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# **NEWPORT BEACH**

## **City Council Staff Report**

September 14, 2021  
Agenda Item No. 8

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

**FROM:** Carol Jacobs, Assistant City Manager - 949-644-3313,  
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**TITLE:** Resolution No. 2021-80: Authorizing the City Manager to Apply for the PLHA Grant and Adopting the PLHA Plan for the Permanent Local Housing Allocation Program

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### **ABSTRACT:**

On July 27, 2021, the City Council approved Resolution 2021-67, authorizing the City Manager to apply for a Permanent Local Housing Allocation (PLHA) grant and adopting the City's PLHA plan. The Resolution did not contain a recital that is necessary for approval of the City's plan. Staff recommends adoption of a new Resolution to meet the State of California's (State's) requirements.

### **RECOMMENDATION:**

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Adopt Resolution No. 2021-80, *A Resolution of the City Council of the City of Newport Beach, California, Authorizing the City Manager to Apply for the PLHA Grant and Adopting the Permanent Local Housing Allocation Program*; and
- c) Authorize the City Manager to execute the PLHA Program Application, the PLHA Standard Agreement and any subsequent amendments as required by the State of California.

### **DISCUSSION:**

SB 2 was passed in 2017 and created the Building Homes and Jobs Act and the PLHA program. The bill established a permanent source of funding for affordable housing. Revenue for the program is generated through recording fees on real estate transactions and therefore, varies from year to year, depending on activity. Beginning in 2019, the revenues collected flow to local jurisdictions through the PLHA funding allocation. This application period covers 2019 through 2023.

PLHA funds are distributed to local agencies using the same formula as the Community Development Block Grant (CDBG) program. The State Department of Housing and Community Development (State HCD) has determined that the City of Newport Beach (City) is entitled to approximately \$1,017,678 over the five-year period covered by the application (2019-2023).

The State requested additional language in the City Council resolution, which states, “City certifies that its selection process of these subgrantees was or will be accessible to the public and avoided or shall avoid any conflicts of interest”. A new Resolution is attached.

**FISCAL IMPACT:**

Should the City receive the grant award, staff will return with a budget amendment. The State estimates that the City will receive \$1,017,678 through this program over the five-year period covered by the application. These funds will reduce the amount of General Fund resources that would otherwise be required to support the Bridge Shelter’s navigation center operations hosted by the City of Costa Mesa.

**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:**

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). The original plan was noticed as required by the State program guidelines.

**ATTACHMENT:**

Attachment A – Resolution No. 2021-80