

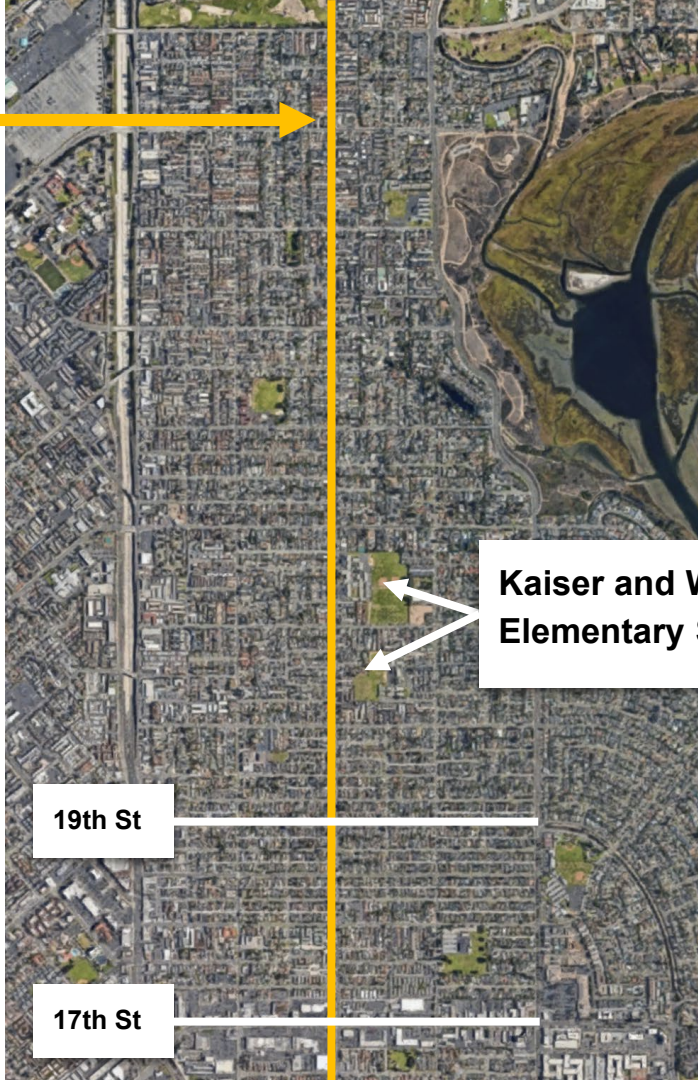
# **Santa Ana Ave**

## **Disappearing Bike Lanes!**



# Santa Ana Ave

## Disappearing Bike Lanes!



**Kaiser and Woodland  
Elementary Schools**

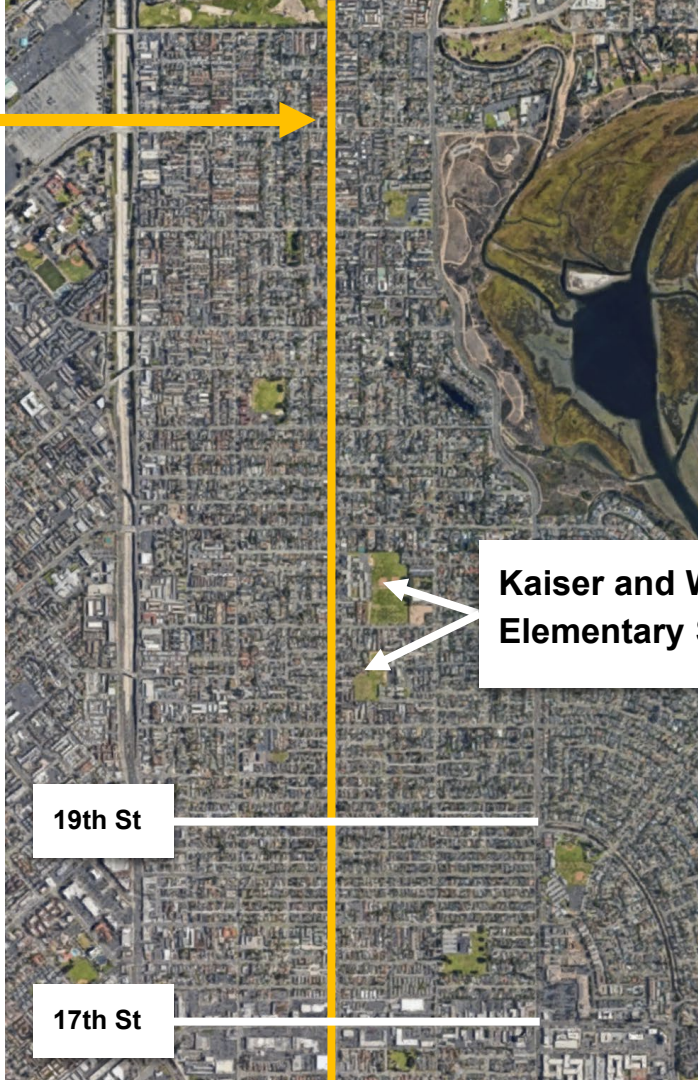
**19th St**

**17th St**



# Santa Ana Ave

## Disappearing Bike Lanes!



Kaiser and Woodland  
Elementary Schools

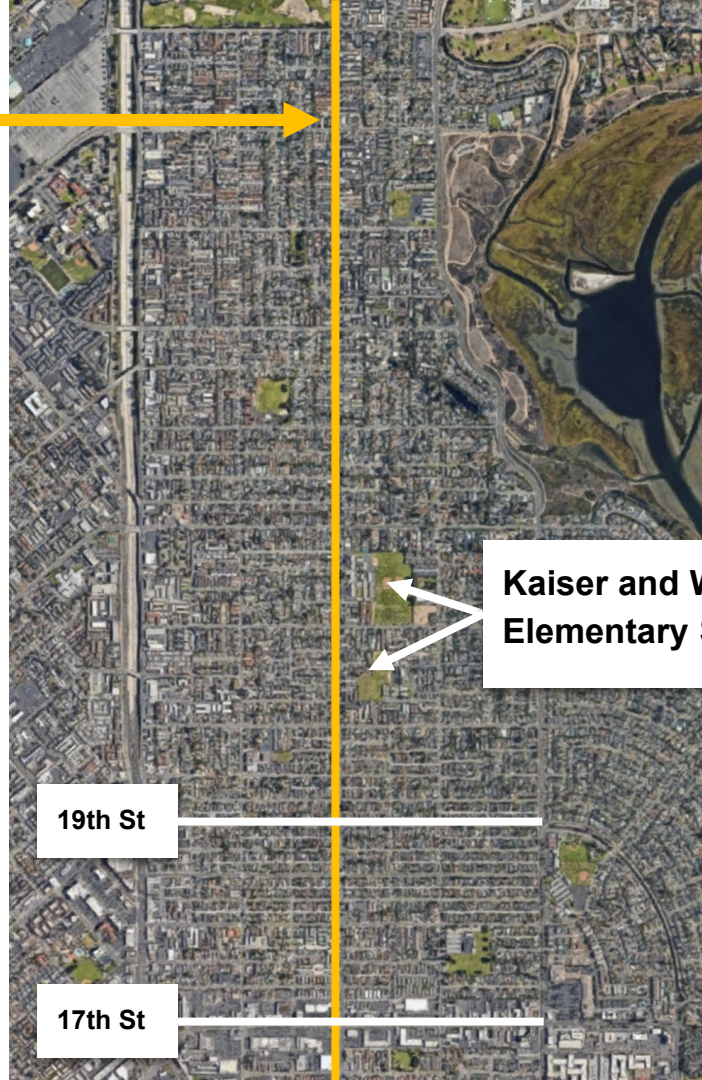
19th St

17th St



# Santa Ana Ave

## Disappearing Bike Lanes!



Kaiser and Woodland  
Elementary Schools

19th St

17th St

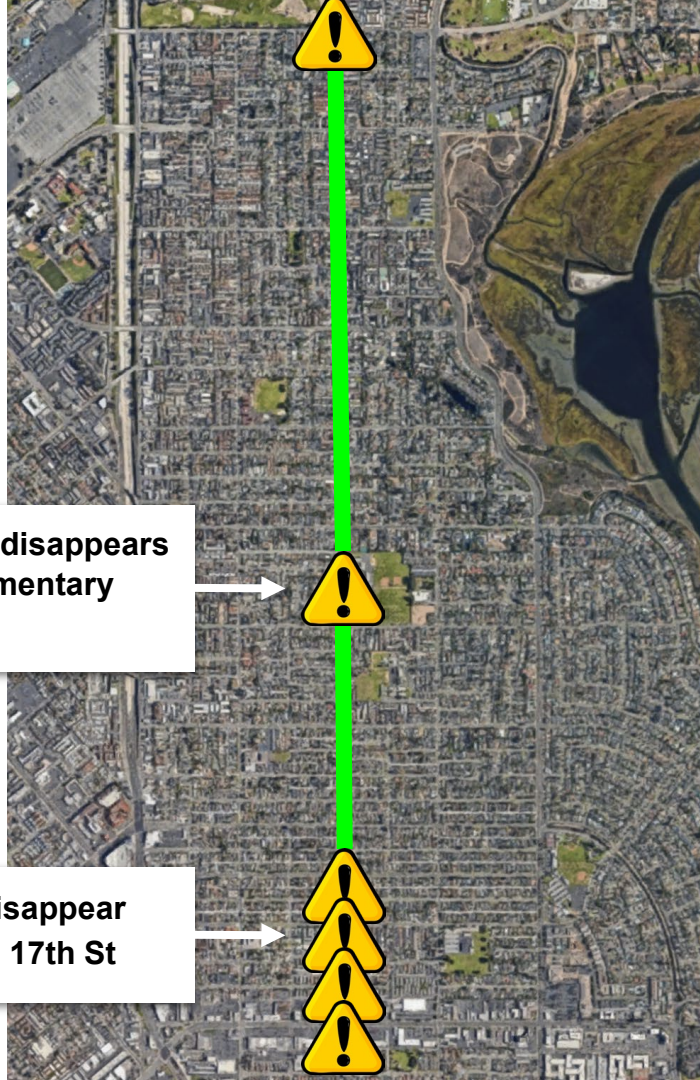


# Santa Ana Ave

## Disappearing Bike Lanes!

Southbound lane disappears  
in front of the elementary  
school(!)

Both bike lanes disappear  
from Broadway to 17th St



# Santa Ana Ave

## Disappearing Bike Lanes!

We need to design our streets  
w/ these people in mind



### BICYCLIST DESIGN USER PROFILES

#### Interested but Concerned

**51%-56%** of the total  
population

Often not comfortable with bike lanes, may bike on sidewalks even if bike lanes are provided; prefer off-street or separated bicycle facilities or quiet or traffic-calmed residential roads. May not bike at all if bicycle facilities do not meet needs for perceived comfort.

#### Somewhat Confident

**5-9%** of the total  
population

Generally prefer more separated facilities, but are comfortable riding in bicycle lanes or on paved shoulders if need be.

#### Highly Confident

**4-7%** of the total  
population

Comfortable riding with traffic; will use roads without bike lanes.



