



# CITY OF NEWPORT BEACH

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Annual Action Plan

FY 2021-2022

# Table of Contents

Table of Contents.....	2
AP-15 Expected Resources – 91.220(c)(1,2).....	3
AP-20 Annual Goals and Objectives .....	5
AP-35 Projects – 91.220(d) .....	8
AP-38 Project Summary .....	9
AP-50 Geographic Distribution – 91.220(f).....	12
AP-55 Affordable Housing – 91.220(g).....	13
AP-60 Public Housing – 91.220(h) .....	15
AP-65 Homeless and Other Special Needs Activities – 91.220(i).....	17
AP-75 Barriers to affordable housing – 91.220(j).....	20
AP-85 Other Actions – 91.220(k).....	22
AP-90 Program Specific Requirements – 91.220(l)(1,2,4).....	25

## Tables:

Table 56 – Anticipated Resources .....	3
Table 57 - Goals Summary.....	5
Table 58 - Goals Description .....	7
Table 59 - Project Information .....	8
Table 60 - Geographic Priority Areas .....	12
Table 61 - One Year Goals for Affordable Housing by Support Requirements.....	14
Table 62 - One Year Goals for Affordable Housing by Support Type .....	14

## 2021-2022 Action Plan

### AP-15 Expected Resources – 91.220(c)(1,2)

#### Introduction

For program year 2021-2022, the City is anticipating receiving \$385,974 of Community Development Block Grant (CDBG) funds from HUD. The City anticipates the availability of approximately \$2.07 million of CDBG resources during the five-year period beginning July 1, 2020 and ending June 30, 2025.

Table 56 - Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Admin and Planning Economic Development Housing Public Improvements Public Services	\$385,974	\$0	\$0	\$385,974	\$1,157,922	The City assumes it will receive \$385,974 each year during this Consolidated Plan cycle.

#### **Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

Depending on the financing structure of a given activity, it may be advantageous for the City to use CDBG funds to leverage appropriate state, local, and private resources, including but not limited to those listed below.

##### State Resources

- State Low-Income Housing Tax Credit Program
- Building Equity and Growth in Neighborhoods Program (BEGIN)
- CalHome Program

- Multifamily Housing Program (MHP)
- Housing Related Parks Grant
- CalHFA Single and Multi-Family Program
- Mental Health Service Act (MHSA) Funding

#### Local Resources

- Orange County Housing & Finance Agency (OCHFA) Funding
- Southern California Home Financing Authority (SCHFA) Funding
- Orange County Continuum of Care Program
- Orange County Housing Authority (OCHA) Programs

#### Private Resources

- Federal Home Loan Bank Affordable Housing Program (AHP)
- Community Reinvestment Act Programs
- United Way Funding
- Private Contributions
- Public-Private Partnerships

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Newport Beach will comply with new State requirements under AB1486 and AB1255 to inventory and support developers to access and utilize surplus municipal and state land for the construction of affordable housing. If such sites are identified, the City will consider the use of CDBG or other resources to assist with site preparation. At the point of developing this Action Plan, the City does not have any publicly owned land that can be used to support the development of affordable housing within the City of Newport Beach.

#### Matching Requirements

The City of Newport Beach does not receive HOME Investment Partnerships funds as part of its entitlement allocation. The amount of matching is therefore not applicable for the 2021-2022 Annual Action Plan.

#### Discussion

Assuming continued level funding of the CDBG programs, the City expects to utilize approximately \$2.07 million of CDBG funds during the five-year period beginning July 1, 2020 and ending June 30, 2025 to achieve the goals of the Strategic Plan.

