



2025-2029 Consolidated Plan 2025-2026 Action Plan

Draft-April 2025

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Executive Summary

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

1. Introduction

The Fiscal Year (FY) 2025-2029 Consolidated Plan for the City of Costa Mesa satisfies federal requirements for the City to receive Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) funds from the U.S. Department of Housing and Urban Development (HUD). The Consolidated Plan is a planning document that identifies the City's housing and community needs and outlines a strategy to address these needs utilizing HUD funds. The Plan includes the following components:

- An assessment of the jurisdiction's housing and community needs and market conditions
- A strategy that establishes priorities for addressing identified needs
- A one-year investment plan that outlines the intended use of HUD resources (the Action Plan)

The City's Consolidated Plan has been devised in a way that supports HUD's community planning and development goals, which are to provide decent housing, provide a suitable living environment, and expand economic opportunities.

HUD regulations require that the Consolidated Plan cover a three to five-year planning period. The City has prepared this Consolidated Plan to cover a five-year planning period that begins July 1, 2025, through June 30, 2030.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

Based on an analysis of housing/community needs, market analysis, and input from the community, the following five-year goals and priorities identified in the 2020-2024 Consolidated Plan will continue to be implemented in the 2025-2029 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 the homeless and near homeless
Goal 4:	Public Social Service	To provide services for low- and moderate-income persons, and those with special needs
Goal 5:	Program Administration	To provide administration of the CDBG and HOME programs, ensuring effective and efficient delivery of programs and services and complying all HUD program requirements including the provision of fair housing services

3. Evaluation of past performance

At the time of the preparation of the 2025-2029 Consolidated Plan, the City of Costa Mesa has partially completed the final year of the 2020-2024 Consolidated Plan cycle. During the previous Consolidated Plan period (FY 2020 – FY 2024), the City utilized its CDBG and HOME funds for a variety of different housing and community development activities, including, but not limited to:

Housing: The City continues to run a Housing Rehabilitation Program that offers loans and grants to address deferred property improvements and building code deficiencies. During the previous consolidated plan period, the City was able to help 42 households. The Housing Code Enforcement Program addressed substandard conditions in residential neighborhoods within eligible Census Tracts and Block Group. The program assisted 789 homeowners.

Community Services: The City utilized CDBG funds to provide financial assistance to agencies that provided much needed services to low- and moderate-income persons, including meal and food distribution for the elderly, senior services, employment services, youth services, fair housing services, and homeless services and assistance to over 4,000 residents.

Public Improvements: The City used CDBG funds for public infrastructure and public facility improvements, which provided roadway rehabilitation as well as improvements to public buildings and other facilities including ADA compliance. By the end of FY 2023-2024, public facility and infrastructure projects assisted 6,155 persons.

4. Summary of citizen participation process and consultation process

A key element of the Consolidated Plan preparation process is the input of residents, businesses and other community stakeholders. This input was facilitated by the implementation of the City's Citizen Participation Plan. Opportunities for public participation included the following:

"Community Needs Survey" – Survey was available online and by hard copy from September 25, 2024 through February 28, 2025. The survey was available in English and Spanish. A copy of the survey with a summary of results is provided in **Appendix A**. Advertising of the Community Needs Survey included:

- Internet survey links and QR codes were displayed on workshop flyers/notices in English and Spanish:
 - Notices posted on City's website (English and Spanish), social media, website event calendar, City Hall concierge screen, CMTV and City Hall lobby
 - Notices posted in City Libraries and Community Centers
 - Notices emailed to community groups and nonprofit organizations
 - Announcements included in City Snapshot 9/27, 10/4 and 10/18

Community Meetings (3): The City of Costa Mesa held two community meetings and one stakeholder meeting to gain input on the needs of the community. In addition to these public meetings, City staff attended the Health and Wellness Expo at the senior Center to provide residents and attendees with information about the consolidated planning process and solicit feedback on the priority needs in the City for services, housing, and infrastructure. The public community meetings were held on October 10, 2024 at the Community Senior Center and October 24, 2024 at the Norma Hertzog

Community Center. A stakeholder meeting was held October 29, 2024 in the Community Room at City Hall. Notices for the community and stakeholder meetings are found in **Appendix A** and included:

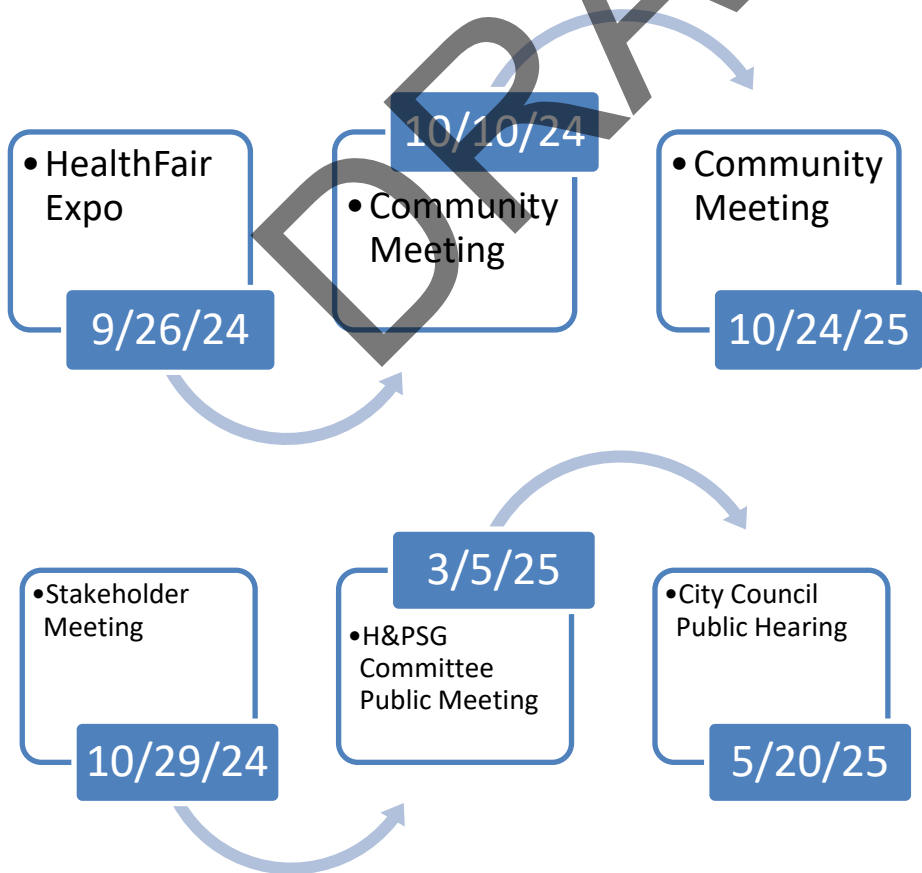
- Notices posted on City's website (English and Spanish), social media, website event calendar, City Hall concierge screen, CMTV and City Hall lobby
- Notices posted in City Libraries and Community Centers
- Notices emailed to community groups and nonprofit organizations and the Orange County Housing Authority
- Announcements included in City Snapshot 9/27, 10/4 and 10/18

Application for Funding: A notice announcing CDBG funding opportunity posted to the City's Website and the City's social media pages. It was also advertised to nonprofit organizations through the City's Network for Homeless Solutions (NHS). The application for funding was due February 14, 2025.

Housing and Public Service Grants Committee: On March 5, 2025, applicants for public service funds presented to the Committee and the Committee decided on recommendations to the City Council on allocations.

Public Review of Draft Documents: The public review period was April 18, 2025 through May 20, 2025. The draft Consolidated Plan and Action Plan were made available on the City's website and at the Planning Counter in City Hall.

City Council Public Hearing: The Council conducted a public hearing on May 20, 2025 to review and adopt the FY 2025-2029 Consolidated Plan, FY 2025 Action Plan and amended Citizen Participation Plan.



The public was given the following options to participate in the meeting:

1. Live on Costa Mesa TV (Spectrum Channel 3 and AT&T U-Verse Channel 99) or http://costamesa.granicus.com/player/camera/2?publish_id=10&redirect=true and online at [youtube.com/costamesatv](https://www.youtube.com/c/costamesatv). As a courtesy, the public may participate via the Zoom option. Closed Captioning is available via the Zoom option in English and Spanish.
2. Submitting comment via email to the City Clerk at cityclerk@costamesaca.gov. Comments received by 12:00pm on the day of the meeting were provided to the City Council, made available to the public, and are a part of the meeting record.

5. Summary of public comments

A summary of the public comments received is provided in **Appendix A**.

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

All comments received were accepted. A summary of the public comments received is provided in **Appendix A**.

7. Summary

The FY 2025 – FY 2029 Consolidated Plan has been prepared by the City of Costa Mesa in order to continue receiving CDBG and HOME funds over the next five years. To determine how the City will allocate these funds, a public input process was utilized. This process included solicitation of information regarding priority housing and non-housing community needs from County agencies and local service providers. City residents were invited to participate in the process via a needs survey, and by attending community meetings. Comments received at community meetings are summarized in **Appendix A**. Written comments received during the public review period and Staff responses are incorporated into this document. HUD has announced that Costa Mesa will receive \$907,261 in CDBG and \$378,720 in HOME funds for FY 2025-2026. The City has also identified prior year funds and program income (PI) that will be available to undertake eligible activities in FY 2025-2026. The FY 2025-2026 Annual Action Plan outlines the uses of these funds, which include housing rehabilitation for lower income homeowners; enforcement of housing and building codes; social services for lower income and special needs residents; tenant based rental assistance (TBRA); affordable housing project(s); and program administration. Activities to be funded will address a priority need identified in the Consolidated Plan.

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

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

The following are the agencies/entities 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

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

Consolidated Plan Public Contact Information

Mikelle Daily, Grant Administrator, 77 Fair Drive, Costa Mesa, CA 92628

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PR-10 Consultation – 91.100, 91.110, 91.200(b), 91.300(b), 91.215(I) and 91.315(I)

1. Introduction

The City of Costa Mesa contacted community-based social service providers, adjacent local governments, and various County/State agencies. The City solicited feedback through the following methods: web-based and paper Community Needs Surveys, Community Meetings, Public Hearings, and the receipt of written comments.

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, however, Costa Mesa has an executed MOU with the Orange County Housing Authority (OCHA) to participate in their Housing Choice Voucher (HCV) Set-Aside Program, which makes available HCV’s only for participating jurisdictions. Rental assistance voucher/certificate programs are administered in the City of Costa Mesa by OCHA. The City is a member of the OCHA Cities Advisory Committee, which provides OCHA staff with direct input regarding program policies.

During the development of this Consolidated Plan, the City invited organizations that provide housing, health services and other community-focused programs to the Community meetings and Stakeholder meeting. The list of attendees for the Stakeholder meeting is included in **Appendix A**. The agencies on the list were emailed a notice of the City’s Consolidated Plan process and the date and times of the Community Meetings, Stakeholder meeting and links to the Community Needs Survey. The City also asked the Fair Housing Foundation to attend the Community Meetings to connect the public to the City’s fair housing services.

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

Orange County’s Continuum of Care (CoC) promotes countywide commitment to the goal of ending homelessness through ongoing planning, coordination and collaboration of regional homeless services and programs to address the needs of individuals and families experiencing homelessness and preventing homelessness. The City of Costa Mesa has consistently sought and directed various federal, state, local and private funding sources to services and activities that continue to assist Costa Mesa homeless and those at risk of becoming homeless. The City has identified various private and nonprofit organizations with whom it has linked homeless individuals and has supported various nonprofit groups

in the federal and County Continuum of Care. During the past consolidated plan period (FY 2020 – FY 2024), the City provided CDBG funds to many member organizations of the Continuum of Care including Families Forward and Mercy House. For the development of this Consolidated Plan, the City invited the participation of local and regional organizations that provide assisted housing, health services and other community-focused programs to homeless individuals and families. Many of the organizations invited to the Community Meetings are also members of Orange County’s CoC including CityNet, Stand Up for Kids, Human Options, United Way and Families Forward.

The City of Costa Mesa was one of the 34 jurisdictions that participated in the Continuum of Care’s Point In Time Count in January 2024. The County of Orange and Orange County Continuum of Care conducted the sheltered count on Monday, January 22, 2024 and the unsheltered count from Tuesday, January 23, 2024 through Thursday, January 25, 2024.

Since 2014, the Network for Homeless Solutions (NHS) has directly addressed homeless issues in Costa Mesa. The NHS participates in the comprehensive, coordinated and regional Continuum of Care strategy with the County of Orange, local governmental agencies, nonprofit agencies, faith-based service providers, the homeless and formerly homeless, business leaders and schools to find solutions for those experiencing and at-risk of homelessness. 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.

In addition, the City’s outreach team, the Costa Mesa Bridge Shelter and the nonprofit shelter operator, Mercy House, are an Access Point for the County of Orange. As an Access Point, the City collects and shares information about individuals who access services with the Continuum of Care. The City and its Network for Homeless Solutions team regularly consult with other Orange County cities that participate in the Continuum of Care and provide shelter or housing vouchers to homeless individuals. Trellis International (Trellis) receives funding from the City to administer a workforce development and life skills training program called the Community Impact Team (CIT). The CIT provides employment services and transitional employment opportunities for homeless and extremely low-income Costa Mesa residents seeking to reenter the workforce.

In June 2023, City Council approved a capacity increase of 16 beds for the Costa Mesa Bridge Shelter, bringing the Shelter’s total capacity to 85 beds. In March 2023, the City formalized a grant of \$4.2M in Behavioral Health Bridge Housing (BHBH) funds from the Orange County Health Care Agency to add 15 behavioral health beds and associated services at the Shelter. The primary focus of the BHBH funds is to assist individuals experiencing homelessness who have serious behavioral health conditions that prevent them from accessing resources and securing permanent housing. This increase will bring the Shelter’s total capacity to 100 beds. In August 2024, CalOptima Health launched the Street Medicine Program in Costa Mesa, one of only three (3) Orange County (OC) cities to be selected to receive the service. Street Medicine brings primary and behavioral health care to unhoused, unsheltered individuals. Participants also receive intensive case management and connection to all available resources.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the 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). However, as stated above, the City is an Access Point and active participant in the comprehensive, coordinated and regional Continuum of Care strategy in Orange County.