**LOW STRESS  
TOLERANCE**

**HIGH STRESS  
TOLERANCE**

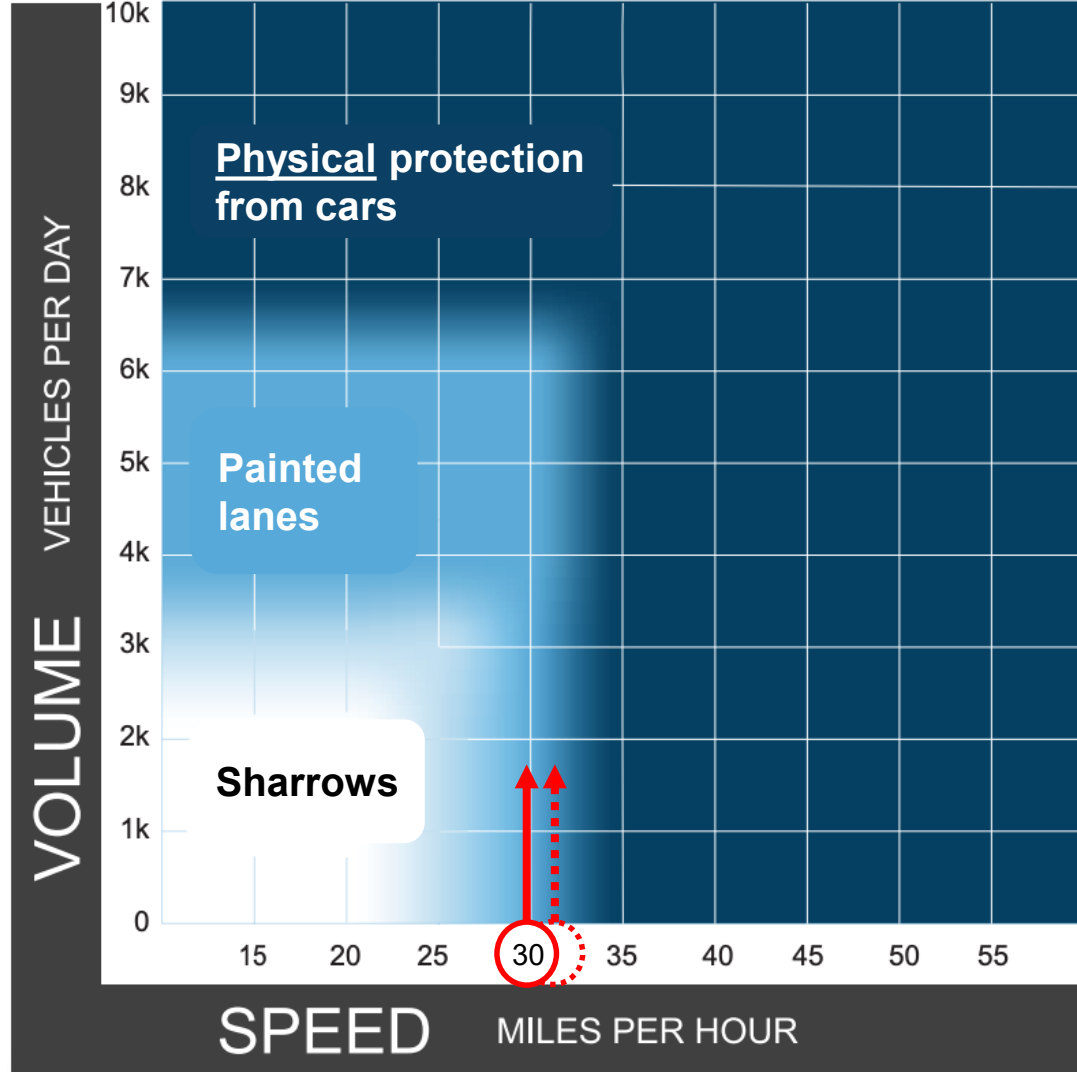




# Santa Ana Ave

## High speeds

Guidelines from the Federal Highway Administration on what *kinds* of bike lanes are most appropriate?



# Assembly Bill 413

## Daylighting Intersections

(no parking 15' from crosswalks - marked or *unmarked*)





## WHY IS THE RESIDENTIAL PERMIT PARKING PROGRAM BEING RELAUNCHED?



After received a high volume of resident concerns, the City undertook an extensive citywide residential parking study, data collection, and community outreach effort throughout 2020 and 2021. A Citywide Residential

## WHY IS THE RESIDENTIAL PERMIT PARKING PROGRAM BEING RELAUNCHED?



**Now  
missing!**

The City undertook an extensive citywide residential parking study, data collection, and community outreach effort throughout 2020 and 2021. A Citywide Residential



# *Fairview Nature Park*





Since 1970, 2.9 billion birds have  
died in the U.S. and Canada.  
What does this mean?



This means many more birds have  
died  
than survived.





# Vernal Pools



# American Kestrel





# White Faced Ibises







**ALL AGENCIES CONTACTED SO FAR  
(USFW, CDFW) HAVE SAID SILENT  
PLANES/GLIDERS WILL KICK OUT  
THE MANY BIRDS THAT NEED  
FAIRVIEW PARK FOR THEIR  
SURVIVAL  
AS WELL AS DEGRADE THE RARE  
AND UNIQUE VERNAL POOLS**