## AP-20 Annual Goals and Objectives

### Goals Summary Information

Table 57 - Goals Summary

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Program Administration	2021	2022	Program Administration	Citywide	All	CDBG: \$65,194	N/A
2	Fair Housing Services	2021	2022	Affordable Housing	Citywide	Ensure equal access to housing opportunities	CDBG: \$12,00	Other: 125 Persons Assisted
3	Public Services	2021	2022	Non-Housing Community Development	Citywide	Provide public services for low- and moderate-income residents	CDBG: \$30,000	Public service activities other than Low/Moderate Income Housing Benefit: 100 Persons Assisted
4	Homeless Services	2021	2022	Homeless	Citywide	Prevent and eliminate homelessness	CDBG: \$27,896	Homelessness Prevention: 25 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Public Facilities and Infrastructure Improvements	2021	2022	Non-Housing Community Development	Citywide	Improve public facilities and infrastructure  Address material barriers to accessibility	CDBG: \$250,884	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit:  Other: I (Section 108 Loan)  Modification to Shelter: I
6	Economic Development Assistance	2020	2022	Non-Housing Community Development	Citywide	Economic Development	CDBG: \$250,371 (2020-21)	Economic activities: 3 Businesses Assisted

## Goal Descriptions

1	Goal Name	Program Administration
	Goal Description	Efficient and cost-effective implementation of CDBG program.
2	Goal Name	Fair Housing Services
	Goal Description	Affirmatively further fair housing choice through the provision of fair housing education, counseling, anti-discrimination, and landlord-tenant mediation services. The CDBG Administration activity funding for five years is also represented under this goal.
3	Goal Name	Public Services
	Goal Description	Provide public services for low- and moderate-income residents including senior citizens, families and youth including but not limited to those concerned with food, essential services, transportation, health, recreation, and employment.
4	Goal Name	Homeless Services
	Goal Description	Provide funding to community-based organizations who offer critical services for homeless and other special needs populations as determined via a competitive application.
5	Goal Name	Public Facilities and Infrastructure Improvements
	Goal Description	Based on need and available resources and results of the 2020-2024 Consolidated Plan Needs Assessment Survey, the improvement of public facilities and infrastructure owned and operated by the City of Newport Beach is rated as a high priority need for CDBG funds. In addition, Section 108 Loan Repayment is included under this goal.
6	Goal Name	Economic Development Assistance
	Goal Description	Provide technical assistance and additional support to small and micro businesses in the City of Newport Beach to provide job support and fulfill economic needs of low- and moderate-income residents.

Table 58 – Goal Description

## AP-35 Projects – 91.220(d)

### Introduction

To address the high priority needs identified in the Strategic Plan, the City of Newport Beach will invest CDBG funds in projects that develop provide fair housing services, provide services to low- and moderate-income residents, prevent homelessness and strengthen economic opportunities. Together, these projects will address the needs of low- and moderate-income Newport Beach residents.

The Fair Housing Services project will provide fair housing assistance to an estimated 125 moderate-income people, the Public Services project will provide assistance to an estimated 100 presumed low-income elderly people, the Homeless Services project will provide services to an estimated 24 presumed low-income people, and the Economic Development Assistance project will technical assistance services to an estimated 3 small businesses.

Table 59 - Project Information

#	Project Name
1	Program Administration
2	Fair Housing Services
3	Public Services
4	Homeless Services
5	Public Facilities and Infrastructure Improvements
6	Economic Development Assistance

### Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Based on the Strategic Plan, the City is allocating a majority of its non-administrative CDBG funds for program year 2020-2024 to projects and activities that benefit low- and moderate-income people throughout the City.

The primary obstacles to meeting the underserved needs of low- and moderate-income people include lack of funding from federal, state, and other local sources and the high cost of housing that is not affordable to low-income residents. To address these obstacles, the City is investing CDBG funds through the 2021-2022 Action Plan in projects that provide public services to low- and moderate-income people and projects that prevent homelessness as well as strengthen economic opportunities for the low- and moderate-income residents of Newport Beach.



## AP-38 Project Summary

### Project Summary Information

1	Project Name	Program Administration
	Target Area	Citywide
	Goals Supported	All
	Needs Addressed	All
	Funding	CDBG: \$65,194
	Description	Effective and cost-efficient implementation of the CDBG program.
	Target Date	6/30/22
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	Citywide
	Planned Activities	Program Administration: \$65,194
2	Project Name	Fair Housing Services
	Target Area	Citywide
	Goals Supported	Fair Housing Services
	Needs Addressed	Ensure equal access to housing opportunities
	Funding	CDBG: \$12,000
	Description	Affirmatively further fair housing choice through the provision of fair housing education, counseling, anti-discrimination and landlord-tenant mediation services.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 125 people will benefit from the proposed activity.
	Location Description	Citywide.
	Planned Activities	Fair Housing Services: (125 people) \$12,000

