

Revisions to Program 3G Language:

As it exists upon adoption of the 2021-2029 Costa Mesa Housing Element, the Voter Initiative, Measure Y requires voter approval of certain changes in land use, defined as those projects that amend, change or replace the General Plan, the Zoning Code, a specific plan, or an overlay plan, (collectively, legislative changes) and that involve any one of the following changes: adds 40 or more dwelling units, generates more than 200 additional average daily trips; increases the volume/capacity of an intersection based on specified formulas; changes the intersection capacity utilization or level of service based on specified formulas; adds 10,000 square feet of retail, office or other nonresidential; or, where the proposed project, combined with other projects within 8 years and a half mile of each other, meet the above criteria. Additionally, voter approval is required for projects that involve one of the above legislative changes and: changes from public uses to private uses under specified circumstances; land designated as utility right-of-way under specified circumstances; land donated, bequeathed, or otherwise granted to the City; land used or designated for Costa Mesa school property; or land owned, controlled, or managed by the City.

Through extensive community outreach with Costa Mesa residents, housing advocates, and members of the development community, the City of Costa Mesa has continued to contemplate Measure Y's role in the City's 2021-2029 Housing Element Update. State HCD has identified Measure Y as a clear constraint to the future development of residential uses within the City, a constraint to implementing the land use and zoning changes necessary to achieve State-mandated compliance with the RHNA allocation, and also conflicts with meeting State housing requirements. The City recognizes that it must, in coordination with guidance from the City Attorney and input from the community, determine a path forward in consideration of Measure Y to be able to adopt the subsequent changes to specific plans, urban plans, and overlays that are necessary to implement the City's adopted Housing Element and meet the City's RHNA allocation.

The language of Measure Y itself is not clear on how the initiative applies to the State-mandated Housing Element Update process and/or the associated rezones and revisions to the existing specific plans, urban plans, and overlays included as program actions within the Housing Element. The City will take the following steps to ~~minimize the~~ identify and address specific ways in which Measure Y functions as a constraint to housing ~~development compliance, the city's housing goals, Housing Element compliance,~~ and other shared community goals.

Added Appendix A language:**Program Evaluation for Households with Special Needs**

The City of Costa Mesa has demonstrated a significant effort in working towards accomplishing many of the objectives set for the programs of the past cycle. During the fifth cycle, the City completed a number of key programs to support housing opportunity and made substantial progress towards many of its programs. The City's successful programs have been identified as continued for the sixth cycle, due to their success in the fifth cycle.

As a part of analyzing prior programs, the element must provide an explanation of the effectiveness of goals, policies, and related actions in meeting the housing needs of special needs populations. The table below provides an overview of the City's prior program accomplishments; achievements related to special needs populations are summarized below:

Seniors

As shown in Section 2, approximately 11% of the population in Costa Mesa are seniors aged 65 years or older. Throughout the 5th Cycle the City partnered and consulted with a variety of groups to address the needs of persons with specialized needs in the City, including: Community SeniorServ, Elwyn California, Council on Aging Orange County. The City's Action Plan identifies 500 persons assists using \$56,180 CDBG funds through Services for Seniors/Frail Elderly. Additionally, a Single Room Occupancy Ordinance was adopted in 1991. since then, three projects were completed and occupied for a total of 247 units; including 91 senior units and 11 SRO units.

On July 21, 2020, the City Council approved an Exclusive Negotiating Agreement (ENA) with Jamboree Housing Corporation in determining the feasibility, and potential terms, for the right to acquire a long-term leasehold interest in an approximately 0.90-acre portion of the parking lot at the Senior Center property to develop a senior housing project. The conceptual density study plans envisioned the potential for 60 senior affordable dwelling units at the site. An application for an Urban Master Plan Screening for the proposed project was submitted in November 2021 and staff continues to work with the applicant to bring the project forward for a decision.

Persons with Disabilities

As shown in Section 2, approximately 8 percent of the population in Costa Mesa have at least one disability. On November 16, 2021, the City Council directed staff to collaborate with the County of Orange and associated development partners to submit application(s) for the Homekey Program grant funding for the acquisition, rehabilitation and conversion of one or two motel locations proposed for permanent supportive housing. City staff have been working with several existing motel owners of properties that range between approximately 40 to 90 units. The proposals will provide direct permanent supportive housing with funding from the City of Costa Mesa, the County and (if awarded) Homekey grant funds from the State. The target population for these units would include at risk or currently homeless individuals and seniors, age 62 and over, and chronic homeless individuals and couples, with a subset of the units for eligible persons that qualify for Mental Health Services Act (MHSA) programs. Because the City operates the 72 bed Bridge Shelter on Airway Avenue, the Homekey Program could provide a seamless opportunity to stabilize this most vulnerable population where supportive services are provided on site, in the expedited Homekey permanent supportive housing model.

In 2020, the owner of Costa Mesa Village was awarded "Section 811" program funds for up to 24 of the 96 affordable units. The Section 811 program is a federal Housing and Urban Development (HUD) program administered by the State's Housing and Community Development (HCD) that provides subsidies for housing for very-low income persons with disabilities, in this case developmentally disabled persons. As such, as units become vacant through attrition, Section 811 eligible residents are being referred to CMV through the Regional Center of Orange County. The referral entity is responsible for providing the supportive services to the Section 811 tenants. Programming and services are individualized based on each person's needs and provided off-site.