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

1	Agency/Group/Organization	211OC and United Way of Orange County
	Agency/Group/Organization Type	Services-homeless Regional organization Planning organization
	What section of the Plan was addressed by Consultation?	Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Regional Continuum of Care coordinator and HMIS administrator; provided significant information regarding regional and City homeless population and shelter resources.
2	Agency/Group/Organization	State of California Housing and Community Development and Department of Public Health
	Agency/Group/Organization Type	Other government – State
	What section of the Plan was addressed by Consultation?	Lead Based Paint Market Analysis Demographics

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Various State departments and agencies were consulted to obtain information regarding employment, demographics, and lead poisoning
3	Agency/Group/Organization	City of Costa Mesa
	Agency/Group/Organization Type	Housing Services-Elderly Persons Services-homeless Other government - Local
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Lead-based Paint Strategy Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Economic Development Market Analysis
	How was the Agency/Group/Organization consulted and 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 with the allocation of HUD funds.
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
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency helped identify the needs of lower income families and individuals requiring fair housing services. Also provided consultation on the City's strategy to address impediments to fair housing.
5	Agency/Group/Organization	Orange County Housing Authority
	Agency/Group/Organization Type	PHA Other government - County

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Homeless Needs - Families with children Homelessness Needs - Veterans Non-Homeless Special Needs Market Analysis
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	OCHA provided significant information regarding the number of Costa Mesa residents receiving rental assistance and also those who have applied for rental assistance. Vouchers/Certificates provided by OCHA are a key component of the City's housing needs strategy for lower income renter households.
6	Agency/Group/Organization	Dayle McIntosh Center
	Agency/Group/Organization Type	Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Consulted with organization Agency provided input regarding the City's special needs populations.
7	Agency/Group/Organization	Human Options
	Agency/Group/Organization Type	Services-homeless & domestic violence prevention
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homeless Needs - Families with children
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency assisted with development of the City's homeless strategy and implementation of service/housing programs to assist those at risk of becoming homeless due to domestic violence.
8	Agency/Group/Organization	Families Forward
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Families with children

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency helped identify needs and assisted with implementation of the City's homeless service/housing strategy with a focus on homeless families with children
9	Agency/Group/Organization	Project Hope Alliance
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency helped identify needs of the City's homeless service/housing strategy with a focus on McKinney Vento homeless children and families.
10	Agency/Group/Organization	Stand Up for Kids Orange County
	Agency/Group/Organization Type	Services-Youth, Homeless
	What section of the Plan was addressed by Consultation?	Economic Development Anti-poverty Strategy Homeless Services Youth Services
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency helped identify needs and provided input regarding the City's at-risk youth, including economic needs/opportunities for youth age 16 to 24.
11	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
	How was the Agency/Group/Organization consulted and 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.

12	Agency/Group/Organization	Council on Aging Orange County
	Agency/Group/Organization Type	Housing Services-Elderly Persons Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and 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, frail elderly/disabled adults

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

The City made an effort to have as open a consultation process as possible. No one agency type was knowingly not consulted.

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	County of Orange	Provides regional and local point-in-time homeless survey data development of the regional Plan to End Homelessness.
Orange County Regional Assessment of Fair Housing	OC HUD Grantee Cities and the County of Orange	Identified fair housing impediments that were applicable to the City and the County which were incorporated into Consolidated Plan goals
5-Yr & 1-Yr Public Housing Authority (PHA) Plan	Orange County Housing Authority (OCHA)	OCHA provided information regarding the housing needs of lower income renter households which were incorporated into the Consolidated Plan
City of Costa Mesa Capital Improvement Plan	City of Costa Mesa	Projects identified in the Capital Improvement Plan that are within CDBG-eligible areas were utilized to help establish Consolidated Plan goals
City of Costa Mesa Housing Element	City of Costa Mesa	The City made an effort to ensure the Housing Element and Consolidated Plan were consistent
2024 Point-In-Time Summary	County of Orange	Costa Mesa homeless census data was utilized to prioritize use of limited funding and to identify the most vulnerable among the City's homeless

Table 3 – Other local / regional / federal planning efforts

Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(I))

State agencies were consulted to obtain updated housing and population information. The County of Orange was contacted to obtain an array of data including information regarding the number of households receiving rental assistance, homeless count, and regional homeless plans.

The City also worked with other Orange County HUD grantees on the preparation of the 2025-2029 Orange County Regional Assessment of Fair Housing. The updated Assessment will be adopted with the FY 2025-2029 Consolidated Plan.

PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 91.300(c)

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

Pursuant to HUD regulations, the City undertook several steps to obtain the input of community residents and stakeholders as it developed the Consolidated Plan. Consultation efforts included a health fair held at the senior center, community meetings, a community needs survey, and public meetings (Housing and Public Service Grant Committee and City Council). The City also consulted with State and regional agencies.

The City utilized press notices, public announcements (at City Council meetings), the City's internet webpage, social media, emailed notices and newspaper notices, to inform residents and stakeholders of the opportunity to provide input and to review/comment on the draft Consolidated Plan. All City Council meetings were noticed in local newspapers of general circulation. Additionally, the draft Consolidated Plan was posted on the City's website for public review and comment.

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
1	Community Health Fair	Seniors/ broad community	Date: September 26, 2024 Attendance: residents (69)	A summary of the comments received is provided on Appendix A.	NA
2	Public Meeting	Non-targeted/ broad community	Date: October 10, 2024 Attendance: residents and community service providers (28)	A summary of the comments received is provided on Appendix A.	NA

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons
3	Public Meeting	Non-targeted/ broad community	Date: October 24, 2024 Attendance: Residents and community service providers (31)	A summary of the comments received is provided on Appendix A.	NA
4	Public Meeting	Stakeholders /broad community	Date: October 29, 2024 Attendance: Residents and community service providers (16)	A summary of the comments received is provided on Appendix A.	NA
5	Public Meeting	Non-targeted/ broad community	Date: March 5, 2025 Housing and Public Service Grants Committee Meeting Attendance: Residents and community service providers: (17)	A summary of the comments received is provided on Appendix A.	NA
6	Newspaper Ad	Non-English Speaking: Spanish Non-targeted/broad community	30-day public comment period (4/18/25-5/20/25)	No comments were received.	NA
7	Public Hearing	Non-targeted/broad community	Date: 5/20/25 Regular City Council meeting.	A summary of the comments received is provided on Appendix A.	NA

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons
8	Survey	Non-targeted/broad community Non-English Speaking : Spanish	Survey available online and by QR and hard-copy 9/25/24-2/28/25	A summary of the comments received is provided on Appendix A.	

Table 4 – Citizen Participation Outreach

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Needs Assessment

NA-05 Overview

Needs Assessment Overview

HUD has provided the City with extensive data in order to assess the housing needs of Costa Mesa residents. This data is based on five-year American Community Survey (ACS) data (2016-2020) and HUD's special tabulation of housing data – the Comprehensive Housing Assessment Strategy or CHAS (2016-2020). Updated information is provided when available.

The housing needs to be assessed in this section of the Consolidated Plan include the following:

- Household demographics including population, number of households, and the number of households experiencing “housing problems,” such as housing cost burden and overcrowding.
- Public housing needs – Note: The City of Costa Mesa does not own or manage public housing.
- An assessment of homeless needs, including an estimated number of sheltered and unsheltered individuals.

This section will also assess the City's “Non-housing Community Development Needs,” that is, public facility, infrastructure, and social service needs.

The extent to which housing problems are experienced disproportionately by one or more racial or ethnic groups has been included in sections NA-15 through NA-30 in past Consolidated Plans. These sections are no longer required per HUD, effective April 2, 2025 under the New Interim Rule: [Affirmatively Furthering Fair Housing Revisions](#)

Definitions

Housing Problems: HUD's housing needs estimates are based on an assessment of Census data of households that are experiencing one or more “housing problems.” Per HUD, a household is experiencing a housing problem if their residential unit is subject to one or more of the following:

- Lack of a complete kitchen or plumbing facilities.
- Cost Burden - More than 30% of a household's total gross income is spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.
- Severe Cost Burden - More than 50% of a household's total gross income is spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.

- Overcrowded - Defined as a housing unit with 1.01 to 1.5 persons per room excluding bathrooms, porches, foyers, halls, or half-rooms.
- Severely Overcrowded - Is defined as housing with more than 1.51 persons per room excluding bathrooms, porches, foyers, halls, or half-rooms.

Household Types: HUD data also characterizes households by type – HUD’s household definitions are as follows:

- Small Related: Household with two to four related members
- Large Related: Household with five or more related members
- Elderly: Household whose head, spouse, or sole member is a person who is at least 62 years of age
- Other: All other households

Housing Income: HUD also categorizes households by income groups:

- Extremely low-income – Household with an income equal to 0-30 percent of the Area Median Income (AMI)
- Low-income – Households with an income equal to 30-50 percent of the AMI
- Moderate-income – Household with an income equal to 50-80 percent of the AMI
- Middle-Income – Household with income equal to 80-100 percent of AMI
- Upper-Income – Household with income above 100 percent AMI

NA-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c)

Summary of Housing Needs

Overall, the City has extensive needs for affordable housing. Housing problems in Costa Mesa impacted renter-households more significantly, with 55 percent of renter-households experiencing at least one housing problem (inadequate housing, overcrowding, cost burden), compared to 31 percent of owner-households. The percentage of households experiencing at least one housing problem has increased six percent for renter-households and has decreased five percent for owner-households since documented in the 2020-2024 Consolidated Plan.

The following tables provide additional details:

- Table 7 presents the number of households with at least one housing problems (inadequate housing, overcrowding, cost burden of 50 percent, or cost burden of 30 percent) by income and tenure.
- Table 8 summarizes the number of households with one or more severe housing problems by income and tenure. Severe housing problems are inadequate housing, severe overcrowding (1.51 persons or more per room), and housing cost burden of 50 percent.
- Table 9 isolates those households with housing cost burden of over 30 percent (inclusive of those with cost burden of over 50 percent) by income and tenure.
- Table 10 further isolates those households with cost burden of over 50 percent.
- Table 11 presents overcrowding by household type.
- Table 12 is intended to show overcrowding for households with children. However, given the City's population size, the American Community Survey provides no data for the City.

Demographics	Base Year: 2015	Most Recent Year: 2020	% Change
Population	112,375	112,958	0%
Households	40,910	42,391	4%
Median Income	\$66,459	\$91,547	38%

Table 5 - Housing Needs Assessment Demographics

Data Source: 2011-2015 ACS (Base Year), 2016-2020 ACS (Most Recent Year)

Updated Information

A search of current data found that the U.S. Census Bureau¹ estimates Costa Mesa's 2023 population at 108,354 and median income at \$110,073 based on the 2019-2023 ACS 5-Year Estimates. This document contains data from the 2016-2020 ACS and 2016-2020 CHAS for consistency because that is the data that pre-populates the Consolidated Plan template in HUD's eCon Planning Suite.

¹ [U.S. Census Bureau QuickFacts:
https://www.census.gov/quickfacts/fact/table/costamesacitycalifornia,US/PST045223](https://www.census.gov/quickfacts/fact/table/costamesacitycalifornia,US/PST045223)

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	6,195	5,385	7,685	5,265	16,125
Small Family Households	1,980	2,185	3,075	2,070	7,735
Large Family Households	580	625	925	460	945
Household contains at least one person 62-74 years of age	1,405	1,025	1,385	870	2,680
Household contains at least one person age 75 or older	975	885	670	285	940
Households with one or more children 6 years old or younger	1,110	780	965	744	960

Table 6 - Total Households Table

Data 2016-2020 CHAS
Source:

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	60	70	55	75	260	85	0	15	0	100
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	285	255	270	95	905	4	0	45	0	49

	Renter					Owner				
	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	670	470	450	255	1,845	10	35	65	60	170
Housing cost burden greater than 50% of income (and none of the above problems)	2,680	1,540	345	10	4,575	845	420	570	75	1,910
Housing cost burden greater than 30% of income (and none of the above problems)	175	1,275	2,380	1,240	5,070	230	290	720	510	1,750
Zero/negative Income (and none of the above problems)	390	0	0	0	390	40	0	0	0	40

Table 7 – Housing Problems Table

Data 2016-2020 CHAS
Source:

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	3,690	2,335	1,120	430	7,575	945	455	695	135	2,230
Having none of four housing problems	1,035	1,665	4,055	3,305	10,060	520	925	1,815	1,400	4,660
Household has negative income, but none of the other housing problems	0	0	0	0	0	0	0	0	0	0

Table 8 – Housing Problems 2

Data 2016-2020 CHAS
Source:

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	1,615	1,670	1,135	4,420	155	205	645	1,005
Large Related	525	370	115	1,010	20	85	135	240
Elderly	760	505	415	1,680	770	365	365	1,500
Other	945	915	1,235	3,095	140	70	160	370
Total need by income	3,845	3,460	2,900	10,205	1,085	725	1,305	3,115

Table 9 – Cost Burden > 30%

Data 2016-2020 CHAS
Source:

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	0	0	645	645	110	125	0	235
Large Related	0	0	70	70	20	35	40	95
Elderly	645	365	85	1,095	585	195	145	925
Other	0	930	600	1,530	140	0	0	140
Total need by income	645	1,295	1,400	3,340	855	355	185	1,395

Table 10 – Cost Burden > 50%

Data Source: 2016-2020 CHAS

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	805	555	470	280	2,110	4	25	110	35	174
Multiple, unrelated family households	110	165	130	55	460	10	10	0	20	40
Other, non-family households	40	20	120	60	240	0	0	0	0	0
Total need by income	955	740	720	395	2,810	14	35	110	55	214

Table 11 – Crowding Information – 1/2

Data Source: 2016-2020 CHAS

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Table 12 – Crowding Information – 2/2

Describe the number and type of single person households in need of housing assistance.

HUD's data does not provide a breakdown of single person households in need of housing assistance. It does provide information for "Other" households, which is defined by HUD as "an individual or household that is not a family, living alone or with non-relatives."

According to Table 9 and Table 10, about 4,625 "other" households experienced a cost burden and of those, 1,530 households experienced severe cost burdens, paying more than 50 percent of their income in housing. "Other" households accounted for over one-third of households experiencing a cost burden. Renter "other" households were also more likely to experience a cost burden than owner households. Over 4,500 renter "other" households experienced a cost burden compared to only 510 owner households (Table 9 and 10).

The 2016-2020 American Community Survey provides more data regarding one-person households. According to this source, there are 10,205 single-person households in Costa Mesa. Of the single-person households, 36 percent are persons age 65 and older. In fact, 26 percent of persons age 65 and over are living alone based on the ACS data. Housing needs for this group may focus on affordable housing. As discussed above, renter "other" households are more likely to experience a cost burden compared to other household types.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

Persons with Disabilities: According to the 2016-2020 American Community Survey (ACS)², approximately 9 percent (8,786 persons) of Costa Mesa's population had a disability. The ACS also tallies the number of disabilities by type for the residents that have them. Among the disabilities that were counted, ambulatory and independent living difficulties were the most prevalent with cognitive difficulties following right behind. The State's Department of Developmental Services reported that approximately 27,676 Orange County residents with developmental disabilities sought services at the Regional Center of Orange County in Santa Ana as of August 2023. The data is not broken down by City. In general, persons with disabilities require accessible housing, with easy access to supportive services and transportation services.