3	Project Name	Public Services
	Target Area	Citywide
	Goals Supported	Public Services
	Needs Addressed	Provide public services for low- and moderate-income residents
	Funding	CDBG: \$30,000
	Description	Provide public services for low- and moderate-income residents.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 100 people will benefit from the proposed activities.
	Location Description	Citywide.
	Planned Activities	Age Well Senior Services: Home Delivered Meals (100 people) \$30,000
4	Project Name	Homeless Services
	Target Area	Citywide
	Goals Supported	Homeless Services
	Needs Addressed	Prevent and eliminate homelessness
	Funding	CDBG: \$27,896
	Description	Provide funding to community-based organizations who offer critical services for homeless and other special needs populations as determined via a competitive application.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 25 people will benefit from the proposed activities.
	Location Description	Citywide.

	Planned Activities	City Motel Voucher Program (13 people) \$11,896  Families Forward: (12 people) \$16,000
5	Project Name	Public Facilities and Infrastructure Improvements
	Target Area	Citywide
	Goals Supported	Public Facilities and Infrastructure Improvements
	Needs Addressed	Address material barriers to accessibility and improve public facilities and infrastructure
	Funding	CDBG: \$250,884
	Description	Section 108 Debt Service and Modifications to Shelter.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Other: 1 Modifications to Shelter: 1
	Location Description	Citywide
	Planned Activities	Section 108 Loan Repayment - \$202,387  Shelter - \$48,497
6	Project Name	Economic Development Assistance
	Target Area	Citywide
	Goals Supported	Economic Development Assistance
	Needs Addressed	Economic Development
	Funding	\$250,371 (2020-21 funds)
	Description	Economic development assistance
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Businesses assisted: 3
	Location Description	Citywide
	Planned Activities	Economic Development Assistance (TBD)

## AP-50 Geographic Distribution – 91.220(f)

### Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Based on evaluation of CPD Maps data, there are no areas within the City exhibiting a greater level of need for affordable housing or services for low- and moderate-income residents and there were no areas of the City containing minority concentrations; therefore, no geographic priorities were established within the Consolidated Plan and allocation priorities will be driven by citywide need. All CDBG funds will be directed toward activities benefitting low- and moderate-income residents citywide.

The only exception to this approach would be for CDBG projects that are qualified on a low- and moderate-income area basis where a specific proportion of the residents within the service area must be low- and moderate-income residents.

### Geographic Area

Table 60 - Geographic Priority Areas

	Target Area	Descriptions
I	Citywide	Newport Beach will allocate resources across the City based on need and eligibility

### Rationale for the priorities for allocating investments geographically

The City's investments in Fair Housing Services, Public Services and Homelessness Prevention Services projects are based on a citywide geography because individuals in need of these services may live anywhere within the jurisdiction—particularly services for seniors and homeless individuals.

### Discussion

Based on the Strategic Plan, the City is allocating 100 percent of its non-administrative CDBG funds for program year 2021-2022 to projects and activities that benefit low- and moderate-income people.

## AP-55 Affordable Housing – 91.220(g)

### Introduction

The City of Newport Beach will look at using non-CDBG local, state, and federal funding sources to develop new housing units. Preservation of the physical and functional integrity of existing housing units occupied by low- and moderate-income households is a cost-effective way to invest limited non-CDBG resources to retain existing housing units that are already affordable to low- and moderate-income households in the community. Additionally, rehabilitation will assist in resolving housing problems that residents face throughout Newport Beach. Addressing substandard housing conditions through housing preservation activities ensures that all economic segments of the community have the opportunity to live in decent housing that meets local standards.