GLIDERS  
KILL TOO



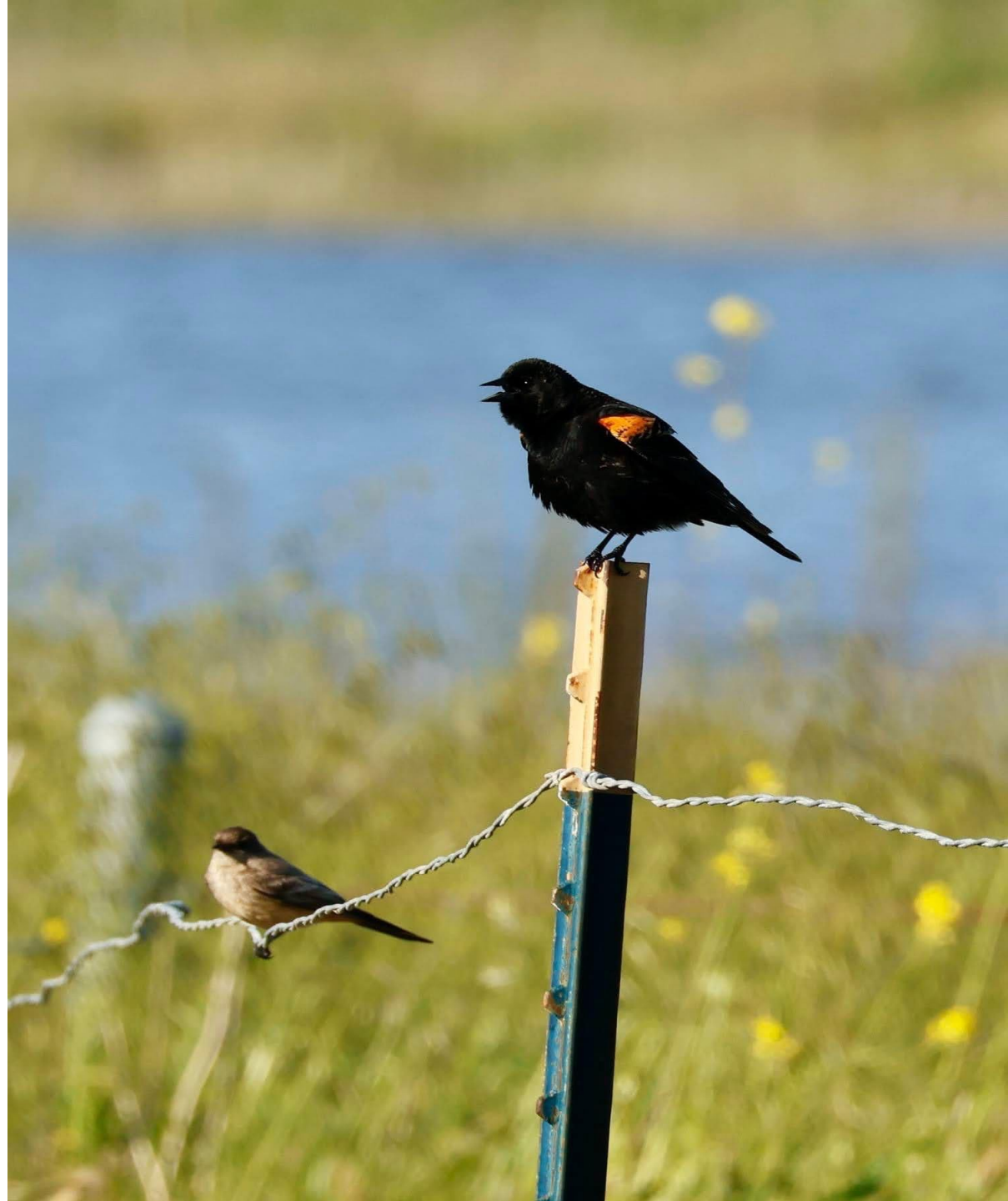


**Fairview Park's Nature  
has come back!!**

**Help keep it there!**

**Follow  
USFW and CDFW  
Recommendations!**

**The birds need a place  
to call home!**







OC SUPS

OPEN UP ↑



GRAND

Jury sez

Open



**Death**

**FOUND**

**Here**

**LOCAC**





CREVIER BMW



FOLEY

Blood

on ur







**July 14 to August 13**  
**(closed Monday and Tuesday)**







# What's New This Year?



**2023 OC Fair • Happy Together™ • July 14 - Aug 13**





# What's New This Year?



**2023 OC Fair • Happy Together™ • July 14 - Aug 13**







# What's New This Year?



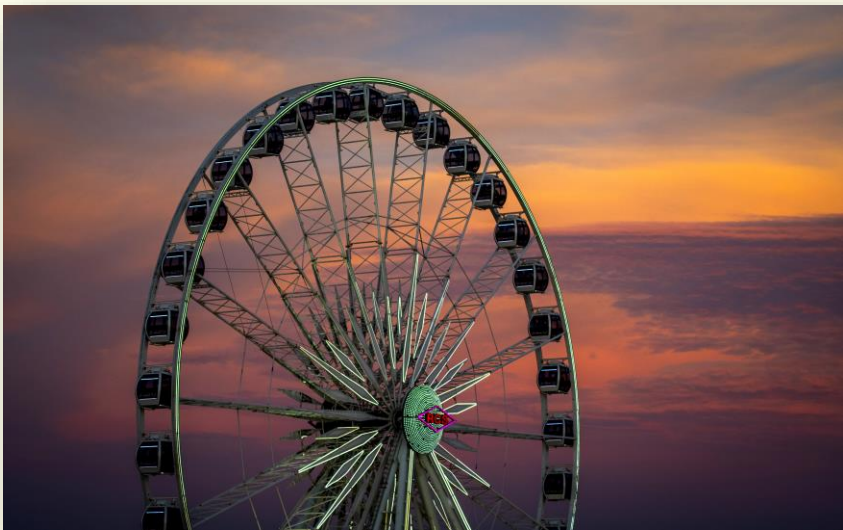
California Grill – Main Mall

**2023 OC Fair • Happy Together™ • July 14 - Aug 13**





**THANK YOU, COSTA MESA!**





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**Approve a Memorandum of Understanding with  
Newport-Mesa Unified School District**

---

**June 20, 2023**





# SMART Camp

- ❖ SMART Camp has three components:
  - Sports
  - Music
  - Art (visual and performing)
- ❖ Free for Costa Mesa Residents and NMUSD students entering 4<sup>th</sup> through 8<sup>th</sup> grades
- ❖ Instruction provided by NMUSD teachers and coaches at Costa Mesa High School





# SMART Camp

- ❖ Sports: Weekly enrollments
- ❖ Music: 3 Week enrollment
- ❖ Art: Weekly enrollments
- ❖ For the current year, 2023, there are 254 individual students enrolled in the program with 946 total enrollments
  - Sports: 489
  - Music: 94
  - Art: 363





# SMART Camp (Sports, Music, Art)





# SMART Camp (Sports, Music, Art)





# SMART Camp (Sports, Music, Art)







# City's Responsibilities

- ❖ Primary staff liaison
- ❖ Funding for instructors
- ❖ Instructor Agreements for each teacher/coach
- ❖ Marketing
- ❖ Registration
- ❖ Campus signage







# NMUSD Responsibilities

- ❖ SMART Instructors
  - Teachers & Coaches
  - Serve as camp coordinators
- ❖ Reserve Facilities/Equipment
- ❖ Marketing, incl. PeachJar
- ❖ Nutrition
- ❖ Transportation (optional)





# SMART Camp - Recommendation

1. Approve the memorandum of understanding between the City of Costa Mesa and the Newport-Mesa Unified School District for SMART Camp.
2. Authorize the City Manager and City Clerk to execute the agreement and all future amendments to the agreement.





**SMARTCAMP**  
SPORTS, MUSIC,  
and ART

Incoming  
**4TH-8TH  
GRADERS**

**Sessions**  
Art: 9:30 am-12:30 pm  
Music: 9:30 am-12:30 pm  
Sports: 1:00-3:00 pm  
Sessions subject to fill. Register early.

**Camp Location**  
**Costa Mesa  
High School**  
2650 Fairview Road

**Mon-Thu** June 12-June 15  
**Tue-Fri** June 20-June 23  
No camp Monday, June 19  
**Mon-Thu** June 26-June 29

**FREE** ACTIVITY CODE  
18060

**Registration Begins May 15th**  
**Downtown Recreation  
& Aquatic Center** 1860 Anaheim Ave.  
or online at [cmclassesonline.com](http://cmclassesonline.com)

Costa Mesa Newport-Mesa  
Unified School District

# Questions?





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## COMPENSATION PLAN AND SALARY SCHEDULE REVISIONS FOR DESIGNATED MAINTENANCE CLASSIFICATIONS

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June 20, 2023





# Background

- The Costa Mesa City Employees Association (CMCEA) MOU with the City contains a provision for CMCEA to request up to five compensation inequity studies to be conducted by Human Resources each year.
- This MOU provision allows for identified positions to be analyzed by Human Resources to identify whether there is a discrepancy in that position's total compensation relative to the market.



# Background

- The market analysis includes an analysis of the average total compensation of comparable classifications in the five cities that border the City of Costa Mesa which include Fountain Valley, Huntington Beach, Irvine, Santa Ana and Newport Beach.
- The total compensation for each classification includes: the classifications' base salary, PERS retirement benefit formulas, employee retirement contributions, and City contribution(s) to medical and dental plans or cafeteria plans.



# Analysis

- For 2022 CMCEA requested the review of the Maintenance Supervisor classification. As part of this review, the Human Resources Division also included a review of the Maintenance Superintendent and Maintenance Services Manager to address compaction and internal alignment.
- The total compensation analysis revealed that the following positions are below market:
  - Maintenance Supervisor: -13.6% below market
  - Maintenance Superintendent: -18.7% below market
  - Maintenance Services Manager: -24.9% below market





## Recommendations

- The salary ranges for Maintenance Supervisor, Maintenance Superintendent and Maintenance Services Manager are recommended for adjustment to the market average.
- Human Resources is currently reviewing CMCEA's 2023 compensation review requests and will bring forth staff recommendations for those positions at a future City Council meeting.
- This item supports the City Council's goal to Recruit and Retain High Quality Staff





# QUESTIONS?







**FY 2022-23**

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**PRELIMINARY UNAUDITED  
YEAR-END FINANCIAL REPORT**

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**June 20, 2023  
City Council**





# GENERAL FUND HIGHLIGHTS

- Fiscal Year 2022-23 Adopted Budget was \$163.7 million
- Revenues are estimated to close at \$175.0 million, reflecting an increase of \$11.4 million, or 7.0% from the FY 2022-23 Adopted Budget
- Expenditures are estimated to close at \$171.0 million, reflecting a \$7.4 million, or 4.5% increase from the FY 2022-23 Adopted Budget
- Resulting in approximately \$4.0 million in year-end savings.