Victims of domestic violence: Human Options, an Orange County nonprofit organization serving survivors of domestic violence and a recipient of Costa Mesa CDBG funds, responded to over 6,700 calls to their hotline in 2024. 450 adults and children were provided with emergency and transitional housing. Supportive services were provided to over 1,200 survivors. 25 Costa Mesa individuals have been provided with transitional housing by Human Options with the help of CDBG funds in the first two quarters of the 2024-2025 fiscal year. Orange County's 2024 Point-In-Time count of the region's

² <https://data.census.gov/table/ACSST5Y2020.S1811?q=disability&g=160XX00US0616532&y=2020>

homeless reported that 10.2 percent of persons experiencing homelessness were victims of domestic violence. With a homeless count of 297, it is estimated that at any point in time, 30 Costa Mesa victims of domestic violence would be in need of housing assistance.

What are the most common housing problems?

Based on HUD’s data (Table 7), an estimated 17,064 of the City’s households, with incomes equal to the county median income or less, are experiencing one of four “housing problems.” The majority of the 17,064 households experienced a cost burden (78 percent), with 38 percent of them experiencing a severe cost burden. Approximately 18 percent of households experience crowding per the HUD definition. However, when reviewing the data independently, 21 percent of renter-households are experiencing crowding, while only 5 percent of owner-households are experiencing the same. The least common housing problem according to HUD data (Table 7) is substandard housing conditions (lacking complete kitchen or plumbing facilities). Only two percent of the City’s households were experiencing such housing problems.

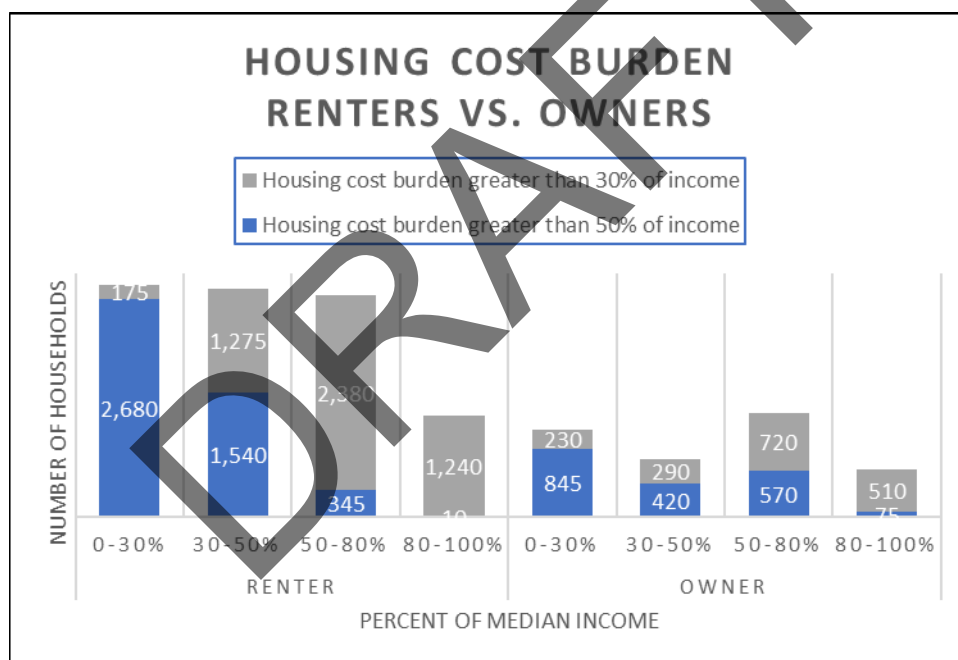


Figure 13 – Housing Cost Burden

Are any populations/household types more affected than others by these problems?

As outlined above, based on HUD data, the most prevalent problem among Costa Mesa households is cost burden. Crowding is the second most prevalent housing problem. Renter-households are more affected by all housing problems. Of the 17,064 households experiencing housing problems, 76 percent of them are renter-households and 24 percent are owner-households (Table 7). Small households and “other” renter-households (single person or persons not living with relatives) in Costa Mesa were more likely than other household types to experience housing cost burden. “Other” and elderly renter-

households were more likely to experience severe cost burden. However, low-income elderly homeowners represent the largest segment of owner households with a cost burden (Table 9).

Housing Cost Burden (30 percent of income for housing) - The following findings are based on HUD data Table 9.

Small Related Costa Mesa households are the largest segment of households impacted by housing cost burden:

- Among renter households (approximately 43 percent).
- Among lower income households (approximately 40 percent at less than 50% AMI)
- Among lower income renter-households (approximately 45 percent).

Elderly Costa Mesa households are the largest segment of cost burdened households:

- Among homeowner households (approximately 48 percent).
- Among lower income owner households (approximately 48 percent).

Severe Cost Burden (50 percent of income for housing) - The following findings are based on HUD data Table 10.

Elderly Costa Mesa households are the largest segment of households impacted by severe housing cost burden:

- At 43 percent of all households at 80% or less AMI
- Among homeowner households (approximately 66 percent)
- Among lower income households (approximately 38 percent at less than 50% AMI)
- Among lower income renter households (approximately 82 percent)
- Among lower income owner households (approximately 56 percent)

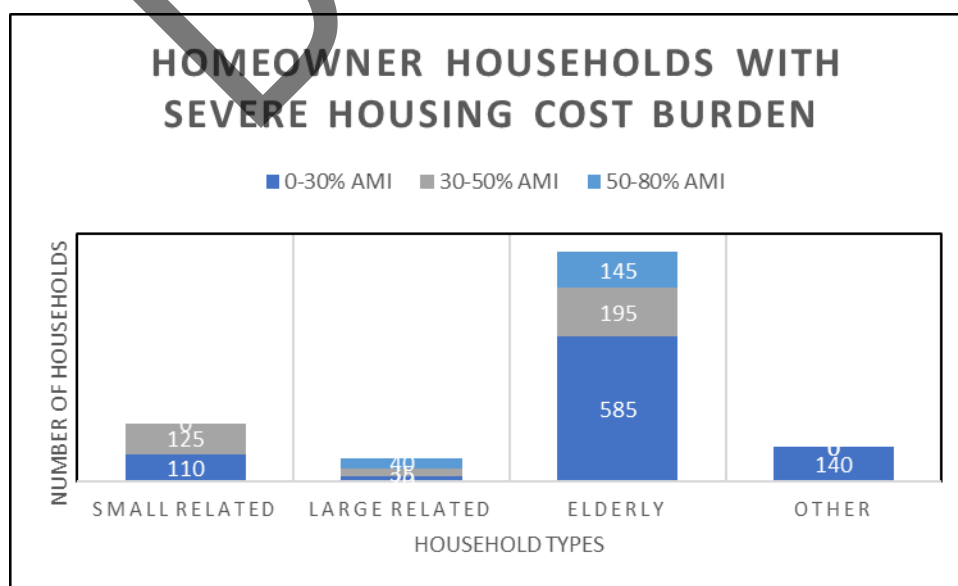


Figure 2 – Severe Housing Cost Burden

Crowding - The following findings are based on HUD data Table 11. Approximately 3,024 Costa Mesa households have a crowding issue.

Single-family households are the largest segment of households impacted by overcrowding:

- Among renter households (approximately 70 percent)
- Among owner households (6 percent)
- Among lower income renter and homeowner households (less than 50 percent AMI)

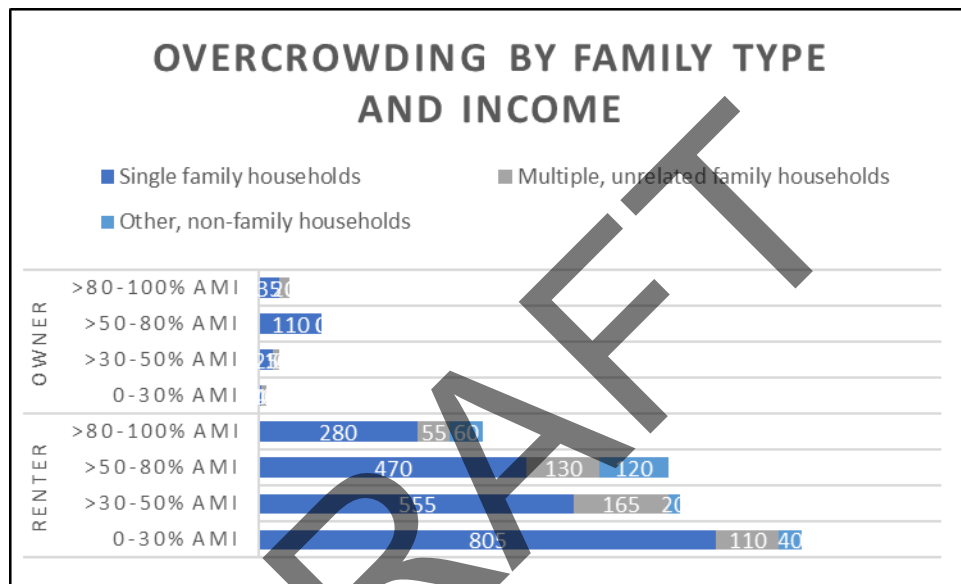


Figure 3 – Overcrowding

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

The 2024-2025 Orange County Indicators Report points out that “the county’s rising housing costs have a clear, disproportionate impact on Orange County’s lower-income residents”³, especial renter-occupied households. Families Forward, a provider of housing and homeless services to Orange County families with minor children, identifies that low-income families with children, especially those who are extremely low-income, often face significant challenges and have specific needs. Families currently housed but at imminent risk of residing in shelters or becoming unsheltered require target support to

³ <https://ocbc.org/2024-2025-community-indicators-report/>

prevent homelessness such as affordable housing, employment opportunities, support services, and childcare and education. Formerly homeless families and individuals receiving rapid re-housing assistance and nearing termination have specific needs as well. These needs are continued housing support, employment and income stability, access to services and community integration. Support in integrating into the community and building social networks can help them feel more secure and connected, reducing the risk of returning to homelessness.

Table 10 indicates that a significant number of Costa Mesa low-income households are severely cost burdened. An estimated 645 extremely low-income renter households are paying more than 50 percent of income for housing – all of these households are elderly households. Table 10 also shows that an estimated 855 extremely low-income owner households are severely housing cost burdened. An estimated 130 are “related” households and 585 are elderly households. It is important to note that the largest segment of at-risk renters and homeowners are seniors (43 percent). Senior households are most often on fixed incomes and living with significant medical issues making their housing situation precarious.

The City of Costa Mesa does not receive Emergency Solutions Grant (ESG) but has used CDBG funds for rapid rehousing. The City does not collect information regarding formerly homeless families and individuals receiving rapid re-housing assistance who may be nearing the termination of assistance as would be required when using ESG funds.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

Households at risk of becoming homeless include extremely low-income households with a severe cost burden (spending 50 percent or more of their income on housing). According to CHAS data, 3,525 extremely low-income renter and owner households in Costa Mesa had a severe cost burden (Table 7).

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

The 2024-2025 Orange County Community Indicators Report identifies homelessness as a consequence of “the county’s high and still rising housing costs”.⁴ Additionally, the number of sheltered homeless adults increased in 2024 from 2023, an illustration of the consequence of the county’s limited housing supply. The report indicates that ninety-four percent of Orange County renter households make less than \$35,000 per year and spend at least 30 percent of their income on housing. The lack of affordability

⁴ <https://ocbc.org/2024-2025-community-indicators-report/>

has started to affect all income levels and the cost burdens put low-income earners at higher risk of homelessness.

Discussion

There is a significant number of households in the City that are potentially at risk of homelessness. These are households with extremely low-income (0-30 percent AMI) that are paying more than 50 percent of their income for housing (severely housing cost burdened). According to HUD data, 1,500 households meet these characteristics.

- Among extremely low-income households, elderly households represent the largest segment of households that are severely cost burdened (82 percent).
- Among extremely low-income renter households, the only segment of households impacted by severe cost burden are elderly households. Elderly households also represent the largest segment of households impacted by severe housing cost burden among homeowner households (66 percent) (Table 10).

DRAFT

NA-35 Public Housing – 91.205(b)

Introduction

The City of Costa Mesa does not operate a HUD-funded public housing authority. The City works in partnership with the Orange County Housing Authority (OCHA). OCHA reports that as of March 2025, 540 Costa Mesa households received a housing rental subsidy.

Totals in Use

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher	
				Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program
# of units vouchers in use	0	0	0	10,825	0	10,418	187	207
							Disabled *	
								10

Table 13- Public Housing by Program Type

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Data Source: PIC (PIH Information Center)

Characteristics of Residents

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher	
				Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program
Average Annual Income	0	0	0	16,476	0	16,470	17,239	15,594
Average length of stay	0	0	0	8	0	8	0	4
Average Household size	0	0	0	2	0	2	1	3
# Homeless at admission	0	0	0	87	0	5	72	10

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project-based	Tenant-based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
# of Elderly Program Participants (>62)	0	0	0	4,926	0	4,884	38	3
# of Disabled Families	0	0	0	2,163	0	2,075	64	14
# of Families requesting accessibility features	0	0	0	10,825	0	10,418	187	207
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

Table 14 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

Race	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	0	0	5,857	0	5,528	139	182	6
Black/African American	0	0	0	745	0	693	39	10	2
Asian	0	0	0	4,128	0	4,107	4	15	2
American Indian/Alaska Native	0	0	0	64	0	60	4	0	0
Pacific Islander	0	0	0	31	0	30	1	0	0
Other	0	0	0	0	0	0	0	0	0

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 15 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project-based	Tenant-based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	0	0	1,941	0	1,814	34	87	4
Not Hispanic	0	0	0	8,884	0	8,604	153	120	6
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 16 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

Section 504 of the Rehabilitation Act of 1973 is a federal law that prohibits discrimination on the basis of disability in federally-assisted programs or activities. Specifically, Section 504 states: “No otherwise qualified individual with a disability in the United States...shall, solely by reason of her or his disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program, service or activity receiving federal financial assistance or under any program or activity conducted by any Executive agency or by the United States Postal Service”. This means that Section 504 prohibits discrimination on the basis of disability in any program or activity that receives financial assistance from any federal agency, including HUD as well as in programs conducted by federal agencies including HUD. As previously indicated, the City of Costa Mesa does not own or manage public housing. City residents are served by OCHA. As of March 2025, 95 vouchers have been issued to Costa Mesa families with disabilities. OCHA remains committed to persons with disabilities. In its FY 2025-2029 Public Housing Agency Plan, OCHA identified “enhancing equal access to housing programs by reducing barriers”, an expansion of its more specific goal listed in the FY 2020-2024 Public Housing Agency Plan, “enhancing accessibility for disabled and limited English proficient persons”.

Most immediate needs of residents of Public Housing and Housing Choice voucher holders

The most pressing need is the high demand for affordable housing assistance. As of March 2025, 540 households in Costa Mesa were receiving Housing Choice Vouchers. Among these households, 95 included members with disabilities, 394 with at least one elderly person, 35 Veteran households, and 63 family households. Among these households, 29 were homeless at admission. OCHA re-opened its waiting list on September 18, 2023. As of March 2025, there are 293 Costa Mesa names on the 2023 waiting list including 161 disabled persons, 109 elderly, 42 families, 19 currently homeless and 27 Veterans. The waiting list from 2012 has a total of 15 households on it including 3 disabled persons, 5 elderly persons, 7 families and 1 currently homeless.

