



# City of Huntington Beach

**File #:** 21-674

**MEETING DATE:** 9/21/2021

## REQUEST FOR CITY COUNCIL ACTION

**SUBMITTED TO:** Honorable Mayor and City Council Members

**SUBMITTED BY:** Oliver Chi, City Manager

**PREPARED BY:** Ursula Luna-Reynosa, Director of Community Development

**Subject:**

**Public Hearing to consider acceptance of the Fiscal Year 2020-2021 Consolidated Annual Performance & Evaluation Report (CAPER)**

**Statement of Issue:**

The U.S. Department of Housing and Urban Development (HUD) requires the City to conduct a Public Hearing to approve the Fiscal Year (FY) 2020-2021 Consolidated Annual Performance & Evaluation Report (CAPER) in accordance with Federal regulation 24 CFR 570.486(a)(5).

**Financial Impact:**

There is no fiscal impact to receive and file this document.

**Recommended Action:**

A) Conduct the Public Hearing to hear comments and approve the FY 2020-2021 Consolidated Annual Performance and Evaluation Report (CAPER) for Community Development Block Grant (CDBG), CARES Act CDBG Coronavirus (CDBG-CV), and HOME Investment Partnerships Act (HOME) Federal funds; and,

B) Authorize the City Manager to transmit this report to the United States Department of Housing and Urban Development (HUD) by September 28, 2021.

**Alternative Action(s):**

Do not approve and file the report and direct staff accordingly.

**Analysis:**

**BACKGROUND/DISCUSSION**

Annually, the City is required to submit to HUD its CAPER, which reports on program performance and accomplishments for the use of CDBG, CDBG-CV, and HOME entitlement funds. The City is required, via its adopted Citizen Participation Plan, to conduct a public hearing to adopt the CAPER.

The purpose of the CAPER is threefold:

1. It provides HUD with necessary information for it to meet its statutory requirement to assess each grantee's ability to carry out relevant City programs in compliance with all applicable rules and regulations;
2. It provides information necessary for HUD's Annual Report to Congress, which is also statutorily mandated; and,
3. It provides the City an opportunity to describe its successes in revitalizing deteriorated neighborhoods and meeting objectives stipulated in the Consolidated Plan.

As such, the FY 2020-2021 CAPER has been prepared in accordance with Federal guidelines. The CAPER highlights the City's achievements during the implementation year of the HUD-funded CDBG and HOME Programs covering July 1, 2020 through June 30, 2021. Additionally, the CAPER reports the progress the City has made in carrying out its strategic plan as part of the Five-Year Consolidated Plan and its Annual Action Plan. In addition to CDBG and HOME funding, in response to the COVID-19 pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act and it was signed into law on March 27, 2020, authorizing \$2.2 trillion for a variety of measures to prevent, prepare for, and respond to the COVID-19 pandemic. Under the CARES Act, HUD provided special allocations of CDBG funds to the City of Huntington Beach. In total, the City received \$2,159,775 of CDBG-CV funds for FY 2020-2021 to prevent, prepare for, and respond to the COVID-19 pandemic.

Every five years, the City prepares a Consolidated Plan describing the proposed use of CDBG, HOME, and other applicable Federal program funds, including CDBG-CV. The Council-adopted Consolidated Plan for 2015-2020 identifies the City's overall vision and strategy for addressing housing and non-housing community development needs in Huntington Beach. As a means to achieve the strategic goals outlined by the Consolidated Plan, the City prepares an Annual Action Plan that describes projects, programs, and activities that will address the priority needs of low- and moderate-income households through community development, economic development, housing, and public services during the specified year.

#### *Public Service Accomplishments (CDBG and CDBG-CV)*

HUD allows up to 15 percent of CDBG funds to be used for public service programs including services provided for people experiencing homelessness or for elderly adults, and services related to employment, health, crime prevention, childcare, drug abuse, education, fair housing counseling, and energy conservation. However, the CARES Act suspended the 15 percent cap, not only for a jurisdiction's CDBG-CV allocation but also for its 2019 and 2020 CDBG allocations, provided the funds are used to prevent, prepare for, or respond to COVID-19. To this end, the City was able to allocate over \$3 million in CDBG (2019 and 2020) and CDBG-CV public service funding to the Cameron Lane Navigation Center. The emergency homeless shelter bolstered the City's efforts to prevent, prepare, and respond to COVID-19 among one of the most vulnerable populations in Huntington Beach by keeping them socially distanced and sheltered during the pandemic. Additionally, the City funded public services administered by City departments and other social service agencies that assist youth, homeless, and the elderly. From the 2020 CDBG entitlement specifically, the City allocated nearly 63 percent on public services.

For FY 2020-2021, public service program accomplishments included the following:

- Provided literacy services to 125 low-income adults to improve their ability to understand, speak, read, and write English
- Assisted 85 children and families with after-school drop-in recreation services focused on child development, parent education, and mental health
- Provided services to 412 at-risk older adults including care management, home delivered meals, and transportation
- Provided homeless services to 1,021 people; 827 as part of the homeless outreach program, 167 as part of Cameron Lane Navigation Center, and 27 as part of the StandUp for Kids Street Outreach and Robyne's Nest programs

#### *Capital Improvement Accomplishments (CDBG)*

For FY 2020-2021, the City Council allocated \$393,732 to capital projects. These funds helped accomplish the completion of the ADA Curb Cuts in Maintenance Zone 3. The project was completed on scheduled and provided 1,939 disabled persons with improved access to streets.

#### *Tenant-Based Rental Assistance (HOME)*

The City continues to have success in providing short and medium-term rental assistance targeting the homeless, those at risk of homelessness, seniors, veterans, and victims of domestic violence. Using HOME funds, the City allocated \$642,400 in funds for FY 2020-2021 and was able to assist 68 households working with three operators to run the program.

It is recommended that after conducting the public hearing, the Mayor and City Council accept the Consolidated Annual Performance and Evaluation Report, inclusive of public comments, and authorize the City Manager to execute all required documents for transmittal to HUD by September 28, 2021.

#### **Environmental Status:**

Pursuant to CEQA Guidelines Section 15378(b)(4), government fiscal activities that do not result in a physical change in the environment and do not commit the lead agency to any specific project, do not constitute a project. Therefore, these activities are exempt in accordance with CEQA Guidelines Section 15060(c)(3).

#### **Strategic Plan Goal:**

Economic Development & Housing

#### **Attachment(s):**

1. Consolidated Annual Performance & Evaluation Report (CAPER) FY 2020-21