



Community Development Block Grant Program CARES Act Second Substantial Amendment

Annual Action Plan
FY 2020-2021

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TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	2
Background.....	2
Sources.....	2
Use of CDBG-CV3 Funds.....	3
AP-15 EXPECTED RESOURCES.....	5
Matching Requirements.....	5
AP-20 ANNUAL GOALS AND OBJECTIVES.....	6
AP-35 PROJECTS AND ACTIVITIES.....	7
AP-90 PROGRAM SPECIFIC REQUIREMENTS.....	9

Appendices

Appendix A Citizen Participation

Appendix B SF-424, SF-424D, Certifications

EXECUTIVE SUMMARY

Background

Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which was signed by the President on March 27, 2020, to respond to the growing effects of this historic public health crisis.

The CARES Act made available \$5 billion in Community Development Block Grant Coronavirus (CDBG-CV) funds to prevent, prepare for, and respond to the COVID-19 pandemic. As a recipient of Community Block Development Grant (CDBG) funds, the City of Newport Beach is eligible to receive CDBG-CV funds from the U.S. Department of Housing and Urban Development (HUD).

The CDBG-CV funds are separate and distinct from the City's regular CDBG funds. CDBG-CV funds must be used to prevent, prepare for, or respond to the COVID-19 pandemic, and may not be used to supplant other funding sources. Additionally, CDBG-CV funds must meet a CDBG program national objective, and the activity must be CDBG-eligible. HUD also provides for communities to accept several regulatory waivers that facilitate the rapid use of CDBG-CV funds. The regulatory waivers and flexibilities are intended to prevent the spread of COVID-19 and facilitate assistance to households and businesses economically impacted by COVID-19.

Sources

CDBG-CV Funding – Round 1

The City of Newport Beach initially received \$219,324 in “Round 1” CDBG-CV funds (CDBG-CV1) to be used for activities that prevent, prepare for, or respond to the impacts of COVID-19. City Council held a public hearing in July 2020 to substantially amend the 2020-2021 Annual Action Plan to allocate CDBG-CV1 funds to an Economic Development – CDBG Small Business Grant Program to assist small businesses suffering from economic hardships resulting from the COVID-19 pandemic.

The substantial amendment to the 2020-2021 Annual Action Plan was adopted on July 14, 2020 by Resolution 2020-69, allocating CDBG-CV1 funds as follows:

Economic Development – CDBG Small Business Grant Program	\$175,460
CDBG Program Administration	<u>\$43,864</u>
Total CDBG-CV1	\$219,324

CDBG-CV Funding - Round 2

“Round 2” of CDBG-CV funding (CDBG-CV2) was allocated only to states. Therefore, the City of Newport Beach did not receive CDBG-CV2 funds.

CDBG-CV Funding - Round 3

The City of Newport Beach will receive the following grant under CDBG-CV “Round 3” funds (CDBG-CV3) from HUD:

CDBG-CV3	\$741,079
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CDBG-CV Funding – All

Collectively, the City of Newport Beach is the recipient of the following total CDBG-CV funds:

CDBG-CV1	\$219,324
CDBG-CV3	<u>\$741,079</u>
Total CDBG-CV	\$960,403

Use of CDBG-CV3 Funds

This Second Substantial Amendment to the 2020-2021 Annual Action Plan allocates CDBG-CV3 funds, to support the CDBG Program. With the overall goal of preventing,

preparing for, and responding to COVID-19, the following proposed projects and activities will utilize the CDBG-CV3 funds, subject to the CARES Act and emerging policy from HUD, including program regulations and waivers:

COVID-19 Prevention, Preparedness and Response Services	\$717,079
CDBG-CV Program Administration	<u>\$24,000</u>
Total CDBG-CV3	\$741,079

AP-15 EXPECTED RESOURCES

The CARES Act CDBG-CV3 allocation from HUD is in the amount of \$741,079. The period of performance for CDBG-CV grants under the law is from March 27, 2020 to September 30, 2022.

Table 1 – Expected Resources

Program	Uses of Funds	Expected Amount Available				Narrative Description
		Allocation:	Program Income:	Prior Year Resources:	Total:	
CDBG-CV3	Public Services Administration	\$741,079	\$0	\$0	\$741,079	CARES Act allocation of CDBG to address COVID-19

Matching Requirements

The Cares Act allocation of CDBG-CV funds does not require a local matching funds contribution.

