

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of Costa Mesa is a recipient of federal Community Development Block Grant (CDBG) and Home Investment Partnerships Grant (HOME) funds; these funds are awarded to the City by the U.S. Department of Housing and Urban Development (HUD). As a recipient of CDBG and HOME funds, the City must prepare a five-year strategic plan known as the Consolidated Plan. The Consolidated Plan identifies and prioritizes housing and community needs and establishes five-year goals and objectives to address identified needs. The City's current Consolidated Plan was approved by the City Council on May 19, 2020 and covers Fiscal Year 2020-2021 through Fiscal Year 2024-2025.

The Annual action Plan is the component of the Consolidated Plan that is revised annually. It links the goals and objectives identified in the City's 2020-2024 Consolidated Plan and the planned annual expenditure of CDBG and HOME funds over twelve months. The period covered by the 2022-2023 Annual Action Plan begins July 1, 2022, and ends June 30, 2023. The City refers to this time frame as a Fiscal Year (FY).

HUD funding for FY 2022-2023 has yet to be announced, However, for planning purposes, the City anticipates it will receive an allocation of \$1,137,737 in CDBG funds and \$501,749 in HOME funds for FY 2022-2023 based on the allocation awarded for FY 2021-2022. Consistent with HUD guidelines, once HUD announces CDBG and HOME awards for FY 2022-2023, the City will adjust the funding to equal the final grant awards. Additionally, \$867,011 in prior year uncommitted CDBG funds and \$2,218,058 in prior year HOME funds (combined uncommitted and program income) are available for programming. Program income is generated by the repayment of prior funded housing rehabilitation loans and is available to fund eligible activities. The City will use CDBG resources to fund capital improvements (e.g., street improvements), code enforcement, social services, and program administration. HOME funds will be used to undertake owner-occupied housing rehabilitation, affordable rental housing and program administration.

2. Summarize the objectives and outcomes identified in the Plan

Based on an analysis of housing and community needs, market analysis, and input from the community, the following five-year goals and priorities asve been identified for implementation in the 2020-2024 Consolidated Plan:

- Goal 1: Housing Preservation - To provide decent and affordable housing through a variety of activities, including owner-occupied housing rehabilitation, code enforcement, and rental housing acquisition/rehabilitation
- Goal 2: Infrastructure and Facility Improvements - To enhance the suitability of the living environment through improvements to public infrastructures and facilities
- Goal 3: Homeless Continuum of Care - To provide supportive services and housing assistance for those experiencing homelessness and near homelessness
- Goal 4: Public Social Service - To provide services for low- and moderate-income persons, and those with special needs, including fair housing services
- Goal 5: Program Administration - To provide administration of the CDBG and HOME programs, ensuring effective and delivery of programs and services and complying with all HUD program requirements

Activities funded with CDBG and HOME funds will address the goals and objectives identified in the City's Consolidated Plan.

3. Evaluation of past performance

FY 2021-2022 (the current fiscal year) is the second year of the City's 2020-2024 Consolidated Plan cycle; year-end program accomplishments are not available at this time; however, one-year accomplishment data for FY 2020-2021 is available. This information is provided in table format as **Attachment 1**.

4. Summary of Citizen Participation Process and consultation process

For the preparation of the 2022-2023 Annual Action Plan, the following opportunities for public participation were taken:

- Ad-hoc Housing and Public Services Grant Committee public meeting to receive input regarding public service needs and to prioritize funding for FY 2022-2023 public service grants (March 23, 2022)
- Public Notice – 30-day comment period and public hearing
- Public Hearing – City Council Public Hearing to receive additional public input and to approve the FY 2022-2023 Annual Action Plan (May 3, 2022).

5. Summary of public comments

See **Attachment 2**.

6. Summary of comments or views not accepted and the reasons for not accepting them

See **Attachment 2**.

7. Summary

The Action Plan serves to implement the Consolidated Plan objectives developed to address priority housing and community needs using federal resources (i.e., CDBG and HOME). The Annual Action Plan provides specific information regarding the resources and activities the City will utilize to address priority needs and specific objectives identified in the Consolidated Plan during 12 months. The 2022-2023 Action Plan begins July 1, 2022, and ends June 30, 2023. The Annual Plan will also serve as the City's application to HUD for \$1,137,737 in CDBG and \$501,749 in HOME funds for FY 2022-2023. Consistent with HUD guidelines, once HUD announces CDBG and HOME awards for FY 2022-2023, the City will adjust the funding to equal the final grant awards.

The Action Plan is also the expenditure plan for HUD grant funds, prior year grant funds, and anticipated program income resources.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role		Name	Department/Agency
CDBG Administrator		COSTA MESA	Housing & Community Dev/Development Services
HOME Administrator		COSTA MESA	Housing & Community Dev/Development Services

Table 1 – Responsible Agencies

Narrative (optional)

The City's Housing and Community Development (HCD) Division of the Development Services Department is primarily responsible for preparing the Consolidated Plan, Annual Action Plan, and for the administration of CDBG and HOME funds.

