

# 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.

The Behavioral Health Bridge Housing (BHBH) Program was created by Assembly Bill 179 (AB179), which allocated \$1.5 billion to the Department of Health Care Services (DHCS) for allocation to counties to support planning, implementation, and infrastructure costs for the CARE Act. The City was awarded BHBH funds in FY 2024-25 by the County to assist homeless individuals who are experiencing serious behavioral health conditions by providing temporary housing and support services.

### **Covenant Monitoring and Administration - 11500**

#### **Rental Rehabilitation – 20425**

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Offers deferred loans to owner of multi-family properties to make improvements and repair code violations. Loans were originated in the 1990s and deferred unless the owner sells transfers or defaults on the property.

#### **Housing Authority Administration – 20600**

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

#### **Costa Mesa Family Village – 20620**

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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**

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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**

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

#### **Single Family Rehabilitation Program – 20640**

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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**

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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

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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

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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

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Homeless Outreach's primary activities are community outreach and working with various organizations and governmental agencies to identify housing solutions for Costa Mesas 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

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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 85 homeless adults. Beginning in fiscal year 2024-25, the cities of Costa Mesa and Newport Beach enter into a Memorandum of Understanding (MOU) to allocate 20 of the 85 shelter beds to Newport Beach's use.

### Behavioral Health Bridge Housing Program- 20670

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The primary focus of the BHBH Program is to assist individuals experiencing homelessness who have serious behavioral health conditions that prevent them from accessing resources and securing permanent housing. A Memorandum of Understanding between the Orange County Health Care Agency (OCHCA) and the City of Costa Mesa was entered to establish BHBH services.

## Budget Narrative

The Fiscal Year 2025-26 budget for the Housing Authority is approximately \$5.6 million, a decrease of \$900,000, or 15 percent, compared to the adopted budget for Fiscal Year 2024-25. With the expansion of a permanent homeless shelter facility, the City continues to grow its partnerships with the City of Newport Beach, and homeless services contractor Mercy House and Bracken’s Kitchen, to increase the number of beds and meals to better serve the people experiencing homelessness year round.

	FY 22-23 Actuals	FY 23-24 Adopted Budget	FY 24-25 Adopted Budget	FY 25-26 Proposed Budget
<b>REVENUES BY FUNDING SOURCE</b>				
Behavioral Health Services			\$ 972,051	\$ 972,051
Costa Mesa Family Village Ground Lease	\$ 168,102	\$ 120,000	150,000	200,000
James Street	248,386	250,000	250,000	250,000
Investment Income	38,282	23,400	31,550	-
Loan Repayments	216,065	6,000	200,000	390,000
RDA Loan Repayment from DOF (Annual ROPS)	258,209	381,141	-	-
State SB 2 Grant	-	821,579	324,000	-
General Fund Contribution	1,638,708	1,264,993	1,264,993	1,264,993
Other Governmental Agencies	1,250,000	1,000,000	1,326,000	1,359,219
Donations	3,891	-	-	-
Use of Fund Balance	-	301,364	1,549,646	834,559
Transfers in from (State Grants)	3,650,000	231,839	454,308	750,000
<b>Total Housing Authority Revenues</b>	<b>\$ 7,471,643</b>	<b>\$ 4,400,316</b>	<b>\$ 6,522,548</b>	<b>\$ 6,020,822</b>

	FY 22-23 Actuals	FY 23-24 Adopted Budget	FY 24-25 Adopted Budget	FY 25-26 Proposed Budget
<b>EXPENSE CATEGORY BY PROGRAM</b>				
<b>COVENANT MONITORING AND ADMINISTRATION - 11500</b>				
<b>Rental Rehabilitation - 20450</b>				
<b>Housing Authority Administration - 20600</b>				
Salaries and Benefits	\$ 67,645	\$ 62,021	\$ 106,347	\$ 111,698
Maintenance and Operations	14,862	9,381	60,000	60,000
<b>Subtotal Housing Authority Administration</b>	<b>\$ 82,507</b>	<b>\$ 71,403</b>	<b>\$ 166,347</b>	<b>\$ 171,698</b>
<b>Costa Mesa Family Village - 20620</b>				
Maintenance and Operations	\$ -	\$ -	\$ 5,000	\$ 5,000
<b>Subtotal Costa Mesa Family Village</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>
<b>First Time Homebuyer Program - 20625</b>				
Maintenance and Operations	\$ -	\$ -	\$ 11,000	\$ 11,000
<b>Subtotal First Time Homebuyer Program</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,000</b>	<b>\$ 11,000</b>

