



**Housing
Authority**

On January 17, 2012, the City Council established the Costa Mesa Housing Authority in accordance with California Housing Authorities Law, Health, and Safety Code Section 34200, et seq. Also on that date by resolution, the City Council selected the Housing Authority to serve as the housing successor and to assume the housing assets, duties, functions and obligations of the former Costa Mesa Redevelopment Agency (Former Agency) as of February 1, 2012. These actions occurred due to the mandatory dissolution of all California redevelopment agencies under the requirements of Division 24, Parts 1.8 and 1.85 of the California Health and Safety Code (Dissolution Law). The Dissolution Law sets forth the processes and obligations of all successor agencies. These entities are separate from the city (or county) that formed the former agency and charged with winding down the affairs of former redevelopment agencies. Further, the Dissolution Law sets forth the functions, obligations and requirements of housing successors.

Section 34176.1 of the California Health and Safety Code establishes certain limitations on expenditures by housing successors. Thus, each fiscal year the Housing Authority's funding is limited in two categories: (1) administrative costs, and (2) homelessness prevention and rapid rehousing.

Covenant Monitoring and Administration - 11500

Rental Rehabilitation – 20425

Offers deferred loans to owner of multi-family properties to make improvements and repair code violations. Loans were originated in the 90s and deferred unless the owner sells transfers or defaults on the property.

Housing Authority Administration – 20600

Provides administration support such as conducting required board meetings, maintaining financial records and preparing annual reports, etc.

Costa Mesa Family Village – 20620

Costa Mesa Family Village is a three-parcel, 72-unit multi-family rental project, to which the Housing Authority holds the ground lease. The 55-year ground lease expires in year 2038. Annual lease payment is the greater of 8 percent of gross receipts or \$108,000.

First Time Homebuyer Program – 20625

Offers deferred loans to first time homebuyers for home purchase in the City. Loans were extended prior to year 2009 under various terms.

Habitat For Humanity – 20630

The Housing Authority holds interest to the land used for the development of five single-family homes by Habitat for Humanity in year 2004. The Housing Authority maintains enforceable covenants on the properties. No loan repayment is required unless the owner defaults.

Single Family Rehabilitation Program – 20640

Offers deferred loans to homeowners to make home improvements and fix code violations. The loans were extended in year 2009 and deferred until the property is sold or refinanced.

St. John Manor – 20650

St. Johns Manor is a 36-unit senior rental project. The Housing Authority's loan to this project was paid off in fiscal year 2018-19.

Costa Mesa Village – 20655

Costa Mesa Village is a 96-unit single room occupancy (SRO) project jointly funded by the Costa Mesa Housing Authority, Orange County Housing Authority and the developer. The Housing Authority's loan to this project was paid off in fiscal year 2014-15.

Housing Development And Preservation Of Affordable Housing - 11500

James/West 18th Street Property – 20635

The James/West 18th Property is four affordable housing projects with 30 rental units, owned and operated by the Housing Authority. The Authority acquired the projects through a foreclosure process in fiscal year 2015-16.

Homeless Outreach And Bridge Shelter Operation - 14300

Homeless Outreach – 20605

An addition to the Housing Authority's homeless prevention and rapid rehousing services is the transfer of the Network for Homeless Solutions program from the City Manager's Office to the Housing Authority, as approved by the City Council during the 2018-19 Mid-Year Budget Review. Homeless Outreach's primary activities are community outreach and working with various organizations and governmental agencies to identify housing solutions for Costa Mesa's homeless population. The General Fund will provide funding for program expenses in excess of the Low and Moderate Income Housing Asset Funds (LMIHAFs) \$250,000 allowance for this category.

Bridge Shelter Operation – 20606

Another new component to the Housing Authority is the operation of the City's permanent bridge shelter program, which is located at 3175 Airway Avenue. This program provides transitional housing and support services for up to 72 homeless adults. Beginning in fiscal year 2021-22, the cities of Costa Mesa and Newport Beach enter into a Memorandum of Understanding (MOU) to allocate 20 of the 72 shelter beds to Newport Beach's use.

Budget Narrative

The Fiscal Year 2022-23 budget for the Housing Authority is approximately \$4 million, an increase nearly 9 percent, compared to the adopted budget for Fiscal Year 2021-22. With the relocation to a permanent homeless shelter facility, the City has entered into a partnership with the City of Newport Beach, increasing the number of beds to expand its solution to offer shelter beds to those in need during inclement weather.