How do these needs compare to the housing needs of the population at large

Housing needs in the City generally reflect the housing needs countywide.

Discussion

As previously indicated, the City of Costa Mesa does not own or manage public housing. City residents are served by OCHA. The City will continue to work in partnership with OCHA as necessary. These efforts include consultation as part of the preparation of the City’s Consolidated Plan and annual Action Plans, and assisting OCHA with the preparation and certification of their Public Housing Authority (PHA) Plan.

In the upcoming five years, OCHA's goals as detailed in the draft 2025-2029 PHA Plan include:

- Maximize existing resources and expand supply of affordable housing
- Promote Family Self-Sufficiency
- Focus on enhancing internal capacity to guarantee the delivery of high-quality service
- Improve the quality of assisted housing
- Enhance equal access to housing programs by reducing barriers
- Maintain High Performer status on the Section Eight Management Assessment Program

DRAFT

NA-40 Homeless Needs Assessment – 91.205(c)

Introduction:

Homeless researchers typically use one of two methods to measure homelessness. One method attempts to count all the people who are literally homeless on a given day or week (point-in-time counts). The second method examines the number of people who are homeless over a given period, or period prevalence counts. Every two years, Orange County undertakes an effort to enumerate all of the sheltered and unsheltered homeless people within the County on a single point in time during the last ten days of January. This homeless count is required by HUD regulations for all Continuum of Care jurisdictions that are recipients of certain homeless grant funds. The latest count was conducted in January 2024. Orange County's sheltered Point-In-Time (PIT) Count took place the night of Monday, January 22, 2024. Emergency Shelters and Transitional Housing Programs collected client-level demographic information from individuals and families staying the night in each program. The 2024 Unsheltered Count process took place from Tuesday, January 23 through Thursday, January 25, 2024 to ensure the 800 square mile County jurisdiction was canvassed effectively. According to the Orange County 2024 PIT Final report, there were 297 homeless persons in Costa Mesa at the time of the count (218 unsheltered and 79 sheltered). Although the total number of homeless persons increased when compared to the 2019 OC PIT Count included in Costa Mesa's 2020-2024 Consolidated Plan, the percentage of unsheltered to total homeless persons reduced from 96% in 2019 to 73% in 2024. The addition of the Costa Mesa Bridge Shelter in 2021 supported the City's (and County's) goal of getting people off the streets and into shelter, increasing their support system and progress toward permanent housing.

It is important to mention, as acknowledged by the County in the 2024 OC PIT Count Summary, that there were a number of variables that could influence the fluctuation of the numbers of persons experiencing sheltered or unsheltered homelessness between 2019 and 2024. The Emergency Rental Assistance Program (ERA) provided approximately \$300M in rental assistance for Orange County residents to prevent evictions due to Covid-19. The Eviction Moratorium that went into effect during the Covid-19 pandemic ended on May 31, 2022 and shelter beds were added growing the total number of beds to 3,920.⁵

⁵ <https://ceo.ocgov.com/sites/ceo/files/2024-05/2024%20PIT%20Summary%20-%20FINAL%205.16.24.pdf>

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

The City of Costa Mesa is one of the few municipalities in the region to employ a team of Outreach Workers who serve people experiencing and at risk of homelessness. This team – alongside a vast network of City staff, community volunteers, and nonprofit service providers - make up the Network for Homeless Solutions (NHS), whose primary goal is to connect people in need to resources and facilitate their journey to self-sufficiency. The City utilizes various federal funding streams (i.e., CDBG, CDBG-CV, HOME, and HOME-ARP) to subsidize projects and programs aimed at assisting our residents, including the development of affordable and supportive housing, workforce development, homelessness prevention, and emergency shelter. In 2021, the City utilized CDBG funds to open the 100-bed Costa Mesa Bridge Shelter (CMBS), which provides adult males and females experiencing homelessness with shelter, meals, case management, workforce development, life skills training, benefit management, and on-site medical care. In 2024, the City was awarded a \$4.2 million grant from the Orange County Health Care Agency (OCHCA) to implement 15 behavioral health care beds at the CMBS through FY 26/27. Through these efforts, the NHS has facilitated the placement of over 430 individuals into permanent housing since 2019.

As mentioned previously, according to the 2024 PIT Count, on January 23, 2024, there were 297 individuals experiencing homelessness (218 unsheltered, 79 sheltered) in Costa Mesa. That's an increase of 89 individuals (+30%) from the 2022 PIT data, which identified 208 total individuals (150 unsheltered, 58 sheltered). During that same timeframe – from 2022 through 2024 – the City successfully housed 121 individuals. Regarding length of homeless, the City only keep statistics from the Shelter, which shows the average stay is roughly 180 days. The 2024 PIT Count indicated that approximately 38% of unsheltered homeless persons (1,566 persons) and 28% of sheltered persons (877 persons) in Orange County were chronically homeless, meaning they have been homeless for at least one year (continuously or for a combined length of 12 months over the past 3 years)⁶ The PIT Count did not provide data specific to subpopulations in the City of Costa Mesa.

⁶ <https://www.hudexchange.info/resource/4847/hearth-defining-chronically-homeless-final-rule/>

Nature and Extent of Homelessness: (Optional)

Race:	Sheltered:	Unsheltered (optional)
White	4372	1977
Black or African American	572	230
Asian	282	171
American Indian or Alaska Native	230	103
Pacific Islander	115	50
Ethnicity:	Sheltered:	Unsheltered (optional)
Hispanic	3233	1777
Not Hispanic	4089	2396

Table 17 – Ethnicity of Sheltered and Unsheltered Homeless Population

This is County-wide information from the AHAR report

Data Source

Comments:

[2024 AHAR: Part 1 - PIT Estimates of Homelessness in the U.S. | HUD USER](#)

The table above represents sheltered and Unsheltered homeless in Orange County for the PIT Count in 2024. The information is not broken down by City. Middle Eastern or North African are not included above and 43 identified as such. 162 identified as Multi-racial and are not included above under race, but they are included under ethnicity. There were 91 unsheltered that identified as multi racial and 42 middle eastern or north African.

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

The Orange County Housing Authority (OCHA) re-opened its waiting list in September 2023 and provided the City with information regarding Costa Mesa households that submitted applications for housing vouchers in September, as well as those still on the waiting list from 2012. Based on this waitlist information, 293 Costa Mesa households are on OCHA's 2023 waitlist and 15 are on OCHA's 2012 waitlist for housing assistance. Of the total (308) on both waitlists:

- 114 applicants (37 percent) were senior households (age 62 and older);
- 164 applicants (53 percent) had a disability;
- 49 applicants (16 percent) were households with children; and,
- 20 applicants (6 percent) were homeless
- 27 applicants (9 percent) were veterans

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

As documented by the 2024 PIT Count, the majority of Orange County's sheltered homeless in the County are White. The demographic information is not broken down by City. A disproportionate number (11 percent) of sheltered homeless residents are Black/African American, a group that represents only 1.5 percent of the county's overall population.⁷ Of the unsheltered population, the Hispanic population comprised the second largest group of homeless residents at 36 percent. The percentage of unsheltered homeless African Americans is lower than the sheltered, however, still a disproportionate number at 5 percent. The majority of persons unsheltered in the County self-identified as not Hispanic or Latino (66 percent).

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

The majority of the City of Costa Mesa's homeless population is unsheltered (73 percent, 218 individuals) in households without children. The number of sheltered homeless in the City of Costa Mesa has increased since the last PIT Count and the addition of the Bridge Shelter.

Discussion:

The City of Costa Mesa has been a county leader in finding creative solutions to help individuals experiencing homelessness, while at the same time appropriately conducting enforcement efforts to ensure the safety and well-being of residents, business owners and visitors.

The City of Costa Mesa opened the Costa Mesa Bridge Shelter (CMBS) in April 2021. The CMBS is operated by a local nonprofit, Mercy House, in partnership with City staff who provide residents with intensive case management. The facility is a reservation-based model with 24-hour security and a neighborhood management plan covering a half-mile radius. The City utilized CDBG funding to improve and equip the property, including installing security fencing around the facility, increasing lighting in the area, cleaning/sanitizing streets and sidewalks, as well as adding storage space for guests' personal belongings, and adequate space for up to 100 emergency shelter beds and onsite services.

The City provides support and resources to aid Costa Mesa's homeless population through the City's Network for Homeless Solutions (NHS). The NHS continues to meet bi-weekly to discuss challenging cases and outcomes for the individuals being served. Community outreach staff contact dozens of people each week and have an active caseload of over 60 individuals. Outreach staff work closely with the Costa Mesa Police Department, including Park Rangers, patrol officers, and the Community Policing Unit to enforce the law and deter illicit behavior. The NHS has a 24-hour hotline that receives roughly 200 calls per month from people seeking direct assistance, and others seeking help for family and friends.

⁷ [2024-2025 Community Indicators Report - Orange County Business Council \(OCBC\)](#)

Over the past 11 years (2013 to 2024), nearly 900 people have transitioned from being homeless to being housed through NHS efforts. Even with the result of all of these combined efforts, there are still individuals in Costa Mesa that continue to experience homelessness. The results of the 2024 Point-In-Time Count Survey conducted by the nonprofit service organization CityNet and the County, indicated that Costa Mesa's homeless population was 218 unhoused individuals.

DRAFT

NA-45 Non-Homeless Special Needs Assessment - 91.205 (b,d)

Introduction:

HUD requires that the Consolidated Plan to include a review of relevant data regarding the housing needs of persons that require special supportive housing, but who are not homeless. Special needs populations include those who live on fixed incomes and/or require supportive services such as the elderly, the frail elderly, severely mentally ill, developmentally disabled, physically disabled, persons with alcohol or other drug addictions, persons with HIV/AIDS and victims of domestic violence.

The following paragraphs generally summarize the nature and extent of housing and supportive service needs of special needs groups.

Describe the characteristics of special needs populations in your community:

Elderly/Frail Elderly: According to the 2016-2020 American Community Survey, an estimated 12 percent of the City's population (13,317 persons) are elderly (65 years of age or older). Of this elderly population, 44 percent have either an ambulatory or self-care disability (difficulty). The housing needs of the elderly are challenging since many elderly individuals are on fixed incomes. Adding to the challenge are the special housing needs of the elderly that allow for greater accessibility and mobility. In April 2024, OCHA reported it provided housing assistance to 372 households with at least one elderly person (62 years of age or older) in Costa Mesa. 211 Orange County, a referral system linking Orange County residents to community health and human services and support (including housing), reports that there has been an increase in the percentage of callers who are over 65 years old, from 3% in 2022 to 8% in 2023.

Persons with Disabilities: According to the 2016-2020 ACS, about 15 percent of the City's population was affected by one or more disabilities. Among persons living with disabilities in the City, ambulatory difficulties were most prevalent, followed by independent living difficulties, and cognitive difficulties. Persons with disabilities often have limited income, but extensive needs for a variety of services.

OCHA reports as of March 2025, it is providing housing assistance to 95 households with at least one disabled person in Costa Mesa. Households with members with a disability have unique housing challenges as units need to allow for greater accessibility and mobility.

Persons and families with HIV/AIDS: The Orange County Health Care Agency does not report data specific to Costa Mesa, but their 2023 report (the most recent year for which data is available), indicates that 7,043 Orange County residents age 13 and over live with HIV. AIDSVu⁸, an interactive online mapping tool that visualizes the impact of the HIV epidemic on communities across the United States,

⁸ <https://map.aidsvu.org/prev/county/rate/none/none/usa?geoContext=national>

provides data according to zip code. A search including zip codes 92626, 92627 and 92628 in Costa Mesa indicates that 306 individuals are living with diagnosed HIV in Costa Mesa.

Substance Abuse and Mental Illness: The COVID-19 pandemic had a profound impact on the healthcare system. Since the pandemic, rates of substance use disorder and mental illness have increased among Californians ages 18-25 and 26 and over according to the Substance Abuse and Mental Health Services Administration (SAMHSA). The 2024-2025 Orange County Community Indicators Report indicated that mental health and substance use hospitalizations per 10,000 residents increased from 47.6 in 2021 to 48.4 in 2022. While the rates fell by 5.7 percent for county residents aged 65 and older, they increased for those age 18 to 64 by 2.9 percent and for children under age 18 by 2.8 percent.

What are the housing and supportive service needs of these populations and how are these needs determined?

A variety of service providers working within the community help address the needs of special need populations. Often the services provided by these agencies allow households to save limited financial resources on items such as food, counseling and medical care, and use saved funds to help maintain or seek appropriate housing. With respect to housing, overcoming impediments to fair housing is critical for these populations (i.e. reasonable accommodations). For renter households with housing cost burdens, housing vouchers and certificates may provide needed assistance. This assistance may also help ensure households are housed in units that are safe, decent and appropriate in size (to minimize overcrowding). With respect to homeowners, rehabilitation assistance may assist special need populations improve and maintain their primary residence without incurring added debt. Both service and housing needs of these special need populations have been determined by input from a variety of sources including input at community meetings, service providers, and respective City program staff. Discussions with service providers and well as residents during the Consolidated Plan process indicated that the City is in need of housing and supportive services that cater to the senior population, youth, as well as the homeless. Some of the services rated as top needs in the Community Needs Survey and at Community Meetings include affordable rental housing, homeless services, housing for seniors, mental health services and transportation to services and community facilities.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

The Orange County Health Care Agency does not report data specific to Costa Mesa, but their 2023 report (the most recent year for which data is available), indicates that 7,043 Orange County residents age 13 and over live with HIV. AIDSVu⁹, an interactive online mapping tool that visualizes the impact of

⁹ <https://map.aidsvu.org/prev/county/rate/none/none/usa?geoContext=national>

the HIV epidemic on communities across the United States, provides data according to zip code. A search including zip codes 92626, 92627 and 92628 in Costa Mesa provided the following data:

- 306 people are living with diagnosed HIV in Costa Mesa
- 90 percent are male (275 persons);
- the majority of these individuals are racially White (46 percent) and ethnically Hispanics (42 percent)- 140 persons and 129 persons, respectively;
- the greatest percentage of people living with HIV are between the ages of 45 and 59 (34 percent, or 103 persons)

HUD has provided housing grant funds for persons living with HIV/AIDS. As the most populous city in Orange County, Anaheim receives and administers the federal Housing Opportunities for Persons with AIDS (HOPWA) grant for the entire county. As the recipient of HOPWA funds Anaheim is responsible for assessing regional housing and service needs for individuals and families living with HIV/AIDS. The County's Health Care Agency (OC-HCA) is also responsible for administering federal grants provided by the Department of Health and Human Services and for collecting data on HIV/AIDS patients. Based on information provided by the City of Anaheim, they provide housing services to an average of 381 HIV positive households a year.