# General Fund Overview

## (FY 2022-23 Adopted vs. FY 2022-23 Amended)

Category	Adopted FY 22/23	Amended* FY 22/23	Adopted vs. Amended	
			Increase/(Decrease) Amount	Percent
Estimated Revenues	\$163.6	\$175.0	\$11.4	7.0%
Transfers In	-	-	-	
Use of Fund Balance	-	-	-	
<b>Total Sources of Funds</b>	<b>\$163.6</b>	<b>\$175.0</b>	<b>\$11.4</b>	<b>7.0%</b>
Operating Budget	\$153.0	\$158.9	\$5.9	3.86%
Transfers Out	10.6	12.1	1.5	14.15%
<b>Total Expenditures</b>	<b>\$163.6</b>	<b>\$171.0</b>	<b>\$7.4</b>	<b>4.52%</b>
<b>Total Surplus/(Deficit)*</b>	<b>-</b>	<b>\$4.0</b>		

\*This is an estimate – final audited numbers will not be available until December 2023





# FUND BALANCE IN THE GENERAL FUND

## (IN THOUSANDS)

Fund Balance Category	FY 20/21 Audited	FY 21/22 Audited	FY 22/23 Projected	Difference *
Committed				
Declared Disaster	\$14,125	\$14,125	\$14,125	-
Self Insurance	2,000	2,000	2,000	-
Economic Reserves	9,000	9,000	9,000	-
Assigned				
Compensated Absences	5,920	5,584	5,584	-
Police Retirement 1% Supplemental Plan	2,275	1,885	1,885	-
Workers' Compensation	-	1,000	2,000	1,000
Facilities Reserve	-	2,000	2,000	-
Strategic Plan Projects	-	2,000	2,000	-
Restricted				
Pension and OPEB	1,778	3,061	4,561	1,500
Non-Spendable	965	604	604	-
Unassigned	17,429	16,517	18,017	1,500
<b>TOTAL</b>	<b>\$53,492</b>	<b>\$57,776</b>	<b>\$61,776</b>	<b>\$4,000</b>

\* Projected at this time, final audit is done by the end of December.





### Section 115 Trust Funds

- Adopted by City Council on June 7, 2022
- Deposit up to \$1.5 million from current year's projected surplus, if available

### Workers' Compensation

- Currently includes \$1.0 million in Workers' Compensation assigned fund balance category
- Self-Insurance policy covers claims over \$2.0 million
- Deposit \$1.0 million into Workers' Compensation designed fund balance to *fully* fund one Self Insurance claim for total of \$2.0 million, if available



## Strategic Goal

# DIVERSIFY, STABILIZE, AND INCREASE HOUSING TO REFLECT COMMUNITY NEEDS

## SIXTH CYCLE GENERAL PLAN HOUSING ELEMENT PROGRAM

- The City's 2015-2035 General Plan Housing Element Program requires an update every eight years;
- Housing Element provides
  - Analysis of City's demographic, economic and housing characteristics
  - Identifies community housing needs
  - Establishes objectives, policies and programs to meet those needs
- Professional consultants will assist with community outreach, visioning, and rezoning work to create opportunities for housing; therefore,
- Staff recommends transferring up to \$1.5 million from the General Fund into the Housing Authority Fund utilizing the current year-end projected savings, if available; with \$700,000 needed in year one, Fiscal Year 2023-24.



- Disaster Fund was activated in February 2020 to track COVID-19 related expenditures;
- Estimated \$500K in overages due to expenses incurred during the pandemic, COVID-19;
- The American Rescue Plan Fund will have a remaining unallocated balance of \$3.5 million from the second tranche of \$13.2 million; and
- Staff recommends utilizing ARPA funds to cover the Disaster Fund projected negative year-end fund balance.



# FISCAL ACHIEVEMENTS

- Revenues exceed the adopted budget by \$11.5 million, resulting in a banner year;
- Exceeded City Council Policy by \$2.8 million achieving a reserve level of \$57.8 million, and may achieve \$61.8 million;
- Allocate a second round of \$1.5 million of fiscal year-end General Fund surplus towards Section 115 Trust Fund for \$4.6 million as estimated;
- Adopted balanced General Fund budgets in Fiscal Years 2023 and 2024;
- Third consecutive year ending the General Fund with a positive balance;
- No need to dip into General Fund reserves during the COVID-19 pandemic;
- Maintained AAA underlying citywide credit rating;
- Structurally eliminated the historic ongoing deficit of over \$2 million in the Equipment Replacement Fund;
- Secured ongoing annual funding for the City's 5-year Information Technology Strategic Plan; and
- Over 22 consecutive years of awards for the annual budget book and the Annual Comprehensive Financial Report.





# QUESTIONS





# HOME-ARP Allocation Plan

## Housing-Related Supportive Services

City Council Meeting  
June 20, 2023







# BACKGROUND

- On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed into law. ARPA is a \$1.9 trillion economic stimulus bill providing for a wide variety of funding efforts to offset the economic losses resulting from the COVID-19 pandemic.
- The City received one-time ARPA funds in the amount of \$26.5 million. As of now, \$6 million is uncommitted and must be committed by December 31, 2024.
- A portion of the ARPA funds were also allocated to local jurisdictions through the federal HOME Investment Partnerships Program (HOME) specifically to support homelessness assistance and supportive services to qualifying populations. These funds are referred to as “HOME-ARP” funds and are separate from other ARPA funds.
- The one-time HOME-ARP Allocation for the City of Costa Mesa is \$1,816,742 and must be expended by September 30, 2030.







# BACKGROUND

- City Council approved the HOME-ARP Allocation Plan at its September 6, 2022 meeting.
- The Plan was approved by HUD on January 23, 2023.
- The Allocation Plan includes the following activities:



Use of HOME-ARP Funding	Amount
Development of Affordable Rental Housing	\$100,000
Supportive Services	\$1,444,232
Administration & Planning	<u>\$272,510</u>
<b>TOTAL ALLOCATION</b>	<b>\$1,816,742</b>





# HOME-ARP QUALIFYING POPULATIONS

The purpose of HOME-ARP funding is to provide homelessness assistance and supportive services to those who are homeless or at-risk of becoming homeless.

- Qualifying individuals or families are:
  - already homeless (as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended<sup>\*</sup>); or
  - have an annual income below 30% of the median income for the area (e.g., \$40,650 family of 4);
  - do not have resources or support networks immediately available to prevent them from moving to an emergency shelter;
  - do not have permanent housing (e.g., living in a hotel, living in the home of another, has been notified that their right to occupy current housing will be terminated within 21 days, etc.);
  - fleeing domestic violence.

<sup>\*</sup>The McKinney-Vento definition of homeless expands on the HUD definition of homeless and includes children who are couch-surfing, living with friends or acquaintances, doubled-up or tripled up, renting a room, living in motels, hotels, RV's, substandard housing, and migratory children.