### Expand the Supply of Affordable Housing

Based on evaluation of 2011-2015 ACS and CHAS data, there is a need for additional rental housing units affordable for households earning less than 50 percent of AMI. Of the households earning 0-80 percent of AMI, 8,943 are cost burdened households — meaning households paying more than 30 percent of their income for housing. Additionally, 6,614 of the cost burdened households are considered severely cost burdened households — meaning that they pay more than 50 percent of their income for housing. Of the 4,410 severely cost burdened households, 3,580 are renters. Of those severely cost burdened renter households, 3,320 households earn less than 50 percent of AMI and are considered the most at risk of becoming homeless. The City will continue to use its Affordable Housing Trust Fund and other available options under the State Density Bonus law to create additional affordable housing. The City is also currently working to update its General Plan Housing Element for the 6<sup>th</sup> Cycle Regional Housing Needs Assessment (RHNA) allocation, which is 4,845 new housing units. Of that number, 70 percent are required to be affordable to very-low, low- and moderate-income households. In order to accommodate that requirement, the City is exploring new policies to encourage production of affordable housing in the 2021-2029 planning period.

### Preserve the Supply of Affordable Housing

As the City's housing stock ages, a growing percentage of housing units may need rehabilitation to allow them to remain safe and habitable. The situation is of particular concern for low- and moderate-income homeowners who are generally not in a financial position to properly maintain their homes.

The age and condition of Newport Beach's housing stock is an important indicator of potential rehabilitation needs. Commonly, housing over 15 years of age will exhibit deficiencies in terms of paint, weatherization, heating / air-conditioning systems, hot water heaters and finish plumbing fixtures. Housing over 30 years of age will typically some form of major rehabilitation, such as roof replacement, foundation work and plumbing systems. According to CHAS data showing the year that housing units were built categorized by owner and renter tenure:

- 5,680 or 27 percent of the 20,920 owner-occupied housing units built between 15 and 34 years ago (built between 1980 and 1999).
- 11,905 or 57 percent of the 20,920 owner-occupied housing units in Newport Beach were built 34 or more years ago (built prior to 1980).
- 4,745 or 28 percent of the 17,160 renter-occupied housing units in Newport Beach were built between 15 and 34 years ago (built between 1980 and 1999).
- 10,930 or 63 percent of the 17,160 renter-occupied housing units in Newport Beach were built 34 or more years ago (built prior to 1980).

Preservation of the physical and functional integrity of existing housing units occupied by low- and moderate-income households is a cost-effective way to invest limited resources to retain existing housing units that are already affordable to low- and moderate-income households in the community. Addressing substandard housing conditions through housing preservation activities ensures that all economic segments of the community have the opportunity to live in decent housing that meets local standards.

Table 61 - One Year Goals for Affordable Housing by Support Requirements

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	0
Special-Needs	0
Total	0

Table 62 - One Year Goals for Affordable Housing by Support Type

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	0

## Discussion

The Strategic Plan identifies a high priority need to expand the supply of affordable housing. However, the City will use other funding sources and methods to create affordable housing opportunities such as the Affordable Housing Trust Fund and the State Density Bonus law. As mentioned previously, the City is also exploring new affordable housing policies as part of its Housing Element update that would encourage the production of new affordable units.

## AP-60 Public Housing – 91.220(h)

### Introduction

The Newport Beach Housing Authority does not administer Section 8 and does not own HUD Public Housing. Newport Beach is within the service area of the Orange County Housing Authority (OCHA) for the purposes of Section 8 and Public Housing. The data presented in the tables below is for Newport Beach and the narrative responses address the needs for the entire county, with specific references to the City of Newport Beach.

### Actions planned during the next year to address the needs to public housing.

In the upcoming five years, OCHA's goals are

- Apply for additional housing assistance funding and programs that may become available.
- Explore the use of Project-Based Housing Choice Vouchers or other housing funds to promote the construction or acquisition activities that will result in additional units or developments that will serve special needs populations.
- Ensure consistent quality of assisted housing services by maintaining high performer status in Section Eight Management Assessment Program (SEMAP) scores.
- Promote Family Self-Sufficiency incentives and homeownership opportunities for Housing Choice Voucher participants in partnership with local programs and related service providers.
- Expand assisted housing choices by conducting outreach efforts to increase the number of property owners and their participation in housing assistance programs.
- Identify and utilize technology to enhance operational effectiveness and efficiency in delivery of housing assistance services.

### Actions to encourage public housing residents to become more involved in management and participate in homeownership.