Consolidated Plan Public Contact Information

Mikelle Daily, Grant Administrator: 77 Fair Drive, Costa Mesa, CA 92628 (714) 754-5678 - mikelle.daily@costamesaca.gov

AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

The Annual Action Plan preparation process requires jurisdictions to contact and consult with other public and private agencies and residents when developing respective plans. For the FY 2022-2023 Annual Action Plan, the City consulted with the public and private agencies listed below. Also listed below are the steps taken by the City to solicit the input of community residents.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

The City of Costa Mesa does not own or manage public housing. Similarly, the City does not administer the Housing Choice Voucher or Section 8 Certificate rental assistance programs. The rental assistance voucher/certificate programs are administered in the City of Costa Mesa by the Orange County Housing Authority (OCHA). The City is a member of the OCHA Cities Advisory Committee, which provides OCHA staff with direct input regarding program policies.

The City's Network for Homeless Solutions (NHS) is a task force comprised of representatives of various City departments, nonprofit service agencies, and representatives of faith-based service providers. The main focus of the NHS is to find workable solutions to address the needs of the homeless, especially those with close ties to Costa Mesa. Additionally, the City works closely with other Orange County HUD-grantee communities to develop regional plans and share program management data.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

Since 2014, the Network for Homeless Solutions (NHS) has directly addressed homeless issues in Costa Mesa. As outlined above, the NHS is a working group of City staff, representatives of service providers, and faith-based organizations. The NHS is focused on establishing direct links to services for the homeless, especially those with strong ties to Costa Mesa, facilitating access to services and housing options. The NHS also serves as a liaison to the business community and resident groups.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City is not a recipient of Emergency Solutions Grant (ESG) funds; therefore, it does not assist the OC CoC with determining ESG allocations, evaluating the outcomes, or developing policies and procedures for administering the regional Homeless Management Information System (HMIS).

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Orange County Housing Authority
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Provided data regarding households receiving HUD rental assistance and regarding households on the waitlist for housing assistance
2	Agency/Group/Organization	City of Costa Mesa
	Agency/Group/Organization Type	Housing Services-homeless Other government - Local
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Various City departments, commissions, and City Council provided a variety of data and information. Also played a key role in identifying priorities and the allocation of HUD funds
3	Agency/Group/Organization	211 Orange County
	Agency/Group/Organization Type	Services-homeless

	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Homeless Management Information System (HMIS)
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Provided data regarding regional homeless, housing/service gaps for homeless, and HMIS management
4	Agency/Group/Organization	Fair Housing Foundation
	Agency/Group/Organization Type	Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Impediments to Fair Housing
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Provided data regarding fair housing issues in the community and input regarding impediments to fair housing, and assisted in developing action steps to address impediments to fair housing
5	Agency/Group/Organization	Mercy House Transitional Living Centers
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency assisted with the development of the City's homeless strategy and implementation of service/housing programs to assist those experiencing homelessness and those at risk of becoming homeless
6	Agency/Group/Organization	Families Forward
	Agency/Group/Organization Type	Services-homeless

	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency helped identify needs and assisted with the implementation of the City's homeless service/housing strategy with a focus on families with children experiencing homelessness
7	Agency/Group/Organization	Project Hope Alliance
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Youth Services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency helped identify the needs of school-age children
8	Agency/Group/Organization	Youth Employment Services
	Agency/Group/Organization Type	Services-Employment
	What section of the Plan was addressed by Consultation?	Economic Development Youth Services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency helped identify needs and provided input regarding the City's youth, specifically employment needs/opportunities for youth age 16 to 24
9	Agency/Group/Organization	Community SeniorServ, Inc.
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Anti-poverty Strategy

Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Agency helped identify needs and provided input regarding the City's special needs populations, specifically seniors and frail elderly
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Identify any Agency Types not consulted and provide rationale for not consulting

The City made an effort to have an open consultation process. No agency/service type was knowingly excluded from the process.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Orange County 211	Provides regional and local point in time homeless survey data, development of the regional 10-Year Plan to End Homelessness, and development of the regional Discharge Plan
City of Costa Mesa Housing Element	City of Costa Mesa	Provides housing priorities and program goals
City of Costa Mesa Capital Improvement Plan	City of Costa Mesa	Identifies priority capital improvement projects which may be CDBG-eligible
5-Yr. & 1-Yr. PHA Plan	Orange County Housing Authority	Identifies OCHA resources to address the housing needs of lower-income renter householders in the County and City
Analysis of Impediments to Fair Housing	Orange County HUD Grantee Cities and the County of Orange	Countywide document that identifies fair housing impediments within participating cities and outlines a plan to address fair housing issues