# HOME-ARP ELIGIBLE SUPPORTIVE SERVICES

- Mental health services
- Child care
- Education services
- Employment assistance and job training
- Food
- Housing search and counseling services
- Legal services
- Life skills training
- Outpatient health services
- Outreach services
- Substance abuse treatment services
- Transportation
- Case Management
- Mediation
- Credit Repair
- Landlord/tenant liaison
- Services for special populations (i.e. Spanish-only speakers)
- Financial assistance costs (rental application fees, security deposits, utility deposits, payment of rental arrears)
  - Services in Yellow were specifically identified during the public participation process as having gaps or lack of available services





# BACKGROUND

- March 27, 2023 – An RFP was released to solicit the interest of qualified nonprofit agencies who are experienced in providing *housing-related supportive services* for *qualifying populations*.
- April 11, 2023 – The City received five proposals that met threshold criteria for consideration.
- A panel comprised of City staff reviewed and evaluated the proposals.
- The review panel confirmed that the budgeted activities are eligible by HUD regulation for HOME-ARP activities.





# PROPOSALS RECEIVED

Services	Population Served	Service Provider/Program	Requested Amount (Annual)
Legal Assistance	Qualifying Populations	Community Legal Aid of SoCal No-Cost Legal Services	\$150,000
Rental Assistance	Qualifying Populations	Mercy House Homeless Prevention	\$750,000
Case Management/ Wrap-Around Services	Youth	Project Hope Alliance Case Management for youth experiencing homelessness	\$894,007 *
Transportation/ Housing Support	Homeless Population	Trellis International Community Impact Team	\$29,640 first year \$87,952 second year
Case Management/ Wrap-Around Services	Youth (Ages 18-24)	Stand UP for Kids Journey to Self Sufficiency Program	\$72,348

\* Project Hope Alliance did not indicate a request amount, but provided their annual budget for their Costa Mesa Program. They later clarified a request of at least \$100,000 per year.



# FUNDING RECOMMENDATIONS

Due to the need for supportive services in the community, staff is recommending to fund all five organizations who submitted proposals using a combination of HOME-ARP funds (\$1,544,232) and ARPA funds (\$1,568,656) for a total of \$3,112,888 over four years.

Organization	Program	Year 1 ARPA	Year 2 ARPA	Year 2 HOME-ARP	Year 3 HOME- ARP	Year 4 HOME- ARP	TOTAL Funding
Community Legal Aid SoCal	No-Cost Legal Services	\$250,000		\$250,000	\$250,000	\$250,000	\$1,000,000
Trellis International	Community Impact Team	\$29,640		\$87,952	\$87,952	\$87,952	\$293,496
Project Hope Alliance	Case Management for Youth Experiencing Homelessness	\$120,000		\$120,000	\$120,000	\$120,000	\$480,000
Stand UP for Kids	Journey to Self Sufficiency Program	\$72,348	\$46,668	\$25,680	\$72,348	\$72,348	\$289,392
Mercy House (contract amendment)	Rental Assistance for Low Income Families	\$1,050,000 (contract end date of 12/31/2024)					\$1,050,000
				HOME-ARP TOTAL			\$1,544,232
				ARPA TOTAL			\$1,568,656
				TOTAL			\$3,112,888



# FUNDING RECOMMENDATIONS

Staff recommends the City Council authorize the City Manager and City Clerk to:

1. Appropriate and execute agreements funded by HOME-ARP and ARPA for a one year term with three annual renewal options for
  - Community Legal Aid SoCal for \$250,000;
  - Project Hope Alliance for \$120,000;
  - Stand UP for Kids for \$72,348; and
  - Trellis International for \$29,640 the first year and three renewal options at \$87,952
2. Appropriate and execute an amendment to the Mercy House rental assistance agreement adding \$1,050,000 in ARPA funds and extending the term through 2024.
3. Authorize the City Manager to amend the HOME-ARP Allocation Plan to re-allocate \$100,000 from Development of Affordable Housing to Supportive Services.



# HOME-ARP Allocation Plan

## Housing-Related Supportive Services

City Council Meeting  
June 20, 2023





# CITY OF COSTA MESA FUNDING FOR SUPPORTIVE SERVICES

Service Provider	Services & Population Served	Funding Source	Agreement Term	Amount Awarded	Amount Available
<b>City of Costa Mesa</b>	Motel Vouchers for COVID-19 Prevention - Homeless	CDBG-CV	Until funds are expended 7/1/23-6/30/24	\$68,535	\$25,738
	Senior Center Case Worker - Case Management for Seniors	CDBG		\$30,000	\$30,000
<b>CityNet</b>	Street Outreach - Homelessness	CDBG-CV	5/1/21-4/30/24	\$381,000	\$173,903
<b>Fair Housing Foundation</b>	Fair Housing Counseling & Education For Low-Income Residents	CDBG	7/1/23-6/30/24	\$20,000	\$20,000
<b>Families Forward</b>	TBRA Rental Assistance – Families	HOME	7/1/23-6/30/24	\$75,000	\$75,000
	Supportive Services for Affordable Housing	CDBG	7/1/23-6/30/24	\$30,000	\$30,000
<b>Mercy House</b>	Rental Assistance for Low-Income Residents	ARPA	11/9/22-12/30/23	\$500,000	\$0
<b>Project Hope Alliance</b>	Case Management/Wrap Around – Homelessness Youth	CDBG	7/1/23-6/30/24	\$30,000	\$30,000
		CDBG-CV	2/7/23 – 2/6/24	\$35,000	\$35,000
<b>Stand UP for Kids OC</b>	Case Management/Wrap Around – At risk Youth	CDBG	7/1/23-6/30/24		\$15,000
<b>Trellis International</b>	Street Outreach – Community Impact Team - Homelessness	CDBG-CV	5/1/21 – 4/30/24	\$160,382	\$61,263
	Labors of Love - Seniors	CDBG	7/1/23-6/30/24	\$30,000	\$30,000



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# BRIDGE SHELTER CAPACITY INCREASE

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June 20, 2023





# BACKGROUND

- March 2019 – City Council approves the purchase and renovation of 3175 Airway Ave as the future site of the Bridge Shelter
- November 2020 – The cities of Costa Mesa and Newport Beach enter into a Memorandum Of Understanding (MOU) to share the cost of operating the Bridge Shelter
- April 2021 – The Bridge Shelter is completed and Shelter Operator, Mercy House, begins accepting referrals for enrollment into the Program
- April 2022 – City Council selects Bracken's Kitchen as the Bridge Shelter Kitchen Operator



# BRIDGE SHELTER CAPACITY PROJECT OVERVIEW

Increase Shelter capacity to 85 guests by adding 16 beds

- Allocation of Beds

- +11 beds for Costa Mesa (60 beds total)
- +5 beds for Newport Beach (25 beds total)

- Amendments

- MOU w/ Newport Beach
- Shelter Operator Agreement w/ Mercy House
- Kitchen Operator Agreement w/ Bracken's Kitchen

- Purchases

- 16 bed frames, mattresses and stacking kits
- 43 two-tier lockers
- 16 storage bins (indoor use)
- 16 storage containers (outside use)





# NEWPORT BEACH – MEMORANDUM OF UNDERSTANDING



## Current MOU

- Grants Newport Beach exclusive use of 20 Shelter beds at:
  - \$50k/bed/year for operations or a \$1,000,000 Annual Operations Payment; and
  - \$10k/bed one-time for capital costs or a \$50,000 one-time payment
- Mandatory increase of 2-4% to the Annual Operations Payment

