipients and outline their progress in meeting the goals established in the Community Development Block Grant (CDBG) 2021-22 Annual Action Plan that was approved by the City Council on April 27, 2021. This report must be submitted to HUD by the end of September 2022. The Program Year 2021-22 CAPER was prepared and made available for the HUD-required 15-day public review and comment period, which began on September 10, 2022, and concludes with the public hearing before the City Council on September 27, 2022.

**RECOMMENDATION:**

- a) Conduct a public hearing to receive comments on the Program Year 2021-22 CAPER;
- b) Find this activity exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly;
- c) Approve the Program Year 2021-22 CAPER; and
- d) Authorize the City Manager or her designee to submit the Program Year 2021-22 CAPER to HUD.

## **DISCUSSION:**

On September 10, 2022, the City published a notice in the *Daily Pilot* informing the general public that the Draft 2021-22 CAPER (Attachment A) would be available for review and comment from September 10, 2022 to September 27, 2022. The public was informed of the opportunity to provide oral and/or written comments on the CAPER. At the time this staff report was written, no public comments have been received. Additionally, the CDBG Citizen Participation Plan requires that a public hearing be held to receive comments from interested parties regarding the CAPER. The City Council's September 27 public hearing will address the CDBG citizen participation requirement.

The program year 2021-22 CDBG allocation from HUD was \$391,662. Under the 2020 federal stimulus plan – CARES Act, the City received an additional \$960,403 to fund activities that prevent, prepare for, or respond to the impacts of COVID-19 (CDBG-CV funds). Pursuant to Substantial Amendments to the 2020-21 Annual Action Plan, the CDBG-CV funds were budgeted to an Economic Development Grant Program and to the Be Well OC Mobile Response Clinic (included under public service activities in the table below). Together with \$250,371 of unallocated CDBG funds from prior years, the City programmed a total of \$1,602,436 in CDBG funds for the program year. The table below shows the annual CDBG budget and expenditures.

<b><i>FY 2021-2022 Program Categories</i></b>	<b><i>Budget</i></b>	<b><i>Expenditures</i></b>
Public Service Activities	\$774,974	\$57,896*
Capital Improvement Project		
<i>Section 108 Loan Repayment</i>	\$202,387	\$202,387
<i>Economic Development Grant Program</i>	\$425,831	\$182,501**
<i>Homeless Shelter: Modification to Shelter</i>	\$48,497	\$0
Program Administration & Fair Housing	\$150,747	\$119,160
<b>Total</b>	<b>\$1,602,436</b>	<b>\$561,944</b>

\*Note: Be Well OC has undrawn expenditures for the 2021-22 program year, which will be drawn in the 2022-23 program year.

\*\*Note: Unspent economic development grant program funds will be reprogrammed to an eligible activity in a future program year.

The accomplishments for this year include, but are not limited to, a senior mobile meals program serving 101 residents, a homelessness prevention program serving 12 residents, fair housing services for 138 residents, a motel voucher program for homeless individuals serving 18 residents, and the final payment of the debt service for the Section 108 loan that funded prior public improvements in Balboa Village.

The economic development program, approved by the City Council under an amendment to the City's 2020-21 Annual Action Plan, successfully assisted 31 small businesses in Newport Beach who were negatively impacted by COVID-19. Over 200 applications were received and reviewed, and 31 businesses met HUD's strict eligibility criteria and provided the necessary documentation. The program, funded through a combination of CDBG-CV funds and unspent prior years' CDBG grant funds, has been completed and closed out. The balance of funds allocated to this activity and not spent will be programmed to another eligible activity in a future action plan.

Additionally, the Be Well OC Mobile Response Clinic surpassed its estimated goals and served 561 individuals since the program was rolled out in February 2022. The program is ongoing and will continue to assist Newport Beach residents in the next fiscal year. The balance of funds allocated to the program, including the associated administration costs, will carry forward and be spent in the 2022-23 program year.

A more detailed explanation of accomplishments can be found in the attached draft 2021-22 CAPER.

**FISCAL IMPACT:**

This item is a report on accomplishments for the past year; there is no fiscal impact related to this item. The CAPER is a requirement for all CDBG program recipients.

**ENVIRONMENTAL REVIEW:**

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

**NOTICING:**

In accordance with HUD requirements for a 15-day public review and comment period, a notice of this public hearing was published in the *Daily Pilot* on September 10, 2022. Further, the agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

**ATTACHMENT:**

Attachment A – CAPER