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Non-targeted/broad community	Housing and Public Services Grant Committee - 9 committee members and 1 alternate, discussed priority public service needs (3/23/22)	10 individuals spoke in support of grant applications submitted for CDBG funding	None	NA
2	Newspaper Ad	Non-English Speaking - Specify other language: Spanish Non-targeted/broad community	30-day public comment period (4/2/22-5/2/22)	See Attachment 2	NA	NA

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Hearing	Non-targeted/broad community	5/3/22 Regular City Council Meeting	See Attachment 2	NA	NA

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

HUD funding for FY 2022-2023 has yet to be announced, However, for planning purposes, the City anticipates it will receive an allocation of \$1,137,737 in CDBG funds and \$501,749 in HOME funds for FY 2022-2023 based on the allocation awarded for FY 2021-2022. Consistent with HUD guidelines, once HUD announces CDBG and HOME awards for FY 2022-2023, the City will adjust the funding to equal the final grant awards. Additionally, \$867,011 in prior year uncommitted CDBG funds and \$2,218,058 in prior year HOME uncommitted and program income funds are available for programming. The City's application for funds is in the federal Standard Form 424 (SF-424).

Fluctuations in CDBG and HOME funding make it difficult to estimate the amount available over the five years of the Consolidated Plan. With the loss of redevelopment funding, the only anticipated funds that may be available to implement the Consolidated Plan are the general fund and

Housing Authority (former redevelopment successor agency) for homeless services and housing voucher/certificate resources via OCHA.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,137,737	0	867,011	2,004,748	2,000,000	Annual CDBG allocation from HUD and prior year funds
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	501,749	1,454,658	763,400	2,719,807	1,000,000	Annual HOME allocation from HUD, prior year funds and prior year program income

Table 5 - Expected Resources – Priority Table

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

For the foreseeable future, the City will continue to allocate General Fund and the local Housing Authority (as the City's Successor Agency) resources for homeless services. Additionally, the City has a partnership with Newport Beach to support the ongoing operations of the Bridge Shelter that was previously vacant warehouse in 2019. Primarily CDBG funding was used for the rehabilitation of the warehouse in 2019.

The City also has a small CalHome owner-occupied housing rehabilitation loan program. CalHome-funded rehab loans are leveraged with HOME funds, which provides a source of match for the City's HOME program. If available, the City will use CalHome to fund rehab loans during FY 2022-2023. The CDBG program does not have a match requirement.

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

Costa Mesa is considered a built-out community with little vacant land available for new development. The City has begun to recycle land to accommodate growth. The City's Housing Element identifies City-owned properties and considers various options for the sites. Development opportunities are identified in the Housing element and are mirrored in the 2020-2024 Consolidated Plan.

In 2019, the City utilized over \$6,000,000 in non-HUD funds to purchase a property that has been rehabilitated to provide 70 emergency shelter beds for adult men and women experiencing homelessness. The addition of these shelter beds help address priority needs identified in the City's Consolidated Plan.

Discussion

Funding resources to implement the City's 2022-2023 Annual Action Plan are limited. For FY 2022-2023, the City will receive \$1,137,737 in CDBG funding and \$501,749 in HOME funding. Prior year funds for CDBG and HOME are also available. HOME housing rehabilitation loan repayments have provided the City with additional funding; however, this source of revenue is susceptible to the fluctuations of the economy and is unpredictable.

The City will also continue to support OCHA's efforts to secure new rental assistance resources. For the foreseeable future the City will continue to support homeless service programs serving individuals with strong ties to Costa Mesa with local funds. City, State and funds from Newport Beach have been used to repurpose a commercial warehouse into a 1200-bed bridge shelter. Local and Newport Beach funds will be used to operate the shelter.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Housing Preservation	2020	2024	Affordable Housing	Citywide	Housing Preservation	HOME: \$2,669,630 CDBG: \$377,498	Rental units rehabilitated: 1 Household Housing Unit Homeowner Housing Rehabilitated: 11 Household Affordable Rental Housing: 1 Housing Unit Housing Code Enforcement/Foreclosed Property Care: 200 Household Housing Unit
2	Infrastructure and Facility Improvements	2020	2024	Non-Housing Community Development	Citywide CDBG Eligible Areas	Public Facilities and Infrastructure	CDBG: \$1,229,703	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 11,000 Persons Assisted
3	Homeless Continuum of Care	2020	2024	Homeless	Citywide	Homeless Services and Housing	CDBG: \$40,000	Rental Assistance: 4 Household Homeless service activities as Public Services: 190 Persons Assisted
4	Public Social Services	2020	2024	Non-Homeless Special Needs	Citywide	Public Services	CDBG: \$130,000	Public service activities other than Low/Moderate Income Housing Benefit: 1100 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Program Administration	2020	2024	Program Administration	Citywide	Program Administration	CDBG: \$227,547 HOME: \$50,174	N/A