## Proposed Amendment

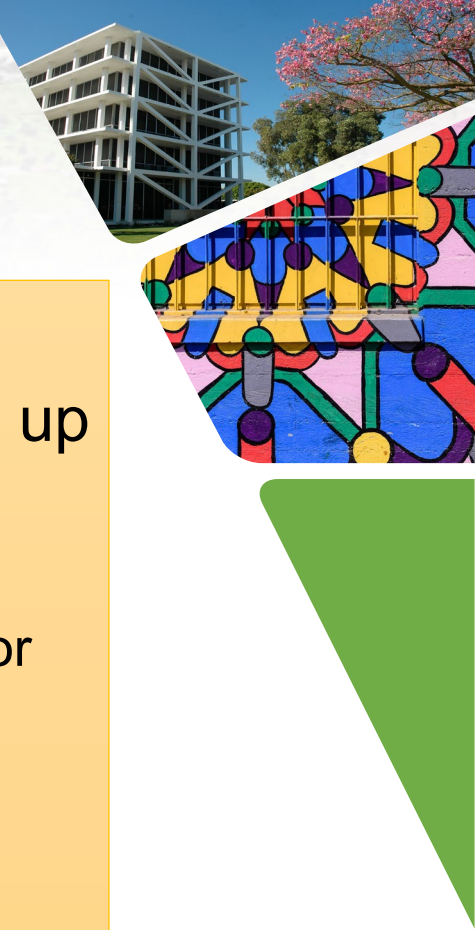
- Grants Newport Beach *exclusive* use of 5 additional Shelter beds at:
  - \$55k/bed/year for operations or a +\$275,000 Annual Operations Payment (\$1,275,000 total);
  - \$10k/bed one-time for capital costs or \$50,000 one-time payment
- Grants Newport Beach *access* (only if available) to up to 5 additional beds at:
  - \$155/bed/day
- Annual Operations Payment increase at City Manager discretion



# MERCY HOUSE – SHELTER OPERATOR AGREEMENT



**MERCY  
HOUSE**



## Current Agreement

- \$2,000,000 annually to serve up to 72 Shelter guests
  - Shelter Management
  - Housing Navigation
  - Security
  - Logistics
  - Janitorial
  - Transportation
  - Pet Care
  - Snacks and Supplies

## Proposed Amendment

- \$2,185,286 annually to serve up to 88 Shelter guests
  - +1.0 FTE\* Housing Navigation
  - +0.2 FTE Navigation Supervisor
  - +1.4 FTE Logistics
  - +\$17,000 Shuttle Fuel/Maint.
  - +\$24,167 Administration
- \$286,402 – Carryover of unspent funds from FY 21-22 & FY 22-23 to assist with cashflow and hiring needs

\*FTE = Full-Time Equivalent



# BRACKEN'S KITCHEN - KITCHEN OPERATOR AGREEMENT



## Current Agreement

- \$327,600 annually to provide 3 meals per day for up to 72 Shelter guests
  - \$12.50/person/day
  - Cost based on actual meals served
  - Cost off-set by donated meals

## Proposed Amendment

- \$401,500 annually to provide 3 meals per day for up to 88 Shelter guests
  - +\$73,000 to serve up to 16 additional guests
  - Meal cost remains \$12.50/person/day
  - Cost remains based on actual meals served
  - Cost continues to be off-set by donated meals



# BRIDGE SHELTER CAPACITY PROJECT

## FINANCIAL SUMMARY

### Current Revenue

- \$1,000,000 Newport Beach

### Current Expenses

- \$2,000,000 Mercy House
- \$327,600 Bracken's Kitchen
- **\$2,327,600 Total Expenses**

### Proposed Revenue

- \$1,275,000 Newport Beach

### Proposed Expenses

- \$2,185,286 Mercy House
- \$401,500 Bracken's Kitchen
- **\$2,586,786 Total Expenses**



# RECOMMENDATIONS

1. Approve Amendment No. 1 to the Memorandum of Understanding with the City of Newport Beach to increase their Annual Operations Payment by \$275,000 for an updated annual contribution of \$1,275,000 and a one-time payment of \$50,000 to cover capital costs; and appropriate said funds to the Housing Authority Budget.
2. Approve Amendment No. 3 to the Agreement with Mercy House increasing the compensation by \$185,286 for an updated annual not-to-exceed amount of \$2,185,286.
  - 2a. Approve a contract amendment permitting the carryover of unspent funds from one fiscal year to the next to assist with cashflow and hiring needs. This adjustment is net-neutral as the 3-year (plus optional 1-year extension) total contract amount (\$8M) will remain the same.
3. Approve Amendment No. 3 to the Agreement with Bracken's Kitchen increasing the compensation by \$73,000 for an updated annual not-to-exceed amount of \$401,500.
4. Authorize the City Manager and City Clerk to execute all agreements and any amendments to the agreements.





# QUESTIONS?





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# TRAVELODGE NORTH

## HOMEKEY ROUND 3

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JUNE 20, 2023





# BACKGROUND

- July 16, 2020 – State Department of Housing and Community Development (HCD) announced availability of \$600M in Homekey Round 1 funds
- September 9, 2021 – HCD announced availability of \$1.45B in Homekey Round 2 funds
  - November '21-'22 – City Council approved an award of \$3.5M in ARPA funds, \$1.5M in HOME funds and \$850k in LMIHAF funds (\$5.85M total) to Community Development Partners (CDP) for conversion of the Motel 6 Homekey Project into 87 units of permanent affordable housing for veterans and seniors
- March 29, 2023 – HCD announced availability of \$736M in Homekey Round 3 funds
  - March '23 – The County released a Request For Information (RFI) seeking qualified developers and subsequently approved American Family Housing (AFH) as an authorized Homekey Round 3 developer



# American Family Housing (AFH)



- Founded in 1985
- Based in Midway City
- 95 employees, 20+ interns, and strong volunteerism
- Expertise in both service provision *and* housing development
- Currently own and operate 49 housing projects (386 affordable units) in LA & Orange Counties
- Three (3) Homekey Round 2 projects currently underway
- Approved by the County as a Homekey Round 3 authorized developer
- Currently in escrow to purchase and convert the Travelodge North at 1400 Bristol St. into Permanent Supportive Housing (PSH)