Large Households

Large households are classified as those consisting of five or more members. These households can have difficulty in finding housing options that are adequately sized and affordable. As shown in Section 2, large-family households make up approximately 10% of the total households within Costa Mesa. The City permitted over 950 units across all income levels during the 5th cycle, many of which were single-family and could accommodate large-family households. The majority of those housing units were market rate and not available at levels affordable to low and very low-income households.

The City has implemented Program 2E in the 2021-2029 Housing Element to prioritize development of housing options to accommodate large-family households, including outreach to the development community and a review of the current development standards to determine if any pose potential impediments to building housing that can accommodate larger households.

Farmworkers

As previously discussed, farm workers are not a significant portion of the Costa Mesa community. Their needs are accommodated through housing programs and policies that assist lower-income households in general rather than specialized programs, such as:

- Program HOU 1-6 (rehabilitation loan and grant programs) which provided funding for 7 owner-occupied rehabilitation projects; 4 of which were for extremely-low income households, 1 for very low income, and 2 for low income.
- Program HOU 2-5 (OCHA rental assistance), which provided homeless prevention services or transitional housing assistance and services to over 450 individuals
- Program HOU 4-4 (preservation of residential developments for families and individuals with specialized housing needs)

Single-Parent Households:

As shown in Section 2, approximately 7.6 percent of Costa Mesa households are single-parent households, a quarter of which (27 percent) live below the poverty line. Costa Mesa Village (CMV), located at 2450 Newport Boulevard, is a 96-unit single room occupancy (SRO) affordable housing development with one manager's unit for a total of 97 units on site. CMV was originally approved and developed as a two-story Travelodge motel in the mid-1980s. In 1991, a conditional use permit (CUP) was approved to allow the conversion of the existing motel into a single room occupancy (SRO) affordable housing development. As part of the conversion project, the City through its Redevelopment Agency (Agency) provided financial assistance for land acquisition costs in the form of a \$500,000.00 loan in addition to a \$1,200,000.00 loan from the Orange County Housing Authority. The Agency entered into several agreements with Costa Mesa Village, Ltd. (original developer and current owner of CMV) including a Regulatory Agreement to ensure that the units were provided as very low-income units at or below 50-percent of the area median income (AMI) in perpetuity. The conversion improvements were completed in 1993 and the loans were fully repaid in 2014. Changes to the CUP and Regulatory Agreement were proposed and require approval by the City Council. The CUP modifications were reviewed by the Planning Commission on January 24, 2022 and were recommended for City Council approval by the Planning Commission. The modifications are

scheduled for review and consideration by the City Council on February 1, 2022. In conjunction with the CUP changes, the property owner is also changing to a well-known California affordable housing developer (Century Housing Corporation). Century Housing Corporation is mission-driven to support and develop quality affordable home development and manage and administer 1000s of affordable units throughout the State.

Persons Experiencing Homelessness (Unhoused)

As shown in Section 2, the 2019 Point in Time Count showed 193 total persons experiencing homelessness (sheltered and unsheltered). As of 2018 staff worked on establishing a temporary and permanent homeless shelter that will be housing first modeled and will provide housing navigation services. In 2019, the City approved the use of a temporary modular structures at Lighthouse Church for the City's temporary interim bridge shelter. Later in 2019, the City Council adopted an urgency ordinance relating to Accessory Dwelling Units and Junior Accessory Dwelling Units, to be consistent with state law. In 2020, the City approved a permanent homeless shelter (Costa Mesa Bridge Shelter) to replace the temporary bridge shelter identified in 2019. The shelter opened on March 23, 2021. The City of Costa Mesa partners with Newport Beach to leverage scarce resources to better services the homeless population.

During the 5th Cycle, the City provided homeless prevention services (i.e., rental assistance to prevent eviction or deposit assistance to move into housing and rapid housing) or transitional housing assistance and services to over 450 individuals.

In 2020, Families Forward helped house and bring an end to homelessness for 15 Costa Mesa families (49 adults and children), with 33 Costa Mesa families accessing the Families Forward food pantry and taking another step towards stability. When complete, the Pomona project will serve as an entry point for families in and near Costa Mesa. Also, on November 17, 2020, the City Council approved a Subrecipient Agreement with Families Forward to establish a Tenant Based Rental Assistance (TBRA) program to assist qualified, very low-income households who are current residents of Costa Mesa (or households with strong community ties to Costa Mesa).

Extremely Low Income Households

As shown in Section 2, there are approximately 6,610 extremely low-income households in Costa Mesa per the 2013-2017 Comprehensive Housing Affordability Strategy (CHAS) data available. Extremely low-income renter households have the highest rate of cost burden at 17.5 percent.

Between 2013 and 2020, the City completed 111 mobile home rehabilitation projects, 52 of which were for individuals or family which qualified as extremely low income. The Housing and Community Development Division provided assistance with the purchase and rehabilitation of rental units by non-profit organizations to operate as affordable to low and very-low-income tenants. Funding was provided for 7 owner-occupied rehabilitation projects; 4 of which were for extremely-low income households, 1 for very low income, and 2 for low income.

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