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Housing Preservation
	Goal Description	To provide decent and affordable housing through a variety of activities, including owner-occupied housing rehabilitation, code enforcement, and rental housing acquisition/rehabilitation
2	Goal Name	Infrastructure and Facility Improvements
	Goal Description	To enhance the suitability of the living environment through improvements to public infrastructures and facilities
3	Goal Name	Homeless Continuum of Care
	Goal Description	To provide supportive services and housing assistance for the homeless and near homeless
4	Goal Name	Public Social Services
	Goal Description	To provide services for low- and moderate-income persons and those with special needs, including fair housing services

5	Goal Name	Program Administration
	Goal Description	To provide administration of the CDBG and HOME programs, ensuring effective and efficient delivery of programs and services and complying with all HUD program requirements

Projects

AP-35 Projects – 91.220(d)

Introduction

FY 2022-2023 CDBG and HOME funding are allocated for the 16 activities listed below.

Projects

#	Project Name
1	Housing Rehabilitation
2	Home Administration
3	CHDO Housing
4	Housing Rehabilitation Administration
5	Special Housing Code Enforcement
6	City of Costa Mesa Senior Social Services
7	Community SeniorServ Meal Programs
8	Fair Housing
9	Families Forward
10	Project Hope Alliance
11	Mercy House Bridge Shelter
12	Youth Employment Services
13	Trellis International
14	Westside Street Improvements Project
15	Wilson Street Rehab Project (phase 2)
16	CDBG Administration

Table 7 - Project Information

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

The City recognizes that special needs populations (i.e., seniors, disabled, and households with extremely low-income) are more likely at risk to become homeless because they have limited incomes and have other issues that require housing and supportive services; therefore, the City considers services for those already homeless is considered a high need to merit funding.

AP-38 Project Summary
Project Summary Information

DRAFT

1	Project Name	Housing Rehabilitation
	Target Area	Citywide
	Goals Supported	Housing Preservation
	Needs Addressed	Housing Preservation
	Funding	HOME: \$275,000
	Description	HOME funds for owner-occupied housing rehabilitation loans and grants.
	Target Date	6/30/23
	Estimate the number and type of families that will benefit from the proposed activities	11 low- and moderate- income homeowners (1 loan and 10 grants)
	Location Description	Citywide
	Planned Activities	Housing rehabilitation loans and grants to address deferred property improvements and building code deficiencies
2	Project Name	Home Administration
	Target Area	Citywide
	Goals Supported	Program Administration
	Needs Addressed	Planning and Administration
	Funding	HOME: \$50,174
	Description	HOME funds for program oversight and coordination
	Target Date	6/30/23
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	77 Fair Drive, Costa Mesa, CA
	Planned Activities	HOME Program oversight and coordination
3	Project Name	CHDO Housing
	Target Area	Citywide
	Goals Supported	Housing Preservation
	Needs Addressed	Housing Preservation
	Funding	HOME: \$75,262
	Description	HOME-CHDO funds reserved for eligible housing project (to be determined)
	Target Date	6/30/23
	Estimate the number and type of families that will benefit from the proposed activities	1 housing unit – Goal entered for data input purposes only
	Location Description	TBD
	Planned Activities	TBD
4	Project Name	Housing Rehabilitation Administration
	Target Area	Citywide
	Goals Supported	Housing Preservation
	Needs Addressed	Housing Preservation

	Funding	CDBG: \$41,688
	Description	CDBG funds staff costs associated with the direct delivery of owner-occupied housing rehabilitation loans and grants
	Target Date	6/30/23
	Estimate the number and type of families that will benefit from the proposed activities	N/A – The number of households to be assisted is accounted for under the HOME program – this activity is to pay for a portion of the administrative expenses associated with the HOME-funded Housing Rehabilitation Program
	Location Description	Citywide
	Planned Activities	Staff costs associated with the delivery of housing rehabilitation loans and grants
5	Project Name	Special Housing Code Enforcement
	Target Area	CDBG Eligible Areas
	Goals Supported	Housing Preservation
	Needs Addressed	Housing Preservation
	Funding	CDBG: \$335,810
	Description	Enforcement of housing and building codes
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	200 housing units
	Location Description	77 Fair Drive, Costa Mesa, CA – City Hall
	Planned Activities	Inspection and enforcement of housing and building codes
6	Project Name	City of Costa Mesa Senior Social Services
	Target Area	Citywide
	Goals Supported	Public Social Services
	Needs Addressed	Public Services
	Funding	CDBG: \$30,000
	Description	Counseling and case management for seniors
	Target Date	6/30/23
	Estimate the number and type of families that will benefit from the proposed activities	250 Seniors
	Location Description	Program available citywide but based out of the Costa Mesa Senior Center located at 695 W. 19 th Street, Costa Mesa, CA
	Planned Activities	Counseling and case management for seniors
7	Project Name	Community SeniorServ Meal Programs
	Target Area	Citywide
	Goals Supported	Public Social Services
	Needs Addressed	Public Services
	Funding	\$30,000
	Description	Funding for congregate meals and Costa Mesa senior Center and home-delivered meals
	Target Date	6/30/23

