



CITY OF

NEWPORT BEACH

City Council Staff Report

September 14, 2021
Agenda Item No. 24

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Community Development Block Grant Program Year 2020-21, Consolidated Annual Performance and Evaluation Report

ABSTRACT:

The U.S. Department of Housing and Urban Development (HUD) requires the City of Newport Beach (City) to prepare and submit a Consolidated Annual Performance and Evaluation Report (CAPER) to account for the funding issued to program subrecipients and to outline their progress in meeting the goals established in the Community Development Block Grant (CDBG) 2020-21 Annual Action Plan that was approved by the City Council on May 12, 2020. The CAPER serves as the report on accomplishments to HUD for the completed 2020-21 fiscal year. This report must be submitted to HUD on or before September 28, 2021. The Program Year 2020-21 CAPER was prepared and made available for the HUD-required, 15-day public review and comment period, which began on August 28, 2021, and concludes with the public hearing before the City Council on September 14, 2021.

RECOMMENDATION:

- a) Hold a public hearing to receive comments on the Program Year 2020-21 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 2020-21 CAPER; and
- d) Authorize the City Manager or her designee to submit the Program Year 2020-21 CAPER to HUD.

DISCUSSION:

On August 28, 2021, the City published a notice in the *Daily Pilot* informing the general public that the Draft 2020-21 CAPER (Attachment A) would be available for review and comment from August 28, 2021 to September 14, 2021. The public was informed of the opportunity to provide oral and/or written comments on the CAPER. To date, no public comments have been received. Additionally, the CDBG Citizen Participation Plan requires that a public hearing is held to receive comments from interested parties regarding the CAPER. This public hearing addresses the CDBG citizen participation requirement.

The program year 2020-21 CDBG allocation from HUD was \$372,775. Under the 2020 federal stimulus plan – CARES Act, the City received an additional \$219,324 to fund activities that prevent, prepare for, or respond to the impacts of COVID-19 (CDBG-CV funds). Pursuant to a Substantial Amendment to the 2020-21 Annual Action Plan, the CDBG-CV funds were budgeted to the Economic Development Grant Program. Together with \$201,511 of unallocated CDBG funds from prior years, the City programmed a total of \$793,610 in CDBG funds for the program year. The table below shows the annual CDBG budget and expenditures.

<i>FY 2020-2021 Program Categories</i>	<i>Budget</i>	<i>Expenditures</i>
Public Service Activities	\$55,924	\$55,924
Capital Improvement Project		
<i>Section 108 Loan Repayment</i>	\$193,481	\$193,481
<i>Economic Development Grant Program</i>	\$425,830	\$125,000
Program Administration & Fair Housing	\$118,375	\$81,431
Total	\$793,610	\$455,836

The accomplishments for this year include, but are not limited to, a senior mobile meals program serving 119 residents, a homelessness prevention program serving 13 residents, fair housing services for 112 residents, a motel voucher program for homeless individuals serving 28 residents, an economic development program providing grants to 21 small businesses, and scheduled debt service payments on the Section 108 loan that funded prior public improvements in Balboa Village. A more detailed explanation of accomplishments can be found in the attached draft 2020-21 CAPER.

The balance of funds allocated to the economic development grant program, including the associated administration costs, will carry forward to the 2021-22 program year.

Not included in this annual report, an additional round of \$741,079 of CDBG-CV funds was allocated to the City from HUD and has been programmed pursuant to a Second Substantial Amendment to the 2020-21 Action Plan, which was approved by the City Council on July 12, 2021. A Notice of Funding Availability (NOFA) was issued in July 2021 and one application from a public service provider was received in August 2021. Staff is working with the service provider to refine the scope of work and anticipates returning to the City Council for its consideration at the September 28, 2021 meeting.

FISCAL IMPACT:

This item is a report on accomplishments for the past year, there is no fiscal impact related to this item.

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 August 28, 2021. 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 – Draft Consolidated Annual Performance and Evaluation Report
(CAPER) for the 2020-21 Program Year