If the PJ will establish a preference for a HOME TBRA activity for persons with a specific category of disabilities (e.g., persons with HIV/AIDS or chronic mental illness), describe their unmet need for housing and services needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2) (ii))

N/A. There is no preference established.

Discussion:

HUD has provided significant amounts of housing needs data for the City to assess. The City has also evaluated other data sources in an effort to identify housing/service needs for special needs populations. As one of the most expensive housing markets in the nation, it is not unexpected that many special needs households are experiencing some form of housing issues. Based on HUD data, cost burden is a most prevalent housing problem among lower income special need populations (Table 9 and Table 10).

NA-50 Non-Housing Community Development Needs – 91.215 (f)

Describe the jurisdiction's need for Public Facilities:

Costa Mesa was founded in 1953, and its facilities are older and in need of upgrading. The City has invested substantial resources into improving its public facilities and parks; however, limited resources require prioritization of future improvements. Like most communities, the City of Costa Mesa has developed a Capital Improvement Program (CIP) aimed at upgrading public facilities throughout the City. The improvement plan calls for various capital projects to be planned for FY 2025-2026 through FY 2029-2030. Planned facility improvements (with all resources) include some, but not all, of the following:

Park Facility Improvements

- Park improvements - various parks; equipment replacement, playground upgrades, fencing, signage, and trail restoration, including Fairview Park
- Park expansion/development - various parks; master plan updates, management, and restoration plans

Public Facilities

- Community Center Improvements - Balearic Community Center, Downtown Recreation Center, Norma Hertzog Community Center, Senior Center, and Bridge Shelter
- Fire Station Improvements - Stations #2 through #6
- City Hall Improvements and Upgrades
- Police Department Repairs, Improvements, and Upgrades
- Library Improvements - Mesa Verde Library
- Communications Center Improvements
- Westside Substation Upgrades

Public outreach comments generally support the needs identified in the Five-Year Capital Improvement Program for FY 2025-26 through FY 2029-30. Community Needs survey respondents ranked Senior Centers highest and Youth Centers as the second highest need in the Community Facilities category.

How were these needs determined?

Public facility improvement needs were identified by the City's Public Works staff and presented to the City Council in a budget workshop. Budget workshops are public meetings, and residents and other community stakeholders are provided the opportunity to provide input. Community workshops and surveys provided residents direct input to prioritizing needs. As discussed above, the needs identified by the Public Works Department in the Capital Improvement Program (CIP) match the needs determined through a combination of public input (primarily through the Community Needs Survey), comments received at the community meetings, and staff assessments.

Describe the jurisdiction's need for Public Improvements:

As indicated above, Costa Mesa was founded in 1953, and a sizable portion of the City's infrastructure is older and in need of upgrading. The City has invested substantial resources to improve its public infrastructure; however, limited resources require the prioritization of future improvements. The City has developed a Capital Improvement Program (CIP) aimed at replacing and upgrading the public infrastructure and public facilities throughout the City. The improvement plan calls for various capital projects for FY 2025-26 through FY 2029-30. Planned improvements (with all resources) include some, but not all, of the following:

Neighborhood, Street, and Parkway Improvements

- Curb, Gutter, Access Ramp, and Sidewalk Improvements throughout the City
- Parkway and Median Improvements - Parkway Improvement Program
- Citywide Alley Improvements
- Street Improvements - Citywide Street Improvements, New Sidewalk/Missing Link Program, Priority Sidewalk Repairs

Stormwater Improvements

- Water Quality Improvements
- Storm drain improvements - Westside Storm Drain Improvement Project

Transportation Improvements

- Various Active Transportation Improvements throughout the City
- Traffic Signal Modifications and Installations
- Traffic Signal Synchronization Program (TSSP) Upgrades and Streamlining
- Bicycle Facility Assessment and Design
- Intersection and Pedestrian Assessment, Analysis, and Implementation

As with Public Facility Needs, residents that participated in the Community Needs Survey and Community Meetings were asked to rank the level of need for Residential Infrastructure Improvements. Water/Sewer, Drainage, and Street Lighting were the top three ranked in the Survey while Sidewalk and Street improvements followed closely behind. Health and safety were priority concerns when residents shared about needed improvements for streets and sidewalks including cleanliness and traffic control (speeding).

How were these needs determined?

Similar to public facility needs, public improvement needs in the Capital Improvements Program (CIP) were identified by the City's Public Works staff and presented to the City Council in a budget workshop. Residents ranked the need for residential infrastructure improvements in the Community Needs Survey and the voting exercise at the community meetings.

Describe the jurisdiction's need for Public Services:

Given the City's diverse population and concentration of lower and moderate-income population, the City has different needs for services. Service needs in the City include, but are not limited to, the following:

- Senior Services
- Youth Activities
- Transportation Services
- Child Care Services
- Health Services
- Mental Health Services
- Services for the Disabled
- Homeless Shelters/Services
- Domestic Violence Services
- Substance Abuse Services

How were these needs determined?

These needs were determined through a combination of public input (primarily through the Community Needs Survey), comments received at the Community Meetings, and staff assessments. The needs listed above are the services that ranked as the highest level of need under the Community Services and Services for Special Needs Populations categories in the survey and meetings.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

The housing market analysis will evaluate a variety of Costa Mesa's housing stock characteristics including tenure, cost, affordability, age, condition, and vacancy rates. As required, this analysis will also analyze the City's public/assisted housing, housing resources for homeless (and those at risk of becoming homeless), and special needs populations (e.g., disabled and persons with HIV/AIDS). This housing analysis will also examine barriers to affordable housing, including impediments to fair housing choice.

MA-10 Number of Housing Units – 91.210(a)&(b)(2)

Introduction

HUD has provided a variety of data regarding the City's housing stock based on the 2016-2020 American Community Survey. This data is provided by HUD in various tables below.

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	16,420	39%
1-unit, attached structure	3,970	9%
2-4 units	5,265	12%
5-19 units	7,645	18%
20 or more units	7,940	19%
Mobile Home, boat, RV, van, etc	1,145	3%
Total	42,385	100%

Table 18 – Residential Properties by Unit Number

Data Source: 2016-2020 ACS

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	30	0%	1,665	7%
1 bedroom	200	1%	6,830	28%
2 bedrooms	3,010	18%	11,345	47%
3 or more bedrooms	13,235	80%	4,340	18%
Total	16,475	99%	24,180	100%

Table 19 – Unit Size by Tenure

Data Source: 2016-2020 ACS

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

As referenced in the City's Housing Element, table 3-37, there are 1,219 affordable housing units with covenants that are tracked by the City. The funding for these units includes HUD Section 8, LIHTC, HOME, and Costa Mesa Redevelopment, as well as density bonus units. The majority of units are at the very low or low target income level, with 156 also eligible for moderate income. A total of 267 are restricted to the very low income level. The City uses its HOME funds for owner-occupied housing rehabilitation, Tenant Based Rental Assistance (TBRA), and expanding affordable housing through acquisition/rehabilitation. Approximately 10 to 15 families receive HOME funded TBRA each year.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

There are no units expected to be lost from the affordable housing inventory for any reason for the 5-year period of the Consolidated Plan (2025-2029).

Does the availability of housing units meet the needs of the population?

The City has significant need for affordable housing. Based on HUD data from Table 18, 48 percent of the City's housing units are 1-unit attached and detached single-family structures; 52 percent of housing units are multi-unit structures and mobile homes. The Housing Element indicates that 40.4 percent of households in the City are owners, and 59.6 percent are renters as of 2018 ACS 5-year estimates. This is a reduction in the percentage of owners and an increase in the number of renters from what was reported in the 2020-2024 Consolidated Plan. Table 11 indicates that there are "crowded" units in the City – 75.5 percent are single-family households and 16.5 percent are "multiple, unrelated family households." The Southern California Association of Governments (SCAG) undertakes a Regional Housing Needs Assessment (RHNA) to quantify the future need for housing within a six-county region. For the upcoming Housing Element update for the 2021-2029 planning period, the allocations for the City of Costa Mesa are approximately ten percent of the current population. The level of growth anticipated presents a significant challenge to the City, requiring potential changes to the City's land use policy and increased demands for services, infrastructure, and public facilities.

Describe the need for specific types of housing:

Housing data provided by HUD indicates that a larger percentage of the City's housing units are occupied by renters and less of a percentage are occupied by owners. HUD data in the Housing Needs Assessment also indicates that a significant number of Costa Mesa households are housing cost burdened, and that a substantial number of housing units are also crowded. Homeowners, especially elderly homeowners, are impacted by housing cost burden as well as renter households.

Based on HUD's data, Small Related households, regardless of tenure, are the largest segment of lower income households that are experiencing a housing cost burden. HUD data also indicates that approximately 82 percent of Costa Mesa rental units have up to two bedrooms compared to 18 percent of owner units. Conversely, 82 percent of the City's owner units are three-bedrooms or more while just 18 percent of rental units have three rooms. This data appears to indicate that there may be an imbalance in the City's current housing stock (in terms of tenure and size) when compared to the types of households currently occupying units.

Discussion

HUD's data indicates that there is a significant number of households that are paying over 30 percent of their income for housing. The fact that there are more rental units in the City than ownership units, and that most rental units have less than two bedrooms (82 percent of rental units) while most ownership units are three-bedroom units creates a disparity. This imbalance in tenure and unit size can result in households paying too much for housing that is not adequate in size for their family.

DRAFT

MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

Introduction

One of the most important factors in evaluating a community's housing market is the cost of housing. Housing problems directly relate to the cost of housing in a community. If housing costs are relatively high in comparison to household income, a correspondingly high prevalence of housing cost burden and overcrowding occurs.

Today, as detailed in The State of the Nation's Housing 2024, a "lack of affordability defines both the for-sale and the for-rent housing markets. Home prices rebounded to a new all-time high in early 2024 despite persistently elevated interest rates... rents remain up 26 percent nationwide since early 2020 after rapid pandemic-era growth... While rents have been rising faster than incomes for decades, the pandemic-era rent surge produced an unprecedented affordability crisis. (page 1-2)"¹⁰

The median home value reported by HUD (Table 20) was \$807,000, 33 percent higher than the median value for the base year of 2009. It is important to note that median home value information in the ACS can be misleading as it asks homeowners to self-estimate the value of their homes. Also, the ACS information used as a data source is not current, so a recent report was obtained from Orange Coast Title. According to the report from Orange Coast Title, the current median sales price of a single-family home in Costa Mesa over the period of a year (March 2024-February 2025) was \$1,525,000. The 2024-2025 Orange County Community Indicators Report indicates that the county's median home price in June of 2024 was \$1,450,000. At the County level, the home value increase from 2023 to 2024 was 15.1 percent. Home prices have increased by 108.1 percent over the last 10 years.

Contract rents paid as reported in the HUD (Table 21) indicate that 40 percent of the renter-households in Costa Mesa paid between \$1,500 and \$1,999 monthly and 37 percent paid more than \$2,000 in rent between 2016 and 2020. Current rental rates in the City vary by bedroom size with market rents ranging from \$1,970 for a one-bedroom apartment to \$5,500 (at the low end) for a four-bedroom single-family home, according to rental listings on www.homes.com. As of March 2025, the average rent for an apartment in Costa Mesa was \$3,195 according to the website www.zumper.com.

Cost of Housing

	Base Year: 2009	Most Recent Year: 2020	% Change
Median Home Value	606,900	807,000	33%
Median Contract Rent	1,479	1,848	25%

Table 20 – Cost of Housing

Data Source: 2000 Census (Base Year), 2016-2020 ACS (Most Recent Year)

¹⁰ The State of the Nation's Housing 2024 – Joint Center for Housing Studies of Harvard University

Rent Paid	Number	%
Less than \$500	945	3.9%
\$500-999	1,015	4.2%
\$1,000-1,499	3,700	15.3%
\$1,500-1,999	9,580	39.6%
\$2,000 or more	8,935	37.0%
Total	24,175	100.0%

Table 21 - Rent Paid

Data Source: 2016-2020 ACS

Housing Affordability

Number of Units affordable to Households earning	Renter	Owner
30% HAMFI	865	No Data
50% HAMFI	2,405	480
80% HAMFI	11,350	769
100% HAMFI	No Data	1,004
Total	14,620	2,253

Table 22 – Housing Affordability

Data Source: 2016-2020 CHAS

Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	2,200	2,344	2,783	3,769	4,467
High HOME Rent	1,826	1,958	2,352	2,708	3,001
Low HOME Rent	1,381	1,479	1,776	2,051	2,288

Table 23 – Monthly Rent

Data Source: HUD FMR and HOME Rents 2024

Is there sufficient housing for households at all income levels?

According to CHAS data by HUD, mismatches in terms of supply and affordability exist in the City. Approximately 6,195 households earning less than 30 percent of AMI reside in the City (Table 6), however, there are only 865 housing units affordable to those at this income level (Table 22). Similarly, the City has 5,385 households earning between 31 and 50 percent of AMI and only 2,885 housing units affordable to those at this income level. There are approximately 12,119 housing units in the City that are affordable to households earning between 51 and 80 percent AMI. This number is sufficient for the 7,685 households in Costa Mesa at this income level. However, a housing unit affordable to a particular income group does not mean the unit is actually occupied by a household in that income group.

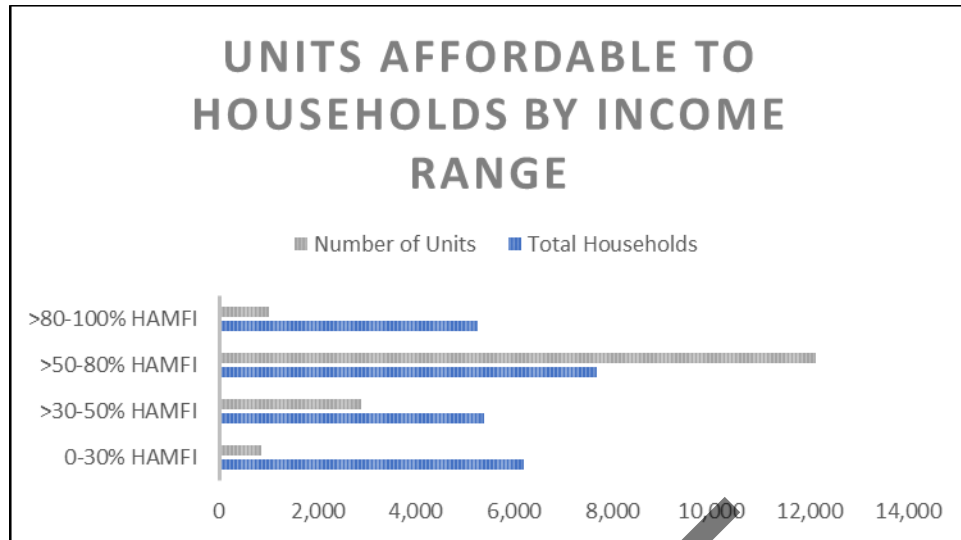


Figure 4 – Affordable Units

How is affordability of housing likely to change considering changes to home values and/or rents?