	Estimate the number and type of families that will benefit from the proposed activities	185 Seniors
	Location Description	695 W. 19 th Street, Costa Mesa, CA (Costa Mesa Senior Center) and Citywide
	Planned Activities	Weekday senior lunch Costa Mesa Senior Center or grab-n-go program and home delivered meals for homebound seniors
8	Project Name	Fair Housing
	Target Area	Citywide
	Goals Supported	Public Social Services
	Needs Addressed	Public Services
	Funding	CDBG: \$20,000
	Description	Fair housing outreach, education and enforcement services
	Target Date	6/30/23
	Estimate the number and type of families that will benefit from the proposed activities	186 individuals
	Location Description	Citywide
	Planned Activities	Community outreach, education, and enforcement of fair housing laws
9	Project Name	Families Forward
	Target Area	Citywide
	Goals Supported	Homeless Continuum of Care
	Needs Addressed	Homeless Services and Housing
	Funding	CDBG: \$25,000
	Description	Rapid rehousing and support services for families with minor-aged children that are experiencing financial instability or homelessness
	Target Date	6/30/23
	Estimate the number and type of families that will benefit from the proposed activities	26 individuals
	Location Description	Citywide
	Planned Activities	Funds to support families with minor-aged children to transition from crisis to financial stability and self-sufficiency. Services include housing, counseling, career coaching, life-skills education, access to our food pantry, and assistance with childcare
10	Project Name	Project Hope Alliance
	Target Area	Citywide
	Goals Supported	Public Social Services
	Needs Addressed	Public Services
	Funding	CDBG: \$30,000
	Description	Case management for students (K to 12) experiencing homelessness

	Target Date	6/30/23
	Estimate the number and type of families that will benefit from the proposed activities	200 youth
	Location Description	Citywide
	Planned Activities	One-on-one case management, mentoring, tutoring, college and FAFSA application assistance, job search assistance, and basic needs support (food, clothing and hygiene kits) for students from Kindergarten to age 24
11	Project Name	Mercy House Bridge Shelter
	Target Area	Citywide
	Goals Supported	Homeless Continuum of Care
	Needs Addressed	Homeless Services and Housing
	Funding	CDBG: \$15,000
	Description	Mercy House operates the Costa Mesa Bridge Shelter, which provides shelter, supportive services, and housing navigation services to homeless men and women living on the streets of Costa Mesa
	Target Date	6/30/23
	Estimate the number and type of families that will benefit from the proposed activities	166 homeless individuals
	Location Description	3175 Airway Ave., Costa Mesa, CA
	Planned Activities	Funds will be used to cover a portion of shelter operations
12	Project Name	Youth Employment Services
	Target Area	Citywide
	Goals Supported	Public Social Services
	Needs Addressed	Public Services
	Funding	CDBG: \$25,000
	Description	Comprehensive employment training and support for low-income Costa Mesa youth – the Comprehensive Youth Job Readiness Program helps youth find and keep a job by providing job readiness training, employment search, and ongoing support services
	Target Date	6/30/23
	Estimate the number and type of families that will benefit from the proposed activities	300 youth
	Location Description	Citywide
	Planned Activities	CDBG grants funds will be used to support the salaries of the Youth Job Readiness Program staff, which implement all components of the program and work directly with youth to help prepare them for successful employment
13	Project Name	Trellis International

	Target Area	Citywide
	Goals Supported	Public Social Services
	Needs Addressed	Public Services
	Funding	CDBG: \$15,000
	Description	
	Target Date	6/30/23
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	Citywide
	Planned Activities	
14	Project Name	Westside Street Improvements Project
	Target Area	CDBG Target Area
	Goals Supported	Infrastructure and facility Improvements
	Needs Addressed	Public Facilities and Infrastructure
	Funding	\$600,000
	Description	Street pavement rehabilitation
	Target Date	6/30/23
	Estimate the number and type of families that will benefit from the proposed activities	5,000 individuals
	Location Description	Census Tract: 638.03 Block Groups: 3 & 4
15	Planned Activities	Rehabilitation of street pavement includes repairing existing sidewalks, wheelchair ramps, driveways, and curb gutter to meet City and ADA standards; reconstruction of failed pavement; grind and overlay pavement with rubberized asphalt; and upgraded striping that includes bike lanes
	Project Name	Wilson Street Improvements Project (Phase 2)
	Target Area	CDBG Target Area
	Goals Supported	Infrastructure and facility Improvements
	Needs Addressed	Public Facilities and Infrastructure
	Funding	\$600,000
	Description	Street pavement rehabilitation
	Target Date	6/30/23
	Estimate the number and type of families that will benefit from the proposed activities	Per HUD data, 6,155 individuals live in project area Block Groups – 4,050 are reported as low- income (65.8% low-moderate service area)
	Location Description	Census Tract: 639.05 Block Groups: 2 & 3 Census Tract: 639.06 Block Groups: 1 & 2

