



# NEWPORT BEACH

## City Council Staff Report

September 28, 2021  
Agenda Item No. 18

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

**FROM:** Grace K. Leung, City Manager - 949-644-3001,  
gleung@newportbeachca.gov

**PREPARED BY:** Carol Jacobs, Assistant City Manager,  
cjacobs@newportbeachca.gov

**PHONE:** 949-644-3313

**TITLE:** Approval of a Mobile Crisis Response Team to Assist Residents and Homeless Individuals Experiencing Mental Health Crises Related to COVID-19 and a Community Development Block Grant and Professional Services Agreement

---

### **ABSTRACT:**

The City of Newport Beach (City) has experienced an increase in homeless activity in the last several years. While the City has been proactive in working with the homeless population, many of these individuals experience some form of mental illness. In addition, there is a rise of mental health challenges across the community due to the unprecedented COVID-19 pandemic. On July 13, 2021, City Council approved Resolution No. 2021-64: Second Substantial Amendment to the 2020-21 Annual Action Plan for the Federal Community Development Block Grant Program, broadly planning to allocate CARES Act funds to address comprehensive behavioral and mental health intervention and outreach services for the community. After issuing a public notice to solicit proposals from service providers, an agreement with the sole respondent, Mind OC, to fund its Be Well OC Mobile Crisis Response Team, is submitted for the City Council's consideration. The Be Well program will provide the necessary services to assist not only the homeless in our community, but residents who may be experiencing a mental health crisis.

### **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) Approve Budget Amendment No. 22-015 in the amount of \$717,079 in COVID-19 Community Development Block Grant Funds and \$376,101 from the General Fund to provide funding for a pilot program; and
- c) Authorize the City Manager and City Clerk to execute a three-year Community Development Block Grant Public Services and Professional Services Agreement with Mind OC for the Be Well OC Mobile Crisis Response Team Program, in the amount of \$1,093,180.00 for a term of one year with the option for two additional one-year extensions, in a form substantially similar to the agreement prepared by the City Attorney.

## **DISCUSSION:**

### **Background**

Homelessness is an extremely complex issue. Each individual has their own unique issues - building trust and encouraging them to get off the street can take years. Over the last three years, the City has seen an increase in its homeless population, with the COVID-19 pandemic particularly impacting the number of vulnerable individuals in our community in the last 18 months. The City has developed a team approach to address this problem: a contract with a social services provider, City Net, that connects homeless individuals to services; a cross-departmental team that assists homeless individuals and removes abandoned property as needed in a timely manner; and working with County Mental Health Services, which sends one of its staff members to Newport Beach several times per week. Additionally, the City has a dedicated Homeless Liaison Coordinator, a Homeless Liaison police officer, and a police force trained to work with the homeless to address illegal activity and support and encourage individuals to get into a shelter.

The City's Police and Fire Departments respond to approximately 4,500 calls for service each year that involve some sort of mental health issue. While the City has had much success in our public safety response to these calls, it has become apparent that dedicated resources with the skill set to manage mental health issues among the homeless and resident population would be beneficial and more cost effective.

The City of Huntington Beach is facing the same challenges with mental health issues in its community. Huntington Beach was the first in Orange County to use a new and innovative approach to develop and deploy a mobile health crisis unit in the city. After an extensive Request for Qualifications process, Huntington Beach chose Be Well (Mind OC) to develop its first unit. The Be Well program is modeled after the Eugene, Oregon, Crisis Assistance Helping Out On The Streets (CAHOOTS) program started in 1989. This program has teams of mental health workers and case managers respond to non-violent calls for service. The CAHOOTS team in Eugene responded to just under 19,000 calls for service in 2019 and 60 percent of those calls were for people unhoused.

### **Proposed Program**

Mind OC is a local nonprofit organization focused on coordinating services across multiple public and private systems to provide mental health support for the community. Mind OC created the Be Well OC Mobile Crisis Response Team Program (Program), which involves experienced crisis counselors responding to mental health calls for service to the police non-emergency or 911 call lines. The Program team addresses the emotional, physical, and social well-being of the patient, alleviating the need for police and EMS involvement. Patients can also be transported to a crisis center, detox center, or shelter as needed.

The Program complements and coordinates with the County of Orange's social and mental health services, oftentimes bridging the gap between medical treatment and individuals experiencing homelessness, or clinical care and families struggling with a mental health crisis.

Mind OC proposes to structure the Program in Newport Beach with a two-person mobile unit for 12 hours per day, 7 days a week, a van, medical supplies, uniforms, computers, and office space for one year. The proposed agreement is for an initial term of one year, with two additional one-year option terms. It is anticipated that as this Program grows over the next several years, there may be additional opportunities to partner with neighboring cities to reduce costs. The program will be re-evaluated after the first year.

### CDBG Funds

The City of Newport Beach participates in the Community Development Block Grant (CDBG) program, administered by the United States Department of Housing and Urban Development (HUD). A formula grant allocation of CDBG funds is received from HUD each year, with the objective to program the funds to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.

Under the 2020 federal stimulus plan Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the City received additional CDBG funding allocations from HUD, and the funds are to be used to prevent, prepare for, and/or respond to the COVID-19 pandemic. The funds were earmarked by City Council in July 2021, to be used to provide mental health type services to the Newport Beach community related to COVID-19, pursuant to a Second Substantial Amendment to the 2020-2021 Annual Action Plan.

The City published a Notice of Funding Availability (NOFA) to announce the availability of \$717,079 in CARES Act (CDBG-CV3) funds and solicit proposals from service providers to create a program to provide behavioral and mental health support to the Newport Beach community. Proposals were due on August 13, 2021, and the City received one proposal from Mind OC (Be Well OC) to provide these services.

### **FISCAL IMPACT:**

Mind OC proposes to deliver the Program for the first year at \$1,225,180. However, due to the generosity of a resident who wishes to remain anonymous, the cost of the van (\$100,000) and initial set up costs (\$32,000) have been donated to the City, resulting in total costs for the first year estimated at \$1,093,180.

The \$717,079 in CDBG-CV3 funds will be utilized, in compliance with HUD requirements, to address calls for services specifically related to COVID-19 for persons with low- to moderate-income. The balance of the Program costs, \$376,101, will be paid from the General Fund, with staff pursuing grants, additional donations, and other cost-sharing opportunities to offset future costs.

It should be noted that the City's receipt of grant funds from Senate Bill 2 (2017) under the Building Homes and Jobs Act and the Permanent Local Housing Allocation program, as approved by City Council pursuant to Resolution No. 2021-67, will offset \$433,244 in General Fund monies that are budgeted for the City's portion of the costs to operate the Navigation Center in Costa Mesa. That offset can be used to cover the balance of this proposed Agreement not covered by the CDBG-CV3 funds.

The Budget Amendment appropriates \$717,079 in additional revenue from federal CDBG funds, and \$1,093,180 in increased expenditure appropriations. The revenue will be posted to the Cares Act - CDBG account in the Community Development Department, 12050502-431535-G2208, and the agreement and associated costs will be expensed to the CDBG Grant Expenses – CV3 account in the Community Development Department, 12050502-821004-G2208, and to the Services Professional account in the City Manager Department, 0102041-811008.

**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).

**ATTACHMENTS:**

- Attachment A – Community Development Block Grant Public Services and Professional Service Agreement
- Attachment B – Budget Amendment