# Project Site – Travelodge North (1400 Bristol St)

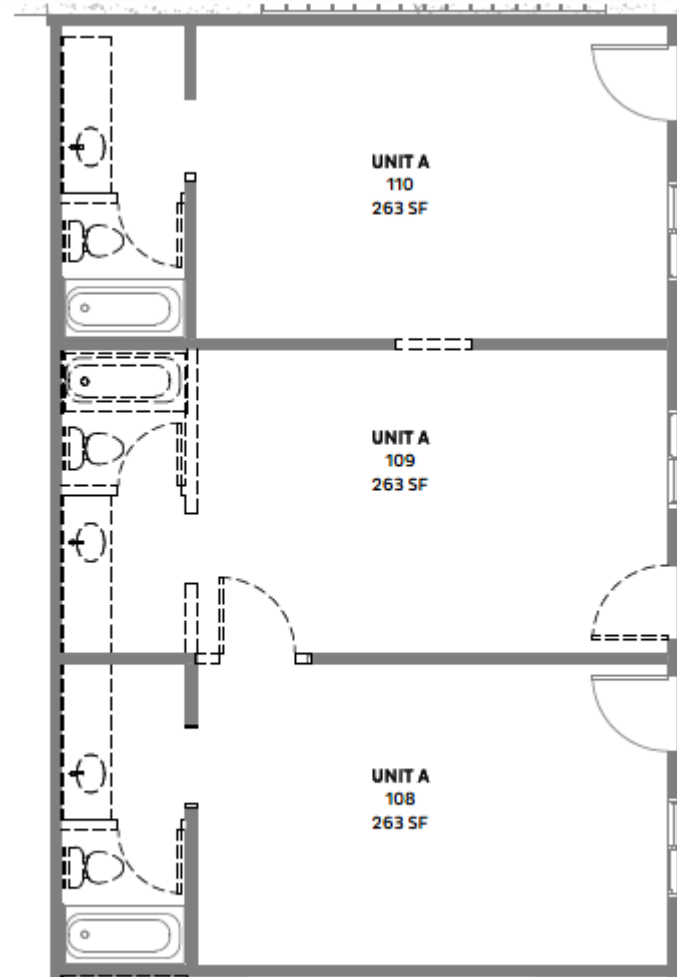
- 3.5 acre parcel
- 120 rooms (avg. 250 sq. ft.)
- Three (3) two-story residential buildings
- One (1) commercial building
- Close proximity to high-quality transit, grocery store, pharmacy, medical care, open space and a library.



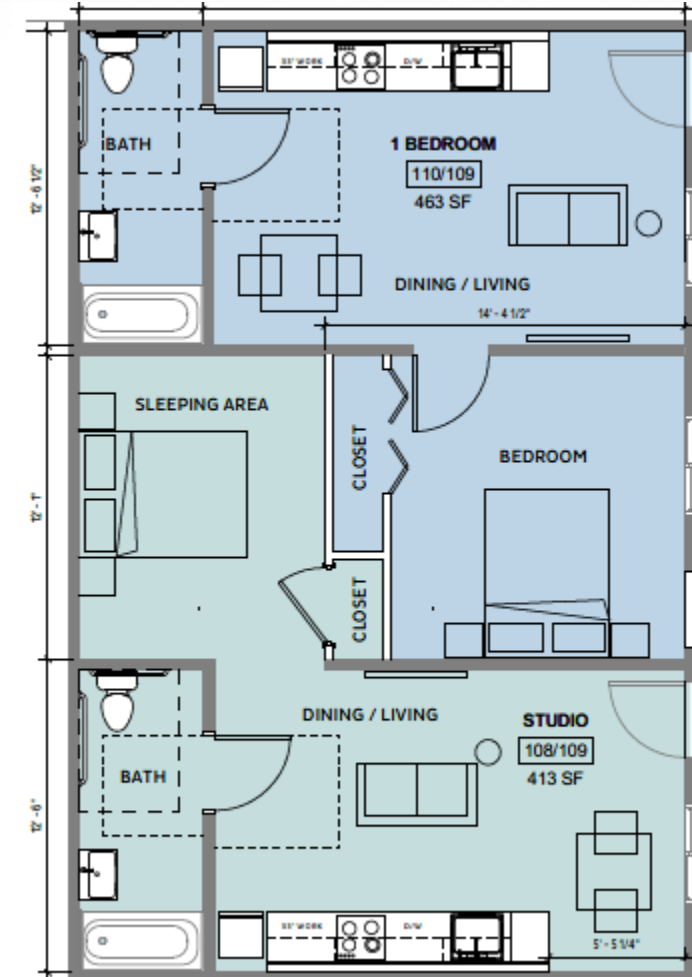


# Project Scope – Travelodge North (1400 Bristol St)

- Demolish 42 of 120 rooms to create 76 units of PSH + two Manager's Units
- Renovation of all interior/exterior spaces
- Community Courtyard
- ADA Upgrades
- Installation of kitchenettes
- Reconfigure office space for on-site services



EXISTING ENLARGED FLOOR PLAN - UNIT TYPE A - 3 UNITS TO 1BR/1STUDIO CONVERSION  
47'-4 1/2" x 41'-0"



PROPOSED ENLARGED FLOOR PLAN - UNIT TYPE A - 3 UNITS TO 1BR/1STUDIO CONVERSION  
47'-4 1/2" x 41'-0"



# Project Budget – Travelodge North (1400 Bristol St)

- Homekey awards projected for early 2024
  - Completion in early 2025
- Costa Mesa Funds
  - \$2.5M LMIHAF (Residual Receipts Loan @ 3% interest)
  - \$1.5M ARPA (Grant)
- Up to 10 permanent relocations
  - Requires production of a Relocation Plan
  - Includes moving costs & any increase to rent for 42 months (\$7,200 max)

Sources of Funding	Amount
Homekey Program Award	\$ 27,700,000
Homekey - Relocation	\$ 750,000
City of Costa Mesa	\$ 4,000,000
City of Newport Beach	\$ 3,000,000
County of Orange HOME	\$ 2,400,000
County of Orange MHSA	\$ 4,421,520
Private Bank Loan	\$ 3,115,000
<b>TOTAL SOURCES</b>	<b>\$ 45,386,520</b>

Uses of Funding	Amount
Site Acquisition	\$ 24,015,000
Construction	\$ 13,673,023
Contingency	\$ 2,215,480
Developer Fees	\$ 1,560,000
Tenant Relocation	\$ 1,500,000
Interest & Fees	\$ 1,173,254
Pemits & FFE	\$ 734,000
Reserves	\$ 423,263
Other	\$ 92,500
<b>TOTAL USES</b>	<b>\$ 45,386,520</b>



# Project Operations – Travelodge North (1400 Bristol St)

- AFH as developer *and* lead service provider
- 48 Project-Based Vouchers
  - Tenant Selection via Coordinated Entry System (CES)
- 28 Exclusive Units
  - 16 units for CM
  - 12 units for NB
- Two (2) Manager's Units
- On-Site services
- 55-Year Affordability Covenant





# RECOMMENDATIONS

1. Approve a commitment of \$2,500,000 in Low- and Moderate-Income Housing Asset Funds and \$1,500,000 in ARPA funds to American Family Housing for conversion of the Travelodge North as a Homekey Round 3 affordable housing project.
2. Authorize the City Manager or their designee to execute a Commitment Letter with American Family Housing in the amounts listed above for the Travelodge North Homekey project.
3. Authorize the City Manager and City Clerk to execute all applicable agreements to bring the Travelodge North Homekey project to fruition.





# QUESTIONS?