Note: Information on this page will also be used to update the 2020-2024 Consolidated Plan “SP-35 Anticipated Resources” section, adding the CDBG-CV3 allocation shown in Table 1.

AP-20 ANNUAL GOALS AND OBJECTIVES

Table 2 – Goals and Objectives

Goal Name	Time Period	Category	Needs Addressed	Funding	Goal Outcome Indicator
Goal 1 Public Services	2020-2022	Non-Housing Community Development	Provide public services for low-and moderate-income residents	\$717,079	30 Persons Assisted
Description: Provide public services and programs that prevent, prepare for, and respond to COVID-19, which may include comprehensive behavioral and mental health intervention and outreach, emergency subsistence, mobile crisis services and other activities to provide education, testing, vaccinations, diagnosis and treatment, and other materials and supplies necessary to support social distancing, and promote community health, safety and stability					
Goal 2 Program Administration	2020-2022	Program Administration	All	\$24,000	N/A
Subject to the CARES Act and emerging policy from HUD A portion of CDBG-CV funds may be used to pay the indirect or direct administrative cost including planning the use of funds, and processing all required grant administration documents, monitoring and reporting to HUD in compliance with federal regulations					

Note: Information from this page will also be used to update the 2020-2024 Consolidated Plan “SP-45 Strategic Plan Goals” section, adding CDBG-CV3 funds to the Public Services and Program Administration goals.

AP-35 PROJECTS AND ACTIVITIES

To address the goals and objectives identified in Section AP-20, the City of Newport Beach will invest these funds for the proposed project activities shown in the table below.

Table 3 –CDBG-CV3 Project and Activities

1	Project Name	COVID-19 Prevention, Preparedness and Response Services
	Target Area	Citywide
	Goals Supported	Public Services
	Needs Addressed	Provide public services for low- and moderate-income residents
	Funding	CDBG-CV3: \$717,079
	Description	Subject to the CARES Act and emerging policy from HUD, including program regulations and waivers, an estimated portion of the CDBG-CV3 funds will be used to provide public services and programs that prevent, prepare for, and respond to COVID-19, which may include comprehensive behavioral and mental health intervention and outreach, emergency subsistence, mobile crisis services and other activities to provide education, testing, vaccinations, diagnosis and treatment, and other materials and supplies necessary to support social distancing, and promote community health, safety and stability
	Target Date	9/30/2022
	Accomplishments	Approximately 30 people will benefit from the proposed activities
	Location	Citywide
	Planned Activities	Prevention, Preparedness and Response to COVID-19 Services (30 people)

2	Project Name	CDBG-CV Program Administration
	Target Area	Citywide
	Goals Supported	Program Administration, CDBG-CV3
	Needs Addressed	All
	Funding	CDBG-CV: \$24,000
	Description	Subject to the CARES Act and emerging policy from HUD, including program regulations and waivers, a portion of the CDBG-CV3 funds may be used to pay the indirect or direct administrative cost including planning the use of funds, and processing all required grant administration documents, monitoring and reporting to HUD in compliance with federal regulations
	Target Date	9/30/2022
	Estimate the number and type of families that will benefit	N/A – Program Administration
	Location	Citywide
Planned Activities	CDBG-CV3 Program Administration \$24,000	

AP-90 PROGRAM SPECIFIC REQUIREMENTS

In the implementation of program activities under the CDBG-CV3 Action Plan will follow all HUD regulations and some or all of the waivers made available by HUD concerning compliance matters such as program income, forms of investment, and overall low- and moderate-income benefit (if applicable).

Community Development Block Grant-CV Program (CDBG-CV)

The following tables address HUD regulatory requirements at 24 CFR 92.220(l)(1) concerning program income and CDBG-CV low- and moderate-income benefit.

Table 4 – Program Income

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Table 5 – Low- and Moderate-Income Benefit

1. The amount of urgent need activities*	0%
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low- and moderate-income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low- and moderate-income. Specify the years covered that include this Annual Action Plan.	100%

*Note: The amount for Urgent Need activities may change depending on waivers issued by HUD subsequent to this Action Plan amendment.



Appendix A
Citizen Participation

Summary of Public Comments

To be inserted subsequent to the public review and comment period.



Appendix B
SF-424, SF-424D, and Action Plan
Certifications