	Planned Activities	Rehabilitation of street pavement includes repairing existing sidewalks, wheelchair ramps, driveways, and curb gutter to meet City and ADA standards; reconstruction of failed pavement; grind and overlay pavement with rubberized asphalt; and upgraded striping that includes bike lanes
16	Project Name	CDBG Administration
	Target Area	Citywide
	Goals Supported	Program Administration
	Needs Addressed	Planning and Administration
	Funding	CDBG: \$207,547
	Description	CDBG Program oversight
	Target Date	6/30/23
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	77 Fair Drive, Costa Mesa, CA
	Planned Activities	Program oversight and coordination

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

Activities slated for CDBG-funding during FY 2022-2023 will be available on a citywide basis to income-eligible individuals (i.e., limited clientele) and in areas of the City with high percentages of lower-income residents. A map of the City's CDBG Eligible Areas provides a view of the areas where CDBG resources can be focused via "area-wide" activities (see **Attachment 3**). Table 10 indicates the majority of the City's CDBG funds will be focused on a citywide basis. All HOME funds will be available on a citywide basis (not included in Table 10).

Geographic Distribution

Target Area	Percentage of Funds
Citywide	68
CDBG Eligible Areas	32

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

HUD funding will primarily be allocated on a citywide basis as the City's primary intent is to serve eligible Costa Mesa households in need of housing and services regardless of where they live. As the City's CDBG-eligible areas tend to be older sections of the City, area-wide activities will help to improve and sustain these neighborhoods and encourage property owners to also invest in their properties.

Discussion

As indicated above, CDBG and HOME funds will be focused on programs that serve eligible residents regardless of where they live. It is also expected that the City's investment in neighborhoods will create a synergy whereby other property owners will also invest in their homes and community.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

During FY 2022-2023, proposed activities to be funded with CDBG and HOME funds will meet the housing needs of the following households.

One Year Goals for the Number of Households to be Supported	
Homeless	4
Non-Homeless	11
Special-Needs	0
Total	15

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	4
The Production of New Units	0
Rehab of Existing Units	11
Acquisition of Existing Units	0
Total	15

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

The City will focus FY 2022-2023 HOME funds on the rehabilitation of existing owner-occupied housing units and affordable housing. While not the program's primary focus, some special-needs households (seniors and disabled) may be assisted during the year via the City's Housing Rehabilitation Program.

In an effort to preserve and increase affordable housing opportunities for lower income households, the City will be soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors by issuing a Request for Proposal (RFP) for the development of permanent affordable rental housing in the City using HOME Program funds. The RFP will include program income and prior year uncommitted HOME program funds.

FY 2022-2023 HOME CHDO funds are included in the Annual Action Plan; however, no specific project has been identified at this time. It is anticipated that OCHA will continue to provide rental assistance to approximately 570 Costa Mesa renter households.

AP-60 Public Housing – 91.220(h)

Introduction

Costa Mesa does not own or manage public housing.

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

Not applicable.

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

Not applicable.

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

Not applicable.

Discussion

Not applicable.

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

Introduction

As outlined in the 2020-2024 Consolidated Plan, the City's homeless strategy is to support programs that prevent homelessness by providing safety net services. These programs will help households, especially extremely low-income households, maximize the amount of income they have available for housing. Additionally, both HUD and City resources will be allocated to provide access to a continuum of services and housing to assist those already homeless and with strong ties to the community.

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

Approximately \$1,000,000 in General Fund and Housing Authority (former Redevelopment Agency) resources will be allocated to provide direct outreach services for chronic and situational homeless. Services include engagement, assessment and linkages to appropriate services and housing. City-paid social workers and community volunteers will provide services. No FY 2022-2023 CDBG funds will be allocated to provide similar outreach services.

Addressing the emergency shelter and transitional housing needs of homeless persons

There is a shortage of year-round emergency shelter beds in the County. In March, 2019 the City Council authorized the purchase of a property to create a 70-bed emergency shelter for single, adult men and women experiencing homelessness. Non-HUD resources were utilized for this purchase. The City has utilized CDBG funds to repurpose a warehouse into a shelter facility. Improvements include construction of dormitories, shower/bath facilities, food service, and dining areas, storage, and office space.

FY 2022-2023 CDBG funding is allocated to support operations at the City's bridge shelter; no FY 2022-2023 CDBG funding is allocated for transitional housing.

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

FY 2022-2023 CDBG funding is allocated for rapid rehousing. This "housing first" program model places a household experiencing homelessness directly into an affordable housing unit and provides appropriate

supporting service to establish housing stability. For FY 22-23, \$25,000 in CDBG funding will be allocated to Families Forward to rehouse 24 individuals rapidly.

