

# 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**

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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 90s 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 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**

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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 72 homeless adults. Beginning in fiscal year 2022-23, 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 2023-24 budget for the Housing Authority is approximately \$4 million, a decrease nearly 8 percent, compared to the adopted budget for Fiscal Year 2022-23. 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 20-21<br>Actuals | FY 21-22<br>Adopted<br>Budget | FY 22-23<br>Adopted<br>Budget | FY 23-24<br>Proposed<br>Budget |
|---|---------------------|-------------------------------|-------------------------------|--------------------------------|
| <b>REVENUES BY FUNDING SOURCE</b>         |                     |                               |                               |                                |
| 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                          |
| RDA Loan Repayment from DOF (Annual ROPS) | 258,209             | 258,209                       | 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                      |
| Donations                                 | 5,290               |                               |                               | -                              |
| CDBG CV Funds                             |                     | 668,000                       |                               | -                              |
| Use of Fund Balance                       |                     | 68,116                        | 37,261                        | 301,364                        |
| Transfers in from ARPA                    |                     |                               |                               | 231,839                        |
| <b>Total Housing Authority Revenues</b>   | <b>\$ 3,214,598</b> | <b>\$ 3,129,109</b>           | <b>\$ 4,060,211</b>           | <b>\$ 4,017,325</b>            |

|   | FY 20-21<br>Actuals | FY 21-22<br>Proposed<br>Budget | FY 22-23<br>Adopted<br>Budget | FY 23-24<br>Proposed<br>Budget |
|---|---------------------|--------------------------------|-------------------------------|--------------------------------|
| <b>EXPENSE CATEGORY BY PROGRAM</b>                    |                     |                                |                               |                                |
| <b>COVENANT MONITORING AND ADMINISTRATION - 11500</b> |                     |                                |                               |                                |
| <b>Rental Rehabilitation - 20450</b>                  |                     |                                |                               |                                |
| Maintenance and Operations                            | \$ -                | \$ 366                         | \$ -                          | \$ -                           |
| <b>Rental Rehabilitation</b>                          | <b>\$ -</b>         | <b>\$ 366</b>                  | <b>\$ -</b>                   | <b>\$ -</b>                    |
| <b>Housing Authority Administration - 20600</b>       |                     |                                |                               |                                |
| Salaries and Benefits                                 | \$ 73,536           | \$ 63,383                      | \$ 86,882                     | \$ 75,060                      |
| Maintenance and Operations                            | 7,617               | 16,910                         | 100,000                       | 60,000                         |
| <b>Subtotal Housing Authority Administration</b>      | <b>\$ 81,152</b>    | <b>\$ 80,293</b>               | <b>\$ 186,882</b>             | <b>\$ 135,060</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                            | \$ 65               | \$ 151                         | \$ 11,000                     | \$ 11,000                      |
| <b>Subtotal First Time Homebuyer Program</b>          | <b>\$ 65</b>        | <b>\$ 151</b>                  | <b>\$ 11,000</b>              | <b>\$ 11,000</b>               |
| <b>Habitat for Humanity - 20630</b>                   |                     |                                |                               |                                |
| Maintenance and Operations                            | \$ 2,975            | \$ 640                         | \$ 7,000                      | \$ 7,000                       |
| Fixed Assets  | 211,860             | 42,379                         | -                             | -                              |
| <b>Subtotal Habitat for Humanity</b>                  | <b>\$ 214,834</b>   | <b>\$ 43,019</b>               | <b>\$ 7,000</b>               | <b>\$ 7,000</b>                |

