



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 25-620

Meeting Date: 1/20/2026

TITLE:

MEMORANDUM OF UNDERSTANDING WITH THE CITY OF IRVINE FOR USE OF BEDS AT THE COSTA MESA BRIDGE SHELTER

DEPARTMENT: CITY MANAGER'S OFFICE

PRESENTED BY: NATE ROBBINS, NEIGHBORHOOD IMPROVEMENT MANAGER

CONTACT INFORMATION: NATE ROBBINS, 714-754-5274

RECOMMENDATION:

Approve the Memorandum of Understanding with the City of Irvine for access to beds, as available, at the Costa Mesa Bridge Shelter.

BACKGROUND:

In April 2021, the City of Costa Mesa ("City") opened the Costa Mesa Bridge Shelter ("Bridge Shelter" or "Shelter"), which provides emergency housing and supportive services to Costa Mesa residents experiencing homelessness. At that time, the City negotiated an agreement with the City of Newport Beach ("Newport Beach MOU") to secure exclusive rights of up to twenty (20) beds for use by its residents. The Newport Beach MOU was amended in 2023 to increase Newport Beach's allocation to twenty-five (25) beds. Recently, in December 2025, the Newport Beach MOU was amended a second time to reduce Newport Beach's allocation back down to twenty (20) beds through June 30, 2026. Further, the amendment terminates Newport Beach's *exclusive* access to beds at the Shelter as of July 1, 2026, but continues to provide access to beds, as available, through December 31, 2026. Beginning January 1, 2027, Newport Beach will no longer have access to beds at the Bridge Shelter.

In August 2025, the City began communication with the City of Irvine to discuss the possibility of granting access to beds at the Bridge Shelter for use by its residents. Over the past several months, the City has worked with Irvine to negotiate the terms and pricing included in the attached Memorandum of Understanding ("Irvine MOU") (Attachment 1).

ANALYSIS:

The Bridge Shelter is a 100-bed facility that provides emergency shelter and associated services to adult individuals with strong community ties to Costa Mesa and Newport Beach. Per the recent Newport Beach MOU, Newport Beach has exclusive access to 20 beds and the City has access to the remaining 80 beds. Further, the City was awarded grant funding by the Orange County Health Care Agency (OCHCA) to convert 15 of the 80 Costa Mesa beds to Behavioral Health Bridge Housing (BHBH) beds. Operations costs for these 15 BHBH beds are fully reimbursed by the

OCHCA, and thus can only be occupied by Costa Mesa residents.

Costa Mesa Bed Utilization

The City has exclusive access to 80 beds at the Shelter, with 15 of those beds occupied by BHBH clients. Over the past 60 days, Costa Mesa's average utilization has been 52 beds per day, resulting in an average vacancy rate of 28 beds per day.

As to other operational costs, the kitchen operator agreement with Bracken's Kitchen allows for cost reduction based on the number of actual meals prepared; however, the Shelter operator agreement with Mercy House does not. As a result, regardless of the number of beds occupied by Costa Mesa residents, the City's expenses to operate the Shelter remain static. Therefore, it would be beneficial to the City's Shelter operating budget in the Housing Authority Fund (Fund 222) to ensure maximum occupancy of 80 beds to offset operational expenses.

Summary of the MOU with the City of Irvine

The following is a summary of the Irvine MOU, as proposed:

- **Term** - The MOU would begin upon execution and terminate on June 30, 2026.
- **Allocation of Beds** - The MOU would give Irvine access to Costa Mesa beds, as available, and as determined by the City Manager or their designee. Irvine would not have *exclusive* access to beds at the Shelter.
- **Cost** - The MOU would give Irvine access to Costa Mesa beds at a cost of \$163.00 per bed, per day.
- **Payment** - The MOU would require Irvine to make monthly payments to the City based on its actual use of Costa Mesa beds during the previous month.
- **Referrals** - The MOU would require Irvine to identify specific personnel authorized to make referrals to the Shelter. These personnel would be responsible for screening referrals prior to entry based upon the Shelter's established intake guidelines (i.e., no outstanding warrants, no arson convictions, and no sexual offenders).
- **Transportation** - The MOU would require Irvine to transport its residents to the Shelter upon initial intake; however, the City would be responsible for providing transportation to residents actively enrolled at the Shelter.
- **Exit Procedures** - The MOU would require Irvine residents to be transported back to the City of Irvine upon exit from the Shelter. Transportation may be provided by the Shelter's shuttle service, rideshare, or Irvine staff/service partners.

Kitchen and Shelter Operator Agreements

The current Kitchen and Shelter Operator Agreements expire on April 30, 2026, and June 30, 2026, respectively. The City is currently conducting a Request For Proposals (RFP) for Kitchen Operations and will release an RFP for Shelter Operations in the first quarter of the 2026 calendar year. As the Shelter's budget is largely dependent upon these two (2) expenses, the City is unable to enter a long-

term contract with Irvine until these costs and the overall Shelter budget are finalized.

Intent of the MOU

The intent of the MOU is three-fold:

1. To ensure Costa Mesa beds are always occupied to assist in balancing the Shelter's budget.
2. To allow Irvine to begin referring residents on an "as available" basis while the Shelter's operational costs are finalized.
3. To allow both cities time to develop seamless referral and operational processes before executing a multi-year agreement proposed to commence on July 1, 2026.

ALTERNATIVES:

The City Council can choose to disapprove the proposed Irvine MOU and direct staff to bring back an updated MOU with alternative language.

The City Council can choose to deny the proposed Irvine MOU and direct staff to initiate discussions regarding use of beds at the Bridge Shelter with other potential partners.

FISCAL REVIEW:

The proposed MOU with the City of Irvine would provide a continuous revenue stream that would help offset the City's expenses to operate the Bridge Shelter. The following table provides an example of potential payments due by the City of Irvine based on the continuous use of beds at the shelter over a 30-day period, subject to availability:

Bed Utilization	Monthly Revenue	Remainder FY 2025-26 Revenue
5 beds	\$24,450	\$122,250
10 beds	\$48,900	\$244,500
15 beds	\$73,350	\$366,750
20 beds	\$97,800	\$489,000

This agreement is estimated to have a net positive impact of \$122,250 for the continuous use of five (5) beds for the remainder of fiscal year 2025-26 in the Housing Authority Fund (Fund 222).

LEGAL REVIEW:

The City Attorney has reviewed this report and approves it as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item achieves City Council goals:

- Diversify, stabilize and increase housing to reflect community needs.
- Strengthen the public's safety and improve the quality of life.

CONCLUSION:

Staff recommends the City Council approve the Memorandum of Understanding with the City of Irvine for access to beds, as available, at the Costa Mesa Bridge Shelter.