As stated previously, according to the 2024-2025 Orange County Community Indicators Report, home prices in Orange County have increased 108.1 percent over the past 10 years. A first-time home buyer would need a minimum qualifying income of approximately \$349,200 to afford a median priced home (estimated at \$1,365,000) in 2024. Only 11 percent of county residents could afford a median priced home in quarter 1 of 2024. Rental affordability has also decreased. Orange County is the most expensive rental market in Southern California, where the hourly wage needed to afford a one-bedroom unit is \$45.08 - equivalent to an annual income of \$93,766.

The Orange County Indicators Report from 2023-2024 identified significant affordability issues before 2020 in Orange County, and the COVID-19 pandemic further accelerated this trend. With housing costs rising, affordable rents and home prices may not be possible for many income groups. Without significant changes in economic conditions, the price of housing will most likely continue to increase during the period of the 2025-2029 Consolidated Plan.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

Based on a snap-shot of rental listings on Zillow.com, market rents in the City vary by size. Market rents for the City are higher than Fair Market Rents. According to Zillow.com, average rents advertised in March 2025 were:

- \$2,503 for a one-bedroom unit (mostly apartments)
- \$3,103 for two-bedroom units (mostly apartments)
- \$5,630 for three-bedroom units (single-family homes)
- \$6,610 for four-bedroom units (single-family homes)

Based on data from Table 23, the Fair Market Rents for two to four-bedroom units are \$2,783, \$3,769, and \$4,467, respectively, ranging from about \$300 to \$2,100 lower than market rents in the Zillow listings. HOME rents in Table 23 range from approximately \$1,000 to \$4,300 lower than the current average listed rents. Market Rents for units with more than two bedrooms are substantially more than Fair Market Rents.

Discussion

Evaluation of the City's housing market supports the findings in the Housing Needs Assessment, that is, that many lower income households in Costa Mesa are cost burdened, especially extremely low- income and very low-income households. Limited housing options exist at rent or purchase price points that are affordable to lower income households. The substantial increase in monthly rent prices for homes with more than two bedrooms may be a reason for overcrowding among low-income single family households.

MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

Introduction

Assessing housing conditions in Costa Mesa can provide the basis for developing policies and programs to maintain and preserve the quality of the housing stock. This analysis will evaluate the condition of the City's housing stock by mainly evaluating the age of the housing stock and if there is a prevalence of "housing problems."

Describe the jurisdiction's definition of "standard condition" and "substandard condition but suitable for rehabilitation":

Definitions

A property in "substandard condition" means any dwelling unit that contains a circumstance that endangers the life, limb, health, property, safety, or welfare of the public or the occupants. The conditions that make a property a "substandard dwelling" are defined in detail in the California Health and Safety Code. For purposes of the CDBG program, "substandard condition but suitable for rehabilitation" means that the cost of remedying all substandard conditions plus the current value of the property does not exceed the after-rehabilitation value of the property.

The four housing conditions that HUD attributes as substandard or problematic are (1) lack of complete kitchen facilities, (2) lack of complete plumbing facilities, (3) more than one person per room, and (4) cost burden greater than 30%. The American Community Survey (ACS) defines these attributes as a "selected condition". Based on this definition, more than one-half of all renter-occupied households (55 percent) in the City have at least one selected condition. A lower proportion of owner-occupied households in the City (37 percent) have at least one selected condition.

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	5,000	30%	11,370	47%
With two selected Conditions	100	1%	1,850	8%
With three selected Conditions	0	0%	45	0%
With four selected Conditions	0	0%	0	0%
No selected Conditions	11,380	69%	10,915	45%
Total	16,480	100%	24,180	100%

Table 24 - Condition of Units

Data Source: 2016-2020 ACS

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	1,180	7%	2,430	10%
1980-1999	2,645	16%	5,240	22%
1950-1979	11,800	72%	15,600	65%
Before 1950	850	5%	910	4%
Total	16,475	100%	24,180	101%

Table 25 – Year Unit Built

Data Source: 2016-2020 CHAS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	12,650	77%	16,510	68%
Housing Units build before 1980 with children present	1,434	9%	379	2%

Table 26 – Risk of Lead-Based Paint

Data Source: 2016-2020 ACS (Total Units) 2016-2020 CHAS (Units with Children present)

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	1,619	0	1,619
Abandoned Vacant Units	150	150	300
REO Properties	0	0	0
Abandoned REO Properties	0	0	0

Table 27 - Vacant Units

Data Source Comments: No information is available for REO/abandoned properties. According to the ACS, 1619 vacant units were reported in Costa Mesa. 300 units were identified as "abandoned vacant" units, typically include boarded up and abandoned units. The exact conditions of these units are unknown and therefore half of these units are generally assumed to be suitable for rehabilitation.

Updated Information

No reliable data sources were found regarding REO properties.

Need for Owner and Rental Rehabilitation

Nearly 30,000 housing units were constructed before 1980 in Costa Mesa and the age and condition of housing stock in a City is an important indicator of potential rehabilitation needs. The City currently had a HOME funded homeowner rehabilitation grants and loan program and has identified CDBG funds for the 2025-2026 program year for additional homeowner rehabilitation needs.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

Housing age is a key variable used to estimate the number of housing units with lead-based paint (LBP). Lead based-paint was banned in the United States in 1978. National studies estimate that 75 percent of all residential structures built prior to 1970 contain LBP. Table 26 indicates there are an estimated 29,160 housing units in Costa Mesa that were constructed before 1980. Approximately 77 percent of owner-occupied housing and 68 percent of renter-occupied housing in the City was built prior to 1980. Using the national average of potential LBP hazard, an estimated 21,870 housing units may contain LBP (Table 26). Approximately 47 percent of households in Costa Mesa earn low- and moderate-incomes (19,265 households, according to Table 6). Given there were an estimated 21,870 housing units that could contain LBP, it can be assumed that the ratio of low- and moderate-income families residing in the LBP units reflects a similar ratio, that is, an estimated 10,279 housing units with potential LBP may be occupied by low- and moderate-income households. While data indicates lead based-paint hazards are not a significant issue in Costa Mesa, all City-funded housing rehabilitation projects are tested for lead if a unit was constructed before 1978.

Discussion

According to HUD data, the vast majority of housing units in the City were constructed more than 40 years ago. Unless properly maintained, homes begin to show age after 30 years and can require significant maintenance and even extensive rehabilitation. Additionally, residences constructed before 1978 may have lead-based paint hazards. The City has an established housing rehabilitation program to assist lower income homeowners improve and maintain their home, and when necessary, remove lead-based paint hazards.

MA-25 Public and Assisted Housing – 91.210(b)

Introduction

There is no public housing in the City of Costa Mesa - OCHA operates the rental assistance program within the City. According to OCHA, there are 540 households receiving vouchers.

Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project -based	Tenant -based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available				9,925			879	1,669	0
# of accessible units									

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Table 28 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

Describe the supply of public housing developments:

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

Not Applicable.

Public Housing Condition

Public Housing Development	Average Inspection Score
NA	NA

Table 29 - Public Housing Condition

Describe the restoration and revitalization needs of public housing units in the jurisdiction:

No public housing developments are located in the City of Costa Mesa.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

There is no public housing in the City of Costa Mesa.

Discussion:

As indicated above, the City of Costa Mesa does not operate a public housing authority.

DRAFT

MA-30 Homeless Facilities and Services – 91.210(c)

Introduction

As previously discussed, homeless facilities in the City include:

- 100-bed Bridge Shelter

Facilities and Housing Targeted to Homeless Households

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	0	0	0	0	0
Households with Only Adults	100	0	0	0	0
Chronically Homeless Households	0	0	0	0	0
Veterans	0	0	0	0	0
Unaccompanied Youth	0	0	0	0	0

Table 30 - Facilities and Housing Targeted to Homeless Households

Data Source Comments:

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

Mainstream services refers to federal and state-funded programs generally designed to help low-income individuals either achieve or retain their economic independence and self-sufficiency. Programs provide for housing, food, health care, transportation, and job training. Examples of mainstream services available include veterans housing vouchers, veteran medical services, MediCal/Medicare, SSI, and General Relief. The City utilizes various federal funding streams (i.e., CDBG, CDBG-CV, HOME, and HOME-ARP) to subsidize projects and programs aimed at assisting our residents, including the development of affordable and supportive housing, workforce development, homelessness prevention, and emergency shelter.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

The City of Costa Mesa is one of the few municipalities in the region to employ a team of Outreach Workers who serve people experiencing and at risk of homelessness. This team – alongside a vast network of City staff, community volunteers, and nonprofit service providers - make up the Network for Homeless Solutions (NHS), whose primary goal is to connect people in need to resources and facilitate their journey to self-sufficiency. In 2021, the City utilized CDBG funds to open the 100-bed Costa Mesa Bridge Shelter (CMBS), which provides adult males and females experiencing homelessness with shelter, meals, case management, workforce development, life skills training, benefit management, and on-site medical care. In 2024, the City was awarded a \$4.2 million grant from the Orange County Health Care Agency (OCHCA) to implement 15 behavioral health care beds at the CMBS through FY 26/27. Through these efforts, the NHS has facilitated the placement of over 430 individuals into permanent housing since 2019.

MA-35 Special Needs Facilities and Services – 91.210(d)

Introduction

HUD requires that the City provide an overview of supportive housing currently available in the community for populations with special needs.

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

Elderly/seniors: Low-income is usually a main factor affecting many seniors regarding their ability to access services. With limited incomes, seniors face the challenges of high costs for housing and health care. Many seniors also have mobility issues and therefore require supportive services such as transportation and delivered meals. Seniors also may be residing in older housing units that require rehabilitation and improvements, including ADA improvements.

There are several skilled nursing and residential care facilities located in Costa Mesa. According to the California Department of Social Services, there are four licensed adult residential facilities and one pending, 45 licensed assisted living locations and two pending locations in Costa Mesa as of March 2025. The bulk of these facilities are six-bed facilities operating mainly in residential neighborhoods.

There are four publicly assisted senior housing projects in the City with a total of 255 “affordable” senior units and one project recently approved to move forward to create an additional 70 units of affordable senior housing.

Person with Disabilities: Persons with disabilities often have limited incomes, but extensive needs for a variety of services. Persons with disabilities need supportive services, transportation services, and health care services to help them gain independent living and self-sufficiency.

According to the 2016-2020 ACS, about nine percent of the City’s population was affected by one or more disabilities. Among persons living with disabilities in the City, ambulatory difficulties and independent living difficulties were most prevalent, followed by cognitive difficulties. Persons with disabilities often have limited income, but extensive needs for a variety of services.

OCHA reports that in March 2025, it provided housing assistance to 95 householders with a disability in Costa Mesa. OCHA also reports that 161 applicants on their 2023 housing assistance waitlist and 3 applicants on their 2012 waitlist had a disability. Households with members with a disability have unique housing challenges, as units need to allow for greater accessibility and mobility.

Persons with Alcohol/Drug Addiction: Sober living homes provide a safe, supportive place to live while recovering from alcohol and drug addiction. A stable home and drug-free living environment is important for recovery. The California Department of Health Care Services reports that as of February 2020, there are 77 licensed sober living residential facilities and/or certified alcohol and drug programs in the City – 19 percent of all facilities in the County. Of those 77, 54 are residential facilities with a total of 403 beds, or 17 percent of all sober living beds in the County.

Persons with HIV/AIDS: Stable, affordable housing offers the best opportunity for a person living with HIV/AIDS to access drug therapies and treatments as well as other supportive services that will enhance the quality of life for themselves and their families. It has been estimated that as many as half of all people living with HIV/AIDS will need housing assistance at some point in their illness. As stated previously, at the present time there are no shelters or permanent housing units specifically for persons with HIV/AIDS in Costa Mesa.

Based on information provided by the City of Anaheim, which manages HUD's Housing Opportunities for Persons with AIDS (HOPWA) funds, they provide housing services to an average of 381 HIV positive households a year. Information for Costa Mesa was not provided.

Public Housing Residents: There is no public housing in Costa Mesa; however, OCHA reports that in March 2025, 540 households in Costa Mesa are receiving a rental housing voucher or certificate.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

The City of Costa Mesa (City) has developed a comprehensive system of care for individuals experiencing homelessness, including those facing physical and behavioral health challenges. The City employs a team of Outreach Workers who engage unhoused individuals and connect them to physical and behavioral health services. Outreach Workers act as liaisons between clients and medical staff to advocate for clients' needs. Outreach Workers collaborate with medical staff to develop a "discharge plan", ensuring clients have access to housing or shelter. The City is home to two (2) Homekey projects totaling 116 units of permanent supportive housing for chronically homeless individuals with a verified disability, as well as the 100-bed Costa Mesa Bridge Shelter.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

As resources permit, the City will support programs that will help link special need populations to appropriate support services and housing. CDBG funding is typically allocated for senior programs that provide counseling, referrals and food. Such services aim to help seniors remain housed in place. During FY 2025-2026 the City is adding CDBG funding to the Single-Family Housing Rehabilitation program to provide grants to low-income homeowners in the City that are not eligible for the rehabilitation program due to HOME requirements. The following senior programs will be provided:

- City of Costa Mesa- Senior Social Services
- Trellis International – Labors of Love
- CDBG Single Family Housing Rehabilitation Grants

Also, CDBG funding will be allocated nonprofit organizations that partner with local schools to provide youth services including Assistance League Newport-Mesa and Project Hope Alliance.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

With limited HOME funds, the City has focused these limited resources for owner-occupied housing rehabilitation through the Single Family Rehabilitation Grants and Loans program and rental assistance for families with minor children through tenant based rental assistance program (TBRA). The City's Single Family Housing Rehabilitation Grant and Loan program provides grants and loans to very low-income, single-family homeowners for interior and exterior property improvements needed due to code and building violations, lead-based paint hazards, and other hazardous conditions. The Program is particularly popular among senior households and mobile home owners. The program is limited to households earning less than 80 percent of AMI; however, most program participants are extremely low-income. By providing housing rehabilitation grants, the City is able to help residents with housing cost burden to improve their homes without increasing their housing costs. HOME CHDO funds are also available; however, due to the limited amount of these funds, it has been difficult to attract CHDO interest to use this funding. The City does plan to issue an RFP or RFQ for affordable housing projects during FY 2025-2026 with HOME funds from prior years that are currently uncommitted to other projects.

DRAFT

MA-40 Barriers to Affordable Housing – 91.210(e)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

Barriers to Affordable Housing

According to the City's Housing Element, actions or policies of governmental agencies can impact the ability of the private sector 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 that will be allocated to residential development, and the intensity of development (in terms of unit densities and 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.

The City Council, at their February 18, 2025 meeting, approved a contract with consultant Dudek to conduct a Citywide Rezoning effort to update General Plan and Zoning densities and permitted uses to accommodate the Regional Housing Needs Assessment (RHNA) and Housing Element goals established in the City's Housing Element. This process will enable housing opportunities across the City that will help meet the City's RHNA obligation and other Housing goals, including Housing Element certification from the California Department of Housing and Community Development (HCD).