OCHA supports resident councils and actively seeks input from PHA residents on the management and implementation of OCHA policies and procedures.

Housing prices in Orange County are so high that homeownership opportunities are limited for OCHA residents. On a limited basis, OCHA has partnered with Habitat for Humanity to provide two affordable homeownership units, but these types of efforts are limited.

OCHA also manages a Housing Choice Voucher Homeownership Program that it markets to all OCHA program tenants.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable. OCHA is designated as a High Performing PHA.

### **Discussion**

Newport Beach continues to support OCHA in effective administration of its limited affordable housing resources. The City also continues to work with OCHA to include the residents with Section 8 Housing Choice Vouchers in the federally funded programs administered by the City, including any homeownership programs.

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## AP-65 Homeless and Other Special Needs Activities – 91.220(i)

### Introduction

The City will invest CDBG funds during the 2021-2022 program year to address high priority needs identified in the 2020-2024 Consolidated Plan including preventing homelessness and providing public services to homeless populations.

### Homelessness Prevention Services

According to the results of the most recent data available from the bi-annual Point-In-Time Homeless Count (PIT Count) held on January 22, 2019, on any given night in Orange County, approximately 6,860 people are homeless. To address incidences of homelessness in Newport Beach and to prevent extremely-low income Newport Beach families from becoming homeless, the City places a high priority on programs that work to prevent homelessness or rapidly assist homeless individuals living in the community. To address this need, the City will support CDBG public service activities that help prevent homelessness and that provide a structured path to stable housing for individuals and families who become homeless.

### Services for Residents with Special Needs

Analysis of available data and consultation with organizations providing services for special needs populations revealed a need for a range of additional services including, but not limited to, those concerned with domestic violence, human trafficking, mental disabilities, physical disabilities, developmental disabilities, substance abuse/alcoholism and HIV/AIDS that may be addressed by non-profit organizations. Non-profit organizations currently exist to fulfill some of these needs of individuals. Organizations such as Human Options, an Orange County-based non-profit that provides assistance to individuals experiencing domestic violence. Laura's House provides emergency shelter to women and children fleeing domestic violence situations. Radiant Health Centers provides services for those with HIV/AIDS such as free HIV and Hepatitis C testing.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

To reach out to unsheltered homeless persons and assess their individual needs for the purpose of connecting them with available emergency shelter and transitional housing resources, the City of Newport Beach, through its Planning Division will provide information and referrals — primarily to 2-1-1 Orange County. Additionally, to reduce and end homelessness, the City of Newport Beach will provide CDBG public service funds to the following activities:

- Families Forward: Housing Program (12 people)
- Newport Beach Motel Voucher Program (13 people)

## Addressing the emergency shelter and transitional housing needs of homeless persons

To address the emergency shelter and transitional housing needs of homeless persons, the City supports the Families Forward Housing Program that provides transitional housing, counseling, and case management to families at risk of homelessness. Each year, Families Forward serves approximately 12 additional unduplicated people because of CDBG funding. In addition, the City will support a City-run motel voucher program to assist 13 homeless individuals.

Other organizations in the Continuum of Care (CoC) addressing the emergency shelter and transitional housing needs of homeless persons include City Net, Orange Coast Interfaith Shelter, Orange County Rescue Mission and WISEPlace.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

To address the needs of homeless families, families with children, veterans and their families, the City supports the Families Forward Housing Program, which provides transitional housing, counseling, and case management to families at risk of homelessness. Each year, Families Forward serves approximately 12 unduplicated people through its transitional housing program. When paired with financial counseling, career coaching and other available case management services, Families Forward makes certain that families are ready to succeed in their transition to permanent housing.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The Orange County CoC Ten Year Plan to End Homelessness included a goal to establish countywide protocols and procedures to prevent people from being discharged from public and private institutions of care into homelessness that will help decrease the number of persons being discharged into homelessness. The CoC is seeking improve coordination among publicly and privately funded institutions of care and local service agencies in the County of Orange in order to decrease the number of persons being discharged into homelessness annually.