	FY 19-20 Actuals	FY 20-21 Adopted Budget	FY 21-22 Adopted Budget	FY 22-23 Proposed Budget
REVENUES BY FUNDING SOURCE				
Costa Mesa Family Village Ground Lease	\$ 131,989	\$ 120,000	\$ 120,000	\$ 120,000
James Street	273,391	264,000	250,000	250,000
Investment Income	102,263	38,000	23,400	21,550
Loan Repayments	5,111	7,000	6,000	6,000
Other Reimbursement				
RDA Loan Repayment from DOF (Annual ROPS)	258,209	258,209	381,141	381,141
State SB 2 Grant		528,581	528,581	821,579
General Fund Contribution	2,438,345	1,177,203	1,713,827	1,264,993
Other Governmental Agencies			1,000,000	1,000,000
Contributions				
Donations	5,290			
CDBG CV Funds		668,000		327,600
Use of Fund Balance		68,116	37,261	
Total Housing Authority Revenues	\$ 3,214,598	\$ 3,129,109	\$ 4,060,211	\$ 4,192,863

	FY 19-20 Actuals	FY 20-21 Adopted Budget	FY 21-22 Adopted Budget	FY 22-23 Proposed Budget
EXPENSE CATEGORY BY PROGRAM				
COVENANT MONITORING AND ADMINISTRATION - 11500				
Rental Rehabilitation - 20450				
Housing Authority Administration - 20600				
Salaries and Benefits	\$ 85,054	\$ 73,536	\$ 86,882	\$ 86,882
Maintenance and Operations	10,176	7,617	100,000	100,000
Subtotal Housing Authority Administration	\$ 95,230	\$ 81,152	\$ 186,882	\$ 186,882
Costa Mesa Family Village - 20620				
Maintenance and Operations	\$ -	\$ -	\$ 5,000	\$ 5,000
Subtotal Costa Mesa Family Village	\$ -	\$ -	\$ 5,000	\$ 5,000
First Time Homebuyer Program - 20625				
Maintenance and Operations	\$ -	\$ 65	\$ 11,000	\$ 11,000
Subtotal First Time Homebuyer Program	\$ -	\$ 65	\$ 11,000	\$ 11,000
Habitat for Humanity - 20630				
Maintenance and Operations	\$ -	\$ 2,975	\$ 7,000	\$ 7,000
Fixed Assets	-	211,860	-	-
Subtotal Habitat for Humanity	\$ -	\$ 214,834	\$ 7,000	\$ 7,000

	FY 19-20 Actuals	FY 20-21 Adopted Budget	FY 21-22 Adopted Budget	FY 22-23 Proposed Budget
Single Family Rehabilitation Program - 20640				
Maintenance and Operations	\$ -	\$ 1,677	\$ 20,000	\$ 20,000
Subtotal Single Family Rehabilitation Prog.	\$ -	\$ 1,677	\$ 20,000	\$ 20,000
COVENANT MONITORING AND ADMINISTRATION - 11500 (Continued)				
St. John Manor - 20650				
Maintenance and Operations	\$ -	\$ -	\$ 5,000	\$ 5,000
Subtotal St. John Manor	\$ -	\$ -	\$ 5,000	\$ 5,000
Costa Mesa Village - 20655				
Maintenance and Operations	\$ -	\$ 9,893	\$ 3,100	\$ 3,100
Subtotal Costa Mesa Village	\$ -	\$ 9,893	\$ 3,100	\$ 3,100
Subtotal Covenant Monitoring and Admin.	\$ 95,230	\$ 307,621	\$ 237,982	\$ 237,982
HOUSING DEVELOPMENT AND PRESERVATION OF AFFORDABLE HOUSING - 11500				
James/West 18th Street Property - 20635				
Salaries and Benefits	\$ 37,142	\$ 27,832	\$ 41,720	\$ 41,720
Maintenance and Operations	142,011	144,728	260,500	260,500
Fixed Assets	-	-	27,600	27,600
Subtotal St. John Manor James/West 18th Street Property	\$ 179,152	\$ 172,559	\$ 329,820	\$ 329,820
HOMELESS OUTREACH AND BRIDGE SHELTER OPERATION - 11310/11500/14300				
CDBG-CV - 20435				
Maintenance and Operations	\$ -	\$ 343,244	\$ -	\$ -
Subtotal Homeless Outreach	\$ -	\$ 343,244	\$ -	\$ -
Homeless Outreach - 20605 *				
Salaries and Benefits	\$ 723,081	\$ 738,444	\$ 979,642	\$ 1,096,551
Maintenance and Operations	159,169	78,372	100,100	108,243
Fixed Assets	425	-	-	-
Subtotal Homeless Outreach	\$ 882,674	\$ 816,816	\$ 1,079,742	\$ 1,204,794
* The Homeless Outreach program was previously divided between the Housing Authority (program 11500) and the City Manager's Office (program 50250). The City Council approved consolidating all homeless outreach and shelter programs under the Housing Authority during the 2018-19 Mid-Year Budget Review.				
Bridge Shelter Operation - 20606				
Maintenance and Operations	\$ 1,810,961	\$ 1,934,556	\$ 2,412,667	\$ 2,420,267
Subtotal Bridget Shelter Operation	\$ 1,810,961	\$ 1,934,556	\$ 2,412,667	\$ 2,420,267
TOTAL HOUSING AUTHORITY				
Salaries and Benefits	\$ 845,277	\$ 839,811	\$ 1,108,244	\$ 1,225,153
Maintenance and Operations	2,122,317	2,523,125	2,924,367	2,940,110

	FY 19-20 Actuals	FY 20-21 Adopted Budget	FY 21-22 Adopted Budget	FY 22-23 Proposed Budget
Fixed Assets	425	211,860	27,600	27,600
Total Housing Authority	\$ 2,968,018	\$ 3,574,796	\$ 4,060,211	\$ 4,192,863