Local Entitlement Processing and Fees

Two aspects of local government that have been criticized as placing undue burdens on the ability to build 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 in part 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 most instances to provide an adequate supply of public park land and to provide necessary 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.

The City's Housing Element includes specific programs that are designed to address some of the undue burdens housing projects face in the entitlement process as well as Planning and Development fees. As part of the City's Rezoning program, the City will also look at a range of staff initiated zoning code updates that can streamline and help improve the permitting system for housing projects. These include the following programs:

- Incentives or requirements for Large-Family households (2E)
- Amend zoning code to permit farmworker housing by-right in single-family zones and in agriculture zones (2H)
- State Density Bonus Ordinance (2I)
- Parking Standards for Residential Developments (2M)
- Review parking for emergency shelters per AB 139 (4G)
- Establish definitions for co-living and efficiency housing options within code (3F)
- Explore potential future housing opportunities on Church sites (3K)
- Code updates to promote lot consolidation (3Q)
- Development of Large Sites (3R)
- Review and revise Findings for CUPs, Design Review, Master Plans to encourage housing (3S)
- Permit low barrier navigation center development by right in appropriate zoning districts (4E)
- Planning Application Fees (2K)

The intent of these programs, overall, is to provide additional opportunities for housing as by-right uses, and to review existing processes for review to remove undue burdens.

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, to make necessary transportation improvements, and to provide other infrastructure to the project. The City may require the payment for various offsite improvements as part of project mitigation measures (e.g., payment towards 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 the cost of housing, they do not constrain housing development as these improvements are similarly required in all surrounding communities.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

According to the City's Housing Element, the following actions will be implemented to remove or ameliorate barriers to affordable housing:

- The City will encourage the joint processing of related applications for a single project. Such procedures save time, money and effort for both the public and private sector.

- The City provides fee credits for existing development against new development. Fee credits are available for park fees, sanitation district fees, and traffic impact fees. Park fees and traffic impact fees can also be deferred until the issuance of Certificates of Occupancy.
- The City will provide incentives (such as density bonus and deferred impact fees) to developers that agree to reserve a portion of project units for lower-income households (including extremely low-income), moderate-income households (common interest developments only), or for seniors and the disabled.
- The City will maintain an inventory of vacant and underutilized sites and provide this inventory to interested developers.
- The City will continue to promote mixed-use development specific plan areas. The City will respond to market conditions and offer appropriate incentives through the Mixed-Use Overlay zone. Incentives include reduced parking standards, reduced open space, increased densities, increased height limit, increased lot coverage, and reduced setbacks.

Additionally, if available, the City will consider providing subsidies for affordable housing projects (i.e., HOME funds).

In November 2016, City voters approved Measure Y, which requires a vote of the electorate for any “Major Change in Allowable Land Use” as defined by the initiative. There is a provision to exempt affordable housing projects from the requirements of the measure; however, the affordable housing project must be required by state or federal law.

In November 2022, City voters approved Measure K, which enables housing development along commercial corridors within the City. Measure K sites are included in the focus areas of the Rezone Program and will enable the City to plan for its RHNA obligations.

MA-45 Non-Housing Community Development Assets – 91.215 (f)

Introduction

Developing economic opportunities, especially for low- and moderate-income persons is a HUD priority. The City does not fund economic development activities with CDBG funds, but it does use public service grant funds to support programs that help individuals improve their job skills. The City also invests General Fund resources toward economic development activities.

The following tables and narrative describe the local economic condition of Costa Mesa and compare the ability of the local work force to satisfy the needs of local businesses.

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	356	10	1	0	-1
Arts, Entertainment, Accommodations	7,082	11,396	15	13	-2
Construction	2,814	4,912	6	6	0
Education and Health Care Services	6,996	9,618	15	11	-4
Finance, Insurance, and Real Estate	4,090	5,723	9	7	-2
Information	1,310	1,270	3	1	-1
Manufacturing	3,695	5,310	8	6	-2
Other Services	1,769	2,757	4	3	-1
Professional, Scientific, Management Services	6,121	14,486	13	17	4
Public Administration	0	0	0	0	0
Retail Trade	5,073	14,900	11	17	7
Transportation and Warehousing	1,159	685	2	1	-2
Wholesale Trade	2,604	5,510	6	6	1
Total	43,069	76,577	--	--	--

Table 31 - Business Activity

Data 2016-2020 ACS (Workers), 2020 Longitudinal Employer-Household Dynamics (Jobs)
Source:

Labor Force

Total Population in the Civilian Labor Force	67,405
Civilian Employed Population 16 years and over	64,190
Unemployment Rate	4.76
Unemployment Rate for Ages 16-24	14.04
Unemployment Rate for Ages 25-65	3.31

Table 32 - Labor Force

Data Source: 2016-2020 ACS

Occupations by Sector	Number of People
Management, business and financial	20,650
Farming, fisheries and forestry occupations	2,115
Service	6,910
Sales and office	14,405
Construction, extraction, maintenance and repair	4,115
Production, transportation and material moving	2,360

Table 33 – Occupations by Sector

Data Source: 2016-2020 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	39,766	71%
30-59 Minutes	12,928	23%
60 or More Minutes	3,057	5%
Total	55,751	100%

Table 34 - Travel Time

Data Source: 2016-2020 ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	6,890	110	2,605
High school graduate (includes equivalency)	8,765	410	2,135
Some college or Associate's degree	13,880	1,010	2,995
Bachelor's degree or higher	24,325	685	3,140

Table 35 - Educational Attainment by Employment Status

Data Source: 2016-2020 ACS

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	170	660	1,565	2,930	1,120
9th to 12th grade, no diploma	600	1,480	1,245	1,730	675
High school graduate, GED, or alternative	3,000	3,070	3,415	4,840	2,385
Some college, no degree	4,895	4,770	2,545	6,350	3,125
Associate's degree	430	1,140	970	2,115	1,305
Bachelor's degree	935	8,930	4,810	6,500	2,930
Graduate or professional degree	90	2,465	2,385	3,100	1,925

Table 36 - Educational Attainment by Age

Data Source: 2016-2020 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	25,615
High school graduate (includes equivalency)	34,918
Some college or Associate's degree	45,074
Bachelor's degree	66,500
Graduate or professional degree	89,881

Table 37 – Median Earnings in the Past 12 Months

Data Source: 2016-2020 ACS

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

Within the City of Costa Mesa, the major employment sectors are:

- Professional, Scientific, Management Services – 19 percent
- Retail Trade – 17 percent
- Arts, Entertainment, Accommodations – 15 percent
- Education and Health Care Services – 13 percent

These four sectors represent 64 percent of the employment opportunities available in the City.

Describe the workforce and infrastructure needs of the business community:

Needs of the business community include skilled and trained workers, as well as job opportunities. The gap between the skills of the local labor force and the expertise needed by the business environment is indicative of the number of workers (43,069) and the number of jobs (76,577) in the labor force, which represents a 44 percent gap, not accounting for mismatches. When accounting for mismatches, there are more Retail Trade and Professional, Scientific, Management Services jobs in Costa Mesa than residents employed in those fields, indicating a need for both skilled and unskilled workers to fill these jobs in Costa Mesa's workforce. Additionally, there is a mismatch for the number of workers and number of jobs in Construction, which will be a growing need as the City adds housing units to comply with the State's Regional Housing Need Allocation (RHNA) requirements. The 2024 Community Economic Profile lists the following Major Development Projects and Areas: Anduril Headquarters (23.4 acres), LUX Apartments (4 acres), Harbor Gateway (78 acres), Segerstrom Home Ranch (43 acres), South Coast Plaza Town Center (54 acres), The Met / Experian Solutions (45 acres), Sakioka Farms Lot 2 (33 acres), Halcyon House Apartments (393 units), Avenue of the Arts Hotel (3 acres), West Gateway (177 ownership units), and the Orange County Museum of Art. The City's Capital Improvement Plan identifies various active transportation improvements throughout the City over the next five years that are needed to support business and overall commerce. These streets provide major north/south and east/west access into and through the City. Additional public infrastructure improvements identified that will assist local businesses include storm/flood water system improvements. Depending on the location and primary beneficiaries of storm/flood water improvements, CDBG funding may be available.

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

The 2024-2025 Orange County Indicators Report asserts that the next 25 years could be an era of demographic change, entrepreneurship, economic growth and resilience even with global and local

challenges for the County as a whole. The 65+ age group is the only age group expected to increase and the age groups from 0-24 are expected to decline over the next several years. This could have a serious impact on the health of the County's labor market and overall economy if efforts are not prioritized to attract young professionals and families. Alongside changing demographics of an aging population, new technologies such as AI and machine learning will replace jobs and fuel the creation of new jobs. Additionally, Costa Mesa is expected to add 11,760 housing units (a 25% increase) over the next 25 years. The City currently has a high number of commuters (Table 34) and travel increases traffic congestion which could increase travel time, thereby affecting quality of life. Thus, continuing to prepare the population for the jobs in the City is essential.

The City is developing its Economic Development Strategic Plan which plans to implement proactive and creative approaches to support local businesses in the City and identify and create additional revenue sources to increase funding for the wide variety of community services provided by the City.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

The Orange County Indicators report asserts that one of Orange County's primary competitive advantages is a pool of highly educated, qualified residents. Approximately 41.2 percent of the County's labor force has a bachelor's degree or higher. A comparison of HUD data found in Table 36 and 37 indicates that Costa Mesa's workforce is relatively comparable to County statistics, with 38 percent of the workforce having a bachelor's degree or higher and 11 percent with a master's degree or higher.

As the majority of the employment opportunities are in the Professional, Scientific, Management Services sector, the education levels of those in the labor force appear to meet the qualifications for those jobs available. However, while a third of the population is highly skilled and suitable for the "major employment sector" jobs, there is a large gap in the number of workers and the number of jobs available in the City. According to Table 31, there are 14,486 jobs in the Professional, Scientific, and Management Services but only 6,121 Costa Mesa workers.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.

The City will continue to forge its relationship with the Chamber of Commerce, utilizing this agency as an additional source of information and support for existing and new businesses. The City will also identify additional partners such as the local school district, community colleges and universities, to discuss topics such as workforce preparedness. Finally, there is a lack of workforce housing throughout Orange County. Skilled young adults will permanently move out of the area if lower priced housing is not available. The City's General Plan and Housing Element have identified plan areas where development incentives are available to developers willing to build workforce housing.

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?

No

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

As indicated above, the City is in the process of refining its Economic Development Strategic Plan.

Discussion

The City has prioritized the completion of its Economic Development Strategic Plan which will strive to attract and retain key businesses. The City will also take steps to strengthen existing relationships with business and educational institutions in order to identify skill gaps and devise a plan to close the gap. Other initiatives such as workforce housing are already in place.

DRAFT

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

Housing problems impact low- and moderate-income households disproportionately, compared to non-low and moderate-income households. Therefore, areas with concentrations of low- and moderate-income households are likely to have high rates of housing problems. A concentration is defined as a block group where at least 51 percent of the population is low- and moderate-income. Appendix B presents the geographic concentration of low- and moderate-income population by block group throughout the City. Low- and moderate-income areas are mostly concentrated on the northeast and western portion of the City. Approximately 56 percent of the land area in Costa Mesa is a low- or moderate-income.

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

A minority concentration area is defined as a block group or census tract whose proportion of a non-White population is 10 percent greater than the overall Orange County average of 58.7 percent. Minority concentration areas within the City identified in the 2020-2024 Consolidated Plan were located primarily in the southcentral and northeastern portions of the City and the majority of these areas were census tracts in low- and moderate-income areas. HUD no longer requires the sections of the Consolidated Plan that indicate where housing problems are experienced disproportionately by one or more racial or ethnic groups, effective April 2, 2025 under the New Interim Rule: [Affirmatively Furthering Fair Housing Revisions](#).

What are the characteristics of the market in these areas/neighborhoods?

The block groups with housing problem concentration include a mix of residential (both single and multi-family housing units), commercial and industrial areas. The Westside neighborhoods are typically more densely populated, and have a higher concentration of low- and moderate-income residents. The housing stock in this part of the City is generally older.

Are there any community assets in these areas/neighborhoods?

As indicated above, this area is a mix of land uses. There are several assets in this area including parks, community centers, and schools.

Are there other strategic opportunities in any of these areas?

This area is within the City's CDBG-eligible areas thus may benefit from planned infrastructure, facilities, and housing improvements for the FY 2025-2026 Consolidated Plan cycle.

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

According to 2016-2020 ACS estimates, approximately 92 percent (37,501) of Costa Mesa households have broadband internet subscriptions while 7.5 percent (3,059) of households have no internet subscriptions. Income appears to be a factor in the absence of internet subscriptions. Of the households without internet subscriptions, 76 percent earned less than \$75,000. While income may affect the ability of households to subscribe to an internet service, HUD requires that the City consider the need for broadband infrastructure (wiring and connections) in the Consolidated Planning process.

The California Public Utilities Commission (CPUC) has an interactive mapping tool (the California Broadband Mapping Tool) that depicts the served and underserved areas of broadband deployment (**Appendix E**). The term “served” depends on the internet speed standards and has varying thresholds at the state and federal level. The City of Costa Mesa generally meets or exceeds the State’s broadband service requirements.

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

There is no need to increase competition in Costa Mesa. According Broadbandnow.com, nine internet providers offer broadband internet service in Costa Mesa: AT&T fiber (IPBB, Fiber, 5G), Hughesnet (Satellite), Spectrum (Cable), Earthlink (5G), Starlink (Satellite), T-Mobile (5G), Verizon (5G) Viasat (Satellite), XNet WiFi (Fixed Wireless). AT&T and Spectrum provide speeds up to 5 Gbps and 1 Gbps respectively, and both provide coverage for 93% of the City.

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

Describe the jurisdiction's increased natural hazard risks associated with climate change.

Hazard mitigation is work done to minimize the impact of natural hazards before they occur in an effort to reduce losses from future disasters. The City's 2023 Local Hazard Mitigation Plan (LHMP) includes a detailed analysis of the City's historical, physical, social, and economic characteristics. It is a tool that will assist the City in reducing human and economic losses caused by natural hazard events. A hazard assessment of types of hazards that might reasonably occur in Costa Mesa is included in Chapter 3 of the City's LMHP.

Climate change is a concern identified by the Hazard Mitigation Planning Committee (HMPC), a committee that was assembled by the City that includes representatives from City departments and is supported by key stakeholders and technical consultants. Increased natural hazard risks associated with climate change include an overall warming of the Southern California climate, which may cause insects, pests, and other vectors that carry disease to remain active for an extended part of the year. This possibility increases the threat of exposure to any infectious diseases that pests carry. Tree mortality is expected to increase under climate change conditions because of more severe and frequent episodes of drought. In addition to the increased frequency of drought events, intensified weather patterns may bring more rain to California and Costa Mesa. The average temperature is expected to increase and cause more frequent and prolonged heat waves in the region, which may affect water supplies in the City. Hotter temperatures may also lead to increased surface water evaporation, which could lead to great water consumption. If a drought occurs coupled with heatwave events, additional strain could be placed on City infrastructure, including water supply.