City Net is an organization that coordinates outreach among homeless service providers in the county with vulnerable homeless neighbors. City Net collects data for a Homeless Services Dashboard Report with frequent

meetings on how to improve public services that enables organizations in Newport Beach to better coordinate their efforts and leverage key synergies.

Preventing and ending homelessness is a HUD priority addressed nationally through coordination of regional strategies carried out locally by government agencies and a wide variety of community-based organizations and faith-based groups. Consistent with this approach, the City of Newport Beach supports the efforts of Orange County Continuum of Care (CoC) and its member organizations that address homelessness throughout Orange County. In alignment with this strategy, the City will use CDBG funds to support local service providers with programs to prevent homelessness and to expand the supply of affordable housing in Newport Beach for low- and moderate-income residents.

## **Discussion**

The City of Newport Beach considers ending and preventing homelessness a high priority and will support CDBG public service activities that help prevent homelessness and that provide a structured path to stable housing for individuals and families who become homeless.

## AP-75 Barriers to affordable housing – 91.220(j)

### Introduction:

A barrier to affordable housing is a public policy or nongovernmental condition that constrains the development or rehabilitation of affordable housing, such as land use controls, property taxes, state prevailing wage requirements, environmental protection, cost of land and availability of monetary resources. Barriers to affordable housing are distinguished from impediments to fair housing choice in the sense that barriers are lawful and impediments to fair housing choice are usually unlawful.

Based on information gathered during community meetings, the Consolidated Plan Needs Assessment Survey, the 2014-2021 Housing Element and market analysis, the primary barriers to affordable housing in Newport Beach are housing affordability and the lack of monetary resources necessary to develop and sustain affordable housing. The two barriers are related in the sense that demand for affordable housing exceeds the supply and insufficient resources are available to increase the supply of affordable housing to meet demand.

For low- and moderate-income households, finding and maintaining decent affordable housing is difficult due to the high cost of housing in Newport Beach and throughout the region in general. Over 20 percent of the City's 38,075 households experience a cost burden or severe cost burden, meaning that they pay more than 30 or 50 percent of their income for housing, respectively. Consistent with available data, responses to the 2020-2024 Consolidated Plan Needs Assessment Survey indicate a high need for additional affordable housing in Newport Beach.

Actions planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

In the development of the 2014-2021 Housing Element, the City evaluated significant public policies affecting affordable housing development such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges and growth limitations. Based on this evaluation, the City determined that it has taken all appropriate and necessary steps to ameliorate the negative effects of public policies that may have been a barrier to affordable housing. Moreover, the City will continue to use its Affordable Housing Trust Fund to fund future affordable housing projects. These public policies will also be evaluated for the 2021-2029 Housing Element and new policies may be introduced.

### Discussion:

To address housing affordability and the lack of monetary resources for affordable housing, the City will invest Affordable Housing Trust Fund resources to incentivize the development of affordable housing during the five-year period of the Consolidated Plan. In addition, the City will continue to work with the County and refer low- and moderate-income residents for participation in their Housing Rehabilitation Program. City Net has

supported resident referrals by coordinating connections between low- and moderate-income residents and applicable support networks.

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## AP-85 Other Actions – 91.220(k)

### Introduction:

In the implementation of the 2021-2022 Annual Action Plan, the City will invest CDBG resources to address obstacles to meeting underserved needs, reduce the number of poverty-level families, develop institutional structure and enhance coordination between public and private social service agencies.

#### Actions planned to address obstacles to meeting underserved needs

The primary obstacles to meeting the underserved needs of low- and moderate-income people include lack of funding from federal, state, and other local sources, and the high cost of housing that is not affordable to low-income people. To address these obstacles, the City is investing CDBG funds through the 2021-2022 Action Plan in projects that provide assistance to those with special needs, projects that prevent homelessness, and strengthen economic opportunities for low- and moderate-income residents. To address underserved needs, the City is allocating 100 percent of its non-administrative CDBG investments for program year 2021-2022 to projects and activities that benefit low- and moderate-income people or people presumed under HUD regulations to be low- and moderate-income.

#### Actions planned to foster and maintain affordable housing

In the implementation of the 2021-2022 Annual Action Plan, the City will continue to look at alternate funding sources and programs to preserve and maintain existing affordable housing such as the County's Residential Rehabilitation Program.