|   | FY 20-21<br>Actuals | FY 21-22<br>Proposed<br>Budget | FY 22-23<br>Adopted<br>Budget | FY 23-24<br>Proposed<br>Budget |
|---|---------------------|--------------------------------|-------------------------------|--------------------------------|
| <b>COVENANT MONITORING AND ADMINISTRATION - 11500 (Continued)</b>         |                     |                                |                               |                                |
| <b>Single Family Rehabilitation Program - 20640</b>                       |                     |                                |                               |                                |
| Maintenance and Operations  | \$ 1,677            | \$ -                           | \$ 20,000                     | \$ 20,000                      |
| <b>Subtotal Single Family Rehabilitation Prog.</b>                        | <b>\$ 1,677</b>     | <b>\$ -</b>                    | <b>\$ 20,000</b>              | <b>\$ 20,000</b>               |
| <b>St. John Manor - 20650</b>   |                     |                                |                               |                                |
| Maintenance and Operations  | \$ -                | \$ 7,793                       | \$ 5,000                      | \$ 5,000                       |
| <b>Subtotal St. John Manor</b>  | <b>\$ -</b>         | <b>\$ 7,793</b>                | <b>\$ 5,000</b>               | <b>\$ 5,000</b>                |
| <b>Costa Mesa Village - 20655</b>   |                     |                                |                               |                                |
| Maintenance and Operations  | \$ 9,893            | \$ 6,658                       | \$ 3,100                      | \$ 3,100                       |
| <b>Subtotal Costa Mesa Village</b>  | <b>\$ 9,893</b>     | <b>\$ 6,658</b>                | <b>\$ 3,100</b>               | <b>\$ 3,100</b>                |
| <b>Subtotal Covenant Monitoring and Admin.</b>                            | <b>\$ 307,621</b>   | <b>\$ 137,913</b>              | <b>\$ 237,982</b>             | <b>\$ 186,160</b>              |
| <b>HOUSING DEVELOPMENT AND PRESERVATION OF AFFORDABLE HOUSING - 11500</b> |                     |                                |                               |                                |
| <b>James/West 18th Street Property - 20635</b>                            |                     |                                |                               |                                |
| Salaries and Benefits   | \$ 27,832           | \$ 35,719                      | \$ 41,720                     | \$ 32,654                      |
| Maintenance and Operations  | 144,728             | 149,289                        | 260,500                       | 202,500                        |
| Fixed Assets  | -                   | -                              | 27,600                        | 27,600                         |
| <b>Subtotal James/West 18th Street Property</b>                           | <b>\$ 172,559</b>   | <b>\$ 185,007</b>              | <b>\$ 329,820</b>             | <b>\$ 262,754</b>              |
| <b>HOMELESS OUTREACH AND BRIDGE SHELTER OPERATION - 11310/11500/14300</b> |                     |                                |                               |                                |
| <b>CDBG-CV - 20435</b>  |                     |                                |                               |                                |
| Salaries and Benefits   | \$ -                | \$ 15,703                      | \$ -                          | \$ -                           |
| Maintenance and Operations  | \$ 343,244          | \$ 746,195                     | \$ -                          | \$ -                           |
| <b>Subtotal Homeless Outreach</b>   | <b>\$ 343,244</b>   | <b>\$ 761,899</b>              | <b>\$ -</b>                   | <b>\$ -</b>                    |
| <b>Homeless Outreach - 20605 *</b>  |                     |                                |                               |                                |
| Salaries and Benefits   | \$ 738,444          | \$ 810,764                     | \$ 1,096,551                  | \$ 1,039,901                   |
| Maintenance and Operations  | 78,372              | 36,530                         | 108,243                       | 108,243                        |
| <b>Subtotal Homeless Outreach</b>   | <b>\$ 816,816</b>   | <b>\$ 847,294</b>              | <b>\$ 1,204,794</b>           | <b>\$ 1,148,144</b>            |
| <b>Bridge Shelter Operation - 20606</b>                                   |                     |                                |                               |                                |
| Maintenance and Operations  | \$ 1,934,556        | \$ 2,031,270                   | \$ 2,420,267                  | \$ 2,420,267                   |
| <b>Subtotal Bridget Shelter Operation</b>                                 | <b>\$ 1,934,556</b> | <b>\$ 2,031,270</b>            | <b>\$ 2,420,267</b>           | <b>\$ 2,420,267</b>            |
| <b>TOTAL HOUSING AUTHORITY</b>  |                     |                                |                               |                                |
| Salaries and Benefits   | \$ 839,811          | \$ 925,569                     | \$ 1,225,153                  | \$ 1,147,615                   |
| Maintenance and Operations  | 2,523,125           | 2,995,801                      | 2,940,110                     | 2,842,110                      |
| Fixed Assets  | 211,860             | 42,379                         | 27,600                        | 27,600                         |
| <b>Total Housing Authority</b>  | <b>\$ 3,574,796</b> | <b>\$ 3,963,748</b>            | <b>\$ 4,192,863</b>           | <b>\$ 4,017,325</b>            |