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# **NEWPORT BEACH**

## **City Council Staff Report**

September 26, 2023  
Agenda Item No. 11

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

**FROM:** Seimone Jurjis, Assistant City Manager/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 2022-23, Consolidated Annual Performance and Evaluation Report

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### **ABSTRACT:**

Under the annual Community Development Block Grant (CDBG) program, after the close of every fiscal year, 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). The CAPER is an explanation of the funding issued to CDBG program subrecipients, and describes the progress in meeting the goals established in the 2022-23 Annual Action Plan that was approved by the City Council on April 26, 2022. The report must be submitted to HUD by the end of September 2023. The Program Year 2022-23 CAPER was prepared and made available for the HUD-required 15-day public review and comment period, which began on September 9, 2023, and concludes with the public hearing before the City Council on September 26, 2023.

### **RECOMMENDATIONS:**

- a) Hold a public hearing to receive comments on the Program Year 2022-23 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 2022-23 CAPER; and
- d) Authorize the City Manager or her designee to submit the Program Year 2022-23 CAPER to HUD.

### **DISCUSSION:**

On September 9, 2023, the City published a notice in the *Daily Pilot* informing the general public that the Draft 2022-23 CAPER (Attachment A) would be available for review and comment from September 9, 2023 to September 26, 2023.

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 be held to receive comments from interested parties regarding the CAPER. This public hearing addresses the CDBG citizen participation requirement.

The program year 2022-23 CDBG allocation from HUD was \$405,104. 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 a Substantial Amendment to the 2020-21 Annual Action Plan, a portion of the CDBG-CV funds were budgeted to the Be Well OC Mobile Response Program. Together with \$284,168 of unallocated CDBG funds from prior years, the City programmed a total of \$1,136,447 in CDBG funds for the program year. The table below shows the annual CDBG budget and expenditures.

<b><i>FY 2022-2023 Program Categories</i></b>	<b><i>Budget</i></b>	<b><i>Expenditures</i></b>
Public Service Activities	\$777,843	\$592,891*
Capital Improvement Project		
<i>Section 108 Loan Repayment</i>	\$210,548	\$210,548
<i>Homeless Shelter: Modification to Shelter</i>	\$52,771	\$0**
Program Administration & Fair Housing	\$95,285	\$74,855**
<b>Total</b>	<b>\$1,136,447</b>	<b>\$878,294</b>

\*Note: Be Well OC has undrawn expenditures for the 2022-23 program year, which will be drawn in the 2023-24 program year.

\*\*Note: Unspent program funds will be carried forward into the new fiscal year and allocated to eligible CDBG activities.

The accomplishments for this year include, but are not limited to, a mobile meals program serving 236 senior residents, fair housing services for 133 residents, a motel voucher program for homeless individuals serving 33 residents, and a homeless prevention program that assisted two Newport Beach families with vouchers and an additional 10 families with food pantry support. The final payment of the debt service for the Section 108 loan that funded prior public improvements in Balboa Village was made during the fiscal year. A more detailed explanation of accomplishments can be found in the attached draft 2022-23 CAPER.

Additionally, the Be Well OC Mobile Response Program was rolled out in February 2022, and served 936 individuals during fiscal year 2022-23. The program has approximately \$184,952 in unspent CDBG-CV funds, which will carry forward to the 2023-24 program year.

### **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 September 9, 2023. 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