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 City's homeless strategy is based on the proposition that it is less expensive and disruptive for a household to remain housed in their existing home than to be rehoused. To this end, the City will focus its resources on agencies that provide various safety-net services to prevent households from becoming homeless. The City will support programs that provide low-cost meals, counseling, and employment/job skills development services for lower-income individuals. Safety-net services allow households to save a portion of income previously spent on food, clothes, etc. and preserve their housing.

Discussion

The City has a well-developed strategy to address homelessness in the community. This strategy includes outreach and assessment services for homeless and chronic homeless individuals. Program staff will attempt to link individuals to appropriate housing, support services, and public assistance programs (e.g., VA benefits, SSI). To undertake this effort, the City partners with local nonprofit service providers and community-based volunteers. Based on assessments, individuals or households are referred to appropriate housing/service providers. City staff will coordinate the delivery of services and housing with providers to reduce the number of homeless individuals in the community. Both HUD and City funds will be used to carry out these activities, including emergency shelter and rapid rehousing.

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

Introduction:

A strategy to address barriers to affordable housing and actions to overcome these barriers is provided in the City's Housing Element and Consolidated Plan. The City will continue efforts to address these barriers during the 2022-2023 Program Year.

Actions it 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

According to the City's Housing Element, governmental agencies' actions or policies can impact the private sector's ability to provide adequate housing to meet consumer demands. Local governments exercise regulatory and approval powers that directly impact residential development within their respective jurisdiction. These powers establish the location, intensity, and type of units that may or may not be developed. The City's General Plan, zoning regulations, project review and approval procedures, development, and processing fees all play important roles in determining the cost and availability of housing opportunities in Costa Mesa.

- General Plan and Zoning: The Costa Mesa General Plan and Zoning Ordinance establish the location and amount of land allocated to residential development and the intensity of development (in terms of unit densities and the total number of units) that will be permitted. Densities and other development standards can drive the cost of developing housing and thus the ultimate cost.
- Local Entitlement Processing and Fees: Two aspects of local government that have been criticized as placing undue burdens on building affordable housing are the fees or other exactions required of developers to obtain project approval and the time delays caused by the review and approval process. Critics contend that lengthy review periods increase financial and carrying costs and that fees and exactions increase expenses. These costs are typically passed onto the prospective homebuyer in the form of higher purchase prices or higher rents in the case of tenants.
- Processing Procedures: The time required to process a project varies tremendously from one project to another and is directly related to the size and complexity of the proposal and the number of actions or approvals needed to complete the process.
- Planning and Development Fees: The developer is required to pay certain fees for only the net increase of residential units on site. Fees, land dedications, or improvements are also required in public improvements (streets, sewers, and storm drains) to support the new development. Fees are based on the significance of the necessary public works improvements, thus vary from project to project. While such costs are charged to the developer, most, if not all, additional costs are passed to the ultimate product consumer in the form of higher prices or rents. Various

governmental agencies also charge fees depending on the service and the location of the project

- On/Off-Site Improvement Standards: Costs associated with site improvements are an important component of new residential development costs. Site improvement costs are applied to provide sanitary sewer and water service to a project, make necessary transportation improvements, and provide the infrastructure. The City may require the payment for various offsite improvements as part of project mitigation measures (e.g., payment toward an offsite traffic signal). The City's on- and off-site improvement requirements are typical for urban development in a highly developed community. While these improvements add to housing costs, they do not constrain housing development as these improvements are similarly required in all surrounding communities.

If available, subsidies may also be provided for qualified, affordable housing projects (e.g., HOME funds). There is no local tax.

Discussion:

The City's Housing Element outlines the City's plan to address barriers to affordable housing. The Consolidated Plan mirrors the Housing Element, which provides incentives to developers willing to dedicate developed units for lower-income households.

AP-85 Other Actions – 91.220(k)

Introduction:

As outlined in the City's Consolidated Plan, the City will implement the following actions during FY 2022-2023 to address the "Other Actions" or sub-strategies identified in the Consolidated Plan.

Actions planned to address obstacles to meeting underserved needs

The City will allocate a portion of its CDBG and HOME funds for activities that address the housing and service needs of the elderly and lower-income households. Additionally, the City will encourage and support OCHA's efforts to obtain additional rental assistance funding, especially for senior and low-income households. OCHA reports that as of January 2022, 392 Costa Mesa households received rental housing assistance. (This total includes disabled households, elderly households, and families, among these populations are 11 homeless and 24 Veterans households). The City's housing rehabilitation program will also assist elderly homeowners in improving their residences to address specific household needs.

Actions planned to foster and maintain affordable housing

The City of Costa Mesa has identified the actions it will undertake during FY 2022-2023 to foster and maintain affordable housing. The Annual Action Plan identified programs such as Owner-Occupied Housing Rehabilitation assistance as the means to maintain and improve housing currently available to low- and moderate-income residents. By providing deferred payment loans and grants, lower-income households can rehabilitation their residence to meet basic housing quality standards and incur zero or minimal additional housing costs. An estimated 11 housing units will be assisted with HOME funds during FY 2022-2023 additionally, the City has allocated HOME CHDO funds to accommodate a potential housing project.