#### Actions planned to reduce lead-based paint hazards

The City of Newport Beach does not currently implement a Residential Rehabilitation Program, however if they are to implement such a program in the future, the City will disseminate brochures provided by the U.S. Environmental Protection Agency to all applicants as part of the transmittal of the program application. Any unit receiving assistance through the program that was built prior to January 1, 1978 will be tested for lead-based paint. If lead-based paint is present, appropriate abatement procedures are implemented as part of the rehabilitation contract consistent with the requirements of 24 CFR Part 35.

#### Actions planned to reduce the number of poverty-level families

The implementation of activities funded with other non-CDBG federal, state and local resources will support the City's effort in reducing the number of poverty-level families by:

- Supporting activities that expand the supply of housing that is affordable to low- and moderate-income households, including investment of the City's Housing Trust Fund resources and using the State Density Bonus law to incentivize the development of additional affordable housing units;

- Supporting a continuum of housing and public service programs to prevent and eliminate homelessness;
- Supporting housing preservation programs that ensure low income households have a safe, decent and appropriate place to live; and
- Supporting public services through various nonprofits funded by CDBG that serve the community's youth, seniors, families and those with special needs.

In addition to these local efforts, mainstream state and federal resources also contribute to reducing the number of individuals and families in poverty. Federal programs such as the Earned Income Tax Credit and Head Start provide a pathway out of poverty for families who are ready to pursue employment and educational opportunities. Additionally in California, the primary programs that assist families in poverty are CalWORKs, CalFresh (formerly food stamps) and Medi-Cal. Together, these programs provide individuals and families with employment assistance, subsidy for food, medical care, childcare and cash payments to meet basic needs such as housing, nutrition and transportation. Other services are available to assist persons suffering from substance abuse, domestic violence and mental illness.

#### Actions planned to develop institutional structure

The institutional delivery system in Newport Beach is high-functioning and collaborative — particularly the relationship between local government and the nonprofit sector comprised of a network of capable community-based organizations that are delivering a full range of services to residents. Organizations such as City Net coordinate housing support groups to increase coordination and leverage key synergies to improve resident outcomes. Affordable housing development and preservation activities will be carried out by the Planning Division of the Community Development Department in partnership with other agencies. Public service activities will be carried out by nonprofit organizations to achieve the Strategic Plan goals. The Planning Division and the Engineering Department will work together with contractors to implement public facility improvement projects.

One of the keyways the City is developing and expanding institutional structure to meet underserved needs is by funding a wide variety of services targeted to seniors, special needs populations and individuals or families at risk of homelessness with CDBG public service grants.

#### Actions planned to enhance coordination between public and private housing and social service agencies

To enhance coordination between public and private housing and social service agencies, the City will continue consulting with and inviting the participation of a wide variety of agencies and organizations involved in the delivery of housing and supportive services to low- and moderate-income residents in Newport Beach.

## Discussion

In the implementation of the 2020-2024 Consolidated Plan, the City will invest CDBG resources to address obstacles to meeting underserved needs, reduce the number of poverty-level families, develop institutional structure and enhance coordination between public and private social service agencies.

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## AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

### Introduction:

In the implementation of programs and activities under the 2021-2022 Annual Action Plan, the City of Newport Beach will follow all HUD regulations concerning the use of program income, forms of investment, overall low- and moderate-income benefit for the CDBG program.

#### Community Development Block Grant Program (CDBG)

#### Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

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

#### Other CDBG Requirements

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.	100.00%

**Discussion:**

In the implementation of programs and activities under the 2021-2022 Annual Action Plan, the City of Newport Beach will follow all HUD regulations concerning the use of program income, forms of investment, overall low- and moderate-income benefit for the CDBG program.

DRAFT



2021/2022 ANNUAL ACTION PLAN  
JULY 1, 2021 THROUGH JUNE 30, 2021

APPENDIX A

Citizen Participation



2021/2022 ANNUAL ACTION PLAN  
JULY 1, 2021 THROUGH JUNE 30, 2022

APPENDIX B

SF 424 Forms and Certifications