	FY 22-23 Actuals	FY 23-24 Adopted Budget	FY 24-25 Adopted Budget	FY 25-26 Proposed Budget
<b>COVENANT MONITORING AND ADMINISTRATION - 11500 (Continued)</b>				
<b>Habitat for Humanity - 20630</b>				
Maintenance and Operations	\$ 645	\$ -	\$ 7,000	\$ 7,000
Fixed Assets	46,231	50,854	-	-
<b>Subtotal Habitat for Humanity</b>	<b>\$ 46,876</b>	<b>\$ 50,854</b>	<b>\$ 7,000</b>	<b>\$ 7,000</b>
<b>Single Family Rehabilitation Program - 20640</b>				
Maintenance and Operations	\$ 1,333	\$ -	\$ 20,000	\$ 20,000
<b>Subtotal Single Family Rehabilitation Prog.</b>	<b>\$ 1,333</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>
<b>St. John Manor - 20650</b>				
Maintenance and Operations	\$ -	\$ -	\$ 5,000	\$ 5,000
<b>Subtotal St. John Manor</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>
<b>Costa Mesa Village - 20655</b>				
Maintenance and Operations	\$ -	\$ -	\$ 3,100	\$ 3,100
<b>Subtotal Costa Mesa Village</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,100</b>	<b>\$ 3,100</b>
<b>Subtotal Covenant Monitoring and Admin.</b>	<b>\$ 130,716</b>	<b>\$ 122,257</b>	<b>\$ 217,447</b>	<b>\$ 222,798</b>
<b>HOUSING DEVELOPMENT AND PRESERVATION OF AFFORDABLE HOUSING - 11500</b>				
<b>James/West 18th Street Property - 20635</b>				
Salaries and Benefits	\$ 34,727	\$ 40,107	\$ 62,930	\$ 65,226
Maintenance and Operations	164,440	262,122	202,500	\$ 202,500
Fixed Assets	-	-	27,600	27,600
<b>Subtotal James/West 18th Street Property</b>	<b>\$ 199,167</b>	<b>\$ 302,229</b>	<b>\$ 293,030</b>	<b>\$ 295,326</b>
<b>HOMELESS OUTREACH AND BRIDGE SHELTER OPERATION - 11310 11500 14300 11100</b>				
<b>CDBG-CV - 20435</b>				
Salaries and Benefits	\$ 7,529	\$ 1,136	\$ -	\$ -
Maintenance and Operations	\$ 497,324	\$ 170,027	\$ -	\$ -
<b>Subtotal Homeless Outreach</b>	<b>\$ 504,852</b>	<b>\$ 171,163</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Tenant Based Rental Assistance - 20448</b>				
Salaries and Benefits	\$ -	\$ -	\$ 292,978	\$ 208,315
<b>Subtotal Homeless Outreach</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 292,978</b>	<b>\$ 208,315</b>
<b>Homeless Outreach - 20605 *</b>				
Salaries and Benefits	\$ 866,756	\$ 1,145,954	\$ 1,588,407	\$ 1,535,536
Maintenance and Operations	50,036	63,659	108,243	108,243
Fixed Assets	300	-	-	-
<b>Subtotal Homeless Outreach</b>	<b>\$ 917,093</b>	<b>\$ 1,209,613</b>	<b>\$ 1,696,650</b>	<b>\$ 1,643,779</b>

	FY 22-23 Actuals	FY 23-24 Adopted Budget	FY 24-25 Adopted Budget	FY 25-26 Proposed Budget
<b>Bridge Shelter Operation - 20606</b>				
Maintenance and Operations	\$ 2,064,021	\$ 3,246,644	\$ 2,678,553	\$ 2,678,553
Fixed Assets	-	33,233	-	-
<b>Subtotal Bridget Shelter Operation</b>	<b>\$ 2,064,021</b>	<b>\$ 3,279,877</b>	<b>\$ 2,678,553</b>	<b>\$ 2,678,553</b>
<b>Behavioral Health Services - 20670</b>				
Salaries and Benefits	\$ -	\$ -	\$ 284,050	\$ 284,050
Maintenance and Operations	\$ -	\$ -	\$ 688,001	\$ 688,001
<b>Subtotal Behavioral Health Services</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 972,051</b>	<b>\$ 972,051</b>
<b>TOTAL HOUSING AUTHORITY</b>				
Salaries and Benefits	\$ 976,657	\$ 1,249,219	\$ 2,334,712	\$ 2,204,825
Maintenance and Operations	2,792,661	3,751,833	3,788,397	3,788,397
Fixed Assets	46,531	84,087	27,600	27,600
<b>Total Housing Authority</b>	<b>\$ 3,815,849</b>	<b>\$ 5,085,139</b>	<b>\$ 6,150,709</b>	<b>\$ 6,020,822</b>