Actions planned to reduce lead-based paint hazards

Based on past housing rehabilitation program statistics, only a small percentage of housing units rehabilitated with City resources contain lead-paint hazards. To ensure compliance with all current HUD lead-based paint regulations, all housing units constructed before 1978, which are rehabbed with City resources, will be tested for lead-paint hazards. If needed, additional grant funds may be allocated to a project to ensure all lead-based hazards are mitigated.

Actions planned to reduce the number of poverty-level families

The City will assist programs and services that combat poverty. During FY 2022-2023, the City will fund

the following activities to support the implementation of this strategy:

- Implement housing programs (including housing rehabilitation assistance) for lower-income senior and disabled homeowners
- Support rental assistance programs provided by the OCHA for very low-income renters
- Support services for individuals presently housed but at risk of losing their residence. Also, assist those already homeless in need of shelter and continue coordinating services with nonprofit partners
- Support safety-net public services programs to improve the quality of life for seniors, youth, disabled, homeless, and other populations that may be severely impacted by the cost of living in the region

Actions planned to develop institutional structure

The City has made an effort to establish an institutional structure to help identify and access resources to improve the community. For example, the City will continue to work with nonprofit entities to deliver public services. As a member of the Orange County Continuum of Care Community Forum, The City will provide critical information to the County of Orange to prepare the County's Continuum of Care Homeless Assistance grant application to HUD. Costa Mesa will also continue to fund activities that help address gaps and needs in the regional system of care. Finally, the City will continue to assist the Orange County Housing Authority in implementing its Five-year PHA plan.

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

The City of Costa Mesa does not operate public housing. The Orange County Housing Authority provides rental assistance in the community. Federal legislation requires that the Housing Authority prepare a five-year and a one-year plan that highlights its mission, goals and objectives related to public and assisted housing programs. The City will review the Authority's plans and provide OCHA the opportunity to review and consult with the City regarding its Consolidated Plan/Annual Action Plan. The goal of this cross-consultation is to provide consistent and coordinated housing services for City residents. Ongoing consultation with local nonprofits also assists the City in coordinating the efficient and effective use of limited federal resources.

Discussion:

HUD-funded grant recipients are required under various laws not to discriminate in housing or services directly or indirectly based on race, color, religion, sex, national origin, age, familial status or disability. Grant recipients such as Costa Mesa are required to: (1) examine and attempt to alleviate housing discrimination within their jurisdiction; (2) promote fair housing choices for all persons; (3) provide opportunities for all persons to reside in any given housing development, regardless of race, color,

religion, sex, disability, familial status, national origin, and other personal or familial attributes; (4) promote housing that is accessible to and usable by persons with disabilities; (5) and comply with the non-discrimination requirements of the Fair Housing Act. HUD encourages jurisdictions to consult with one another and initiate region-wide fair housing planning. The **Analysis of Impediments (AI) to Fair Housing Choice** is the primary document utilized for this purpose. In addition to identifying impediments, a strategy to overcome barriers must be developed and implemented - accomplishments are reported annually. The City participated in developing a county-wide AI, which the City Council adopted in May 2020. A summary of impediments to fair housing and the action steps the City will take during FY 2022-2023 are found in **Attachment 4**.

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Program Specific Requirements

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

Introduction:

Each HUD program that is covered by the Consolidated Plan regulations must address certain program-specific requirements. Below are the program requirements for the CDBG and HOME programs.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(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%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is

as follows:

The City is not proposing to utilize HOME funds in a form that is not delineated in Section 92.205.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The City has not and does not plan to utilize HOME funds for homebuyer assistance; however, if funds are redirected to such a program, steps will be taken to ensure program guidelines comply with the applicable resale and recapture regulations.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

If a CHDO project comes to fruition, the applicable loan agreement(s) will be prepared to comply with the resale/recapture requirements delineated in 24 CFR 92.254.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

If a CHDO project comes to fruition, program staff will ensure that all applicable program policies are followed, including establishing refinancing guidelines.

Discussion

The City will meet the CDBG Program's overall 70% benefit for low- and moderate-income requirement over three program years: **2020-2021**, **2021-2022**, and **2022-2023**.

With respect to HOME affordable homeownership limits for the area (i.e., 95 percent of the median area purchase price as set forth in 24 CFR 92.254(a)(2)(iii)), the City will utilize HUD's HOME affordable homeownership limits for its HOME-funded mobile home rehabilitation program. For single-family, owner-occupied housing rehabilitation, the City conducted a survey in order to establish a maximum property value that is reflective of the local market median home purchase prices, which exceed HUD's published limit. This information is provided as **Attachment 5**.