Projections of changing climatic conditions through the end of the century suggest future power/energy shortage concerns. Electricity production occurs outside of the city, reducing opportunities for Costa Mesa to be energy independent. The frequency and intensity of precipitation events throughout California, including Costa Mesa is expected to occur which may cause more flooding, leading to erosion, tree mortality, and increased response and recovery activities. Expansive soils may be affected by climate change due to more intense storms and frequent drought conditions, increasing the intensity of the expansive soils, physical expansion, and contraction, potentially increasing damage throughout the vulnerable parts of the City. Climate-related natural hazard events, such as increased precipitation and subsequent flooding, could cause an increase in hazardous materials release. Additionally, climate change could increase the risk of dam failure in the future including the dams that control floodwaters from inundating Costa Mesa and the rest of Orange County.

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

The City's LHMP identifies age, physical and/or mental condition, socioeconomic status, and access to key services as factors that affect the ability of people to prepare for and protect themselves and their property from a hazard event. Higher income households, for instance, are likely more able to afford the cost of retrofitting their homes to resist flooding or move to a location that is less prone to flooding than a lower-income household. As a result, the higher-income household is less likely to experience significant damage during a flood event than the lower-income household, even if the same amount of rain falls on both.

As detailed in the section of the City's LHMP on "Vulnerable Populations", lower-income households are less likely to have the financial resources to implement mitigation activities on their residences. They may also struggle with having the necessary time to find and access educational resources discussing hazard mitigation strategies. Furthermore, lower-income households are less likely to be able to afford to move to areas that are safer or less of a risk of being impacted by a hazard.

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Strategic Plan

SP-05 Overview

Strategic Plan Overview

This Strategic Plan outlines the City of Costa Mesa's course of actions to meet priority housing and community development needs, goals and objectives, consistent with the following HUD goals:

- Ensuring Decent Housing;
- Creating a Suitable Living Environment; and
- Expanding Economic Opportunities.

HUD requires that the Strategic Plan:

- Describe the basis for assigning priority ranking for needs categories.
- Identify accomplishments the City plans to achieve in quantitative and qualitative measures over a five-year period

The goals are:

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 the homeless and near homeless
Goal 4:	Public Social Service	To provide services for low- and moderate-income persons, and those with special needs
Goal 5:	Program Administration	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 including the provision of fair housing services

SP-10 Geographic Priorities – 91.215 (a)(1)

Geographic Area

Table 38 - Geographic Priority Areas

1	Area Name:	CDBG Eligible Areas
	Area Type:	Other
	Other Target Area Description:	CDBG Eligible Areas
	Identify the neighborhood boundaries for this target area.	Block groups to have at least 51 percent low- and moderate-income population.
	Include specific housing and commercial characteristics of this target area.	Primarily low- and moderate-income.
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	Consultation and the Citizen Participation Process helped gain input in developing the Action Plan and priority needs.
	Identify the needs in this target area.	Housing, Public Facilities and Infrastructure, Homeless Services, and Non-Homeless Special Needs Services
	What are the opportunities for improvement in this target area?	Improved housing, infrastructure, facilities and services.
	Are there barriers to improvement in this target area?	Limited or decreased funding presents a barrier for addressing needs citywide.
2	Area Name:	Citywide
	Area Type:	Other
	Other Target Area Description:	Citywide
	Identify the neighborhood boundaries for this target area.	N/A. Priorities will be citywide based on CDBG-eligible area or low to moderate-income clientele
	Include specific housing and commercial characteristics of this target area.	There are no specific characteristic to highlight.
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	Consultation and the Citizen Participation Process helped gain input in developing the Action Plan and priority needs.
	Identify the needs in this target area.	Housing, Public Facilities and Infrastructure, Homeless Services, and Non-Homeless Special Needs Services

What are the opportunities for improvement in this target area?	Improved housing, infrastructure, facilities and services.
Are there barriers to improvement in this target area?	Limited or decreased funding presents a barrier for addressing needs citywide.

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

To determine which activities will receive CDBG funding during the Consolidated Plan cycle of 2025-2029, the City utilized a simple priority ranking system to determine which activities will receive CDBG funding to address a priority need. High Priority Activities that address a high priority need will be funded by the City during the five-year period provided adequate resources are available. The City may or may not fund low priority need activities (any activities not identified as high priority) during the five-year period. The City does not have special designated areas for investment of CDBG and HOME funds. HOME funds will be allocated on a citywide basis to assist eligible households directly or as part of a HOME-qualified housing activity. CDBG funds will also be allocated on a citywide basis for activities that are limited-clientele in nature. Other activities such as public facilities, infrastructure, and code enforcement, will be limited to eligible area (see Appendix B for map). The City does not receive HOPWA funds.

SP-25 Priority Needs - 91.215(a)(2)

Priority Needs

Table 39 – Priority Needs Summary

1	Priority Need Name	Housing Preservation
	Priority Level	High
	Population	Extremely Low Low Moderate
	Geographic Areas Affected	Citywide
	Associated Goals	Housing Preservation
	Description	Loans, grants, and other forms of subsidies to improve or expand the City's supply of housing affordable to lower-income households. Activities may include single-family owner-occupied rehabilitation, code enforcement, and housing acquisition and rehabilitation or other forms of housing activities to expand the number of affordable housing units for lower income households.
	Basis for Relative Priority	Housing needs assessment and housing market analysis indicate a need for housing rehabilitation assistance as a means to help lower income households maintain/improve their home without or minimal additional cost burden. Housing and Community Needs Survey results identify owner-occupied housing rehabilitation among the highest-ranking housing needs.
2	Priority Need Name	Public Facilities and Infrastructure
	Priority Level	High
	Population	Moderate
	Geographic Areas Affected	Citywide CDBG Eligible Areas
	Associated Goals	Infrastructure and Facility Improvements

	Description	<p>Improvements to public facilities that address a community priority. Improvements may include but are not limited to repairs, replacement and/or upgrades (including ADA compliance) to neighborhood parks, centers and other facilities.</p> <p>Improvements to public infrastructure that address a community priority. Improvements may include but are not limited to repairs, replacement and/or upgrades (including ADA compliance) to streets, alleys, sidewalks, flood/storm water drains, and other improvements.</p>
	Basis for Relative Priority	City's CIP, Needs Assessment, results of Housing and Community Needs survey, and comments received at Community Workshops.
3	Priority Need Name	Homeless Services and Housing
	Priority Level	High
	Population	Families with Children Chronic Homelessness Individuals
	Geographic Areas Affected	Citywide
	Associated Goals	Homeless Continuum of Care
	Description	Support services and housing assistance for the near-homeless and homeless individuals and households. Services include homelessness prevention assistance, outreach, case management, life skills, etc. Housing includes emergency shelter, transitional housing, rapid re-housing and tenant based rental assistance (TBRA).
	Basis for Relative Priority	Needs assessment, results of Housing and Community Needs Survey, and comments received at the Community Workshops.
4	Priority Need Name	Public Services
	Priority Level	High
	Population	Extremely Low Low Moderate Other

	Geographic Areas Affected	Citywide
	Associated Goals	Public Social Services
	Description	Services will help persons with special needs (elderly, disabled, youth, non-English speakers and families in need) to promote independent living situation, expand access to opportunities, or ensure they are provided services that improve quality of life. Fair housing services are also provided if not funded through administration.
	Basis for Relative Priority	Needs assessment, results of Housing and Community Needs Survey, and comments received at Community Workshops.
5	Priority Need Name	Program Administration
	Priority Level	High
	Population	Extremely Low Low Moderate
	Geographic Areas Affected	Citywide
	Associated Goals	Program Administration
	Description	Ensure efficient/effective use of CDBG and HOME funds to address Consolidated Plan priorities, provide oversight and coordination to make certain funds are spent properly and in a timely manner. Fair housing services if not funded through public services.
	Basis for Relative Priority	HUD required.

Narrative (Optional)

Impediments to Fair Housing: HUD-funded grant recipients are required under various laws not to discriminate in housing or services directly or indirectly on the basis of race, color, religion, sex, national origin, age, familial status, or disability, or other personal or familial characteristics. Under the Consolidated Plan, HUD funded recipients are required to: (1) examine and attempt to alleviate housing discrimination within their jurisdiction; (2) promote fair housing choice 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, or national origin; (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 metropolitan wide area fair housing planning. The Analysis of Impediments (AI) to Fair Housing Choice is the primary document utilized for this purpose.

The City participated in a regional effort to prepare an Orange County Assessment of Fair Housing for FY 2025-2029. The executive summary of the 2025-2029 Orange County Regional Assessment of Fair Housing is provided as **Appendix F**. The City will continue to review and renew its contract with the fair housing service provider to assist in addressing the impediments identified.

SP-30 Influence of Market Conditions – 91.215 (b)

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	Housing Needs Assessment indicates Costa Mesa renter-households are cost burdened. Tenant Based Rental Assistance programs help bridge the gap between market rents and what lower income households can afford. It also provides security deposits for persons exiting homelessness. HOME funds have been used since FY 2020-2021 for a TBRA program.
TBRA for Non-Homeless Special Needs	Housing Needs Assessment indicates Costa Mesa non-homeless households may benefit from some form of housing assistance. Special needs populations generally face unique housing needs, such as physical limitations, low household incomes, homelessness, and rising costs of healthcare and/or childcare. Housing affordability may be a key issue for those living on fixed incomes. Tenant Based Rental Assistance programs help bridge the gap between market rents and what lower income households can afford. Extremely low- and very low-income households may be at risk of becoming homeless due to loss of income or employment. HOME funds have been used since FY 2020-2021 for a TBRA program.
New Unit Production	Housing Needs Assessment indicates additional housing resources are warranted; however, CDBG may not be used for this type of activity. HOME funds may be used for new housing development.
Rehabilitation	Housing Market analysis data indicates many lower income homeowners are paying a significant amount of their income for housing (housing cost burden and severe housing cost burden). Housing rehabilitation assistance allows these homeowners to address deferred maintenance improvements on their primary residence without increasing the amount of income dedicated to housing.
Acquisition, including preservation	Housing Needs Assessment indicates additional housing resources are warranted; however, CDBG funds are utilized for other priority needs and may not be available for this type of activity. HOME funds may be used for acquisition of housing.

Table 40 – Influence of Market Conditions

SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

Introduction

HUD has announced that the City of Costa Mesa will receive \$907,261 in CDBG and \$378,720 in HOME funds; a seven percent reduction in funding from last year's CDBG allocation and a four percent reduction from last year's HOME allocation. In addition, \$172,000 in prior year uncommitted CDBG funds, \$1,685,283 in prior year uncommitted HOME funds, and \$50,000 in prior year HOME program income are available for programming. The City's application for funds is in the form of the SF 424.

Ongoing reductions and fluctuations in CDBG and HOME funding make it difficult to estimate the amount that will be available over the five-year time period of the Consolidated Plan. The only additional funds anticipated that may be available to implement the Consolidated Plan are HOME-ARP and general fund for homeless services, and housing voucher/certificate resources via OCHA.

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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	907,261	0	172,000	1,079,261	3,600,000	Remainder estimate is based on an annual allocation of \$900,000. Estimate for the planning period is \$4,679,261.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	378,720	50,000	\$1,685,283	2,114,003	1,600,000	Remainder estimate is based on an annual allocation of \$400,000. Estimate for the five-year planning period is \$3,714,003.

Table 41 - Anticipated Resources

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 a vacant warehouse in 2019. Primarily CDBG funding was used for the rehabilitation of the warehouse in 2019. The CDBG program does not have a match requirement. Depending on the financing structure of a given activity, it may be advantageous for the City to use CDBG and HOME funds to leverage appropriate state, local and private resources. An example of such a project is the Motel 6 Housing Project, a conversion from a 94 guest room motel into 87 units of permanent affordable housing for veterans, senior citizens and other individuals previously experiencing homelessness. The project included State funding from the California Department of Housing and Community Development (HCD) Homekey Program, VASH Vouchers and LMIHAF funds from OCHA, MHSA funds from Orange County, and American Rescue Plan Act (ARPA) funds from the City in addition to City HOME funding. The City closed on financing for this 87-unit Permanent Supportive Housing Project during FY 2022-2023 and leased-up the ten HOME units in FY 2023-2024. All 40 units included in the first phase of the project were leased-up by the end of FY 2023-2024. This project and similar projects provide additional sources of match for the City's HOME program. Additionally, the City has a CalHome owner-occupied housing rehabilitation loan program. Loan expenditures from this program provide a match source for the City's HOME program.

If appropriate, describe publicly 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 and State-owned properties, and considers various options for the sites. Development opportunities are identified in the Housing Element. The most recent Housing Element covers years 2021 through 2029 and includes updates to the development opportunities to address the needs identified in the Consolidated Plan. For example, the Housing Element identifies the City's Senior Center property as a site for redevelopment to accommodate affordable housing units for seniors. The City Council approved the property for a 70-unit senior affordable housing complex that could be opened by 2027. In addition, the Housing Element identifies the State's Fairview Developmental Center site as a potential housing opportunity site. In December 2022, an agreement between the City and the State was signed which provided \$3.5 Million in State funds to the City for land use planning and zoning at the Fairview Developmental Center (FDC) site focused on accommodating housing for households at all income levels, with a priority for projects that provide housing for individuals with developmental disabilities. Meetings have been conducted for residents to provide input regarding community needs and values for the FDC site. City Council members expressed a desire to explore increasing the number

of housing units on the FDC site beyond the 2,300 units identified in the Housing Element.

The City purchased a warehouse for the Bridge Shelter in 2019 to provide 50 emergency shelter beds for adult men and women experiencing homelessness. The shelter has since been expanded to accommodate 100 shelter beds, including 15 behavioral health beds, further addressing the priority needs identified in the City's Consolidated Plan.

Discussion

In recent years, HOME housing rehabilitation loan repayments have provided the City with additional funding; however, this source of funds is susceptible to the fluctuations of the economy and thus unpredictable. The State has identified the housing shortage in California as a crisis and has created new affordable housing funding sources through legislature. The City will actively pursue such funding to leverage local resources for affordable housing, homeless services and housing, and community development activities.

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SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
Orange County Housing Authority	PHA	Public Housing	Region
211 Orange County/United Way	Continuum of care	Homelessness	Region
City of Costa Mesa	Government	Economic Development Homelessness Non-homeless special needs Ownership Planning Rental neighborhood improvements public facilities public services	Jurisdiction
Fair Housing Foundation	Non-profit organizations	Planning	Jurisdiction
Project Hope Alliance	Non-profit organizations	public services	Jurisdiction
Human Options	Non-profit organizations	Homelessness	Jurisdiction
Trellis, Inc.	Non-profit organizations	public services	Jurisdiction
Community SeniorServ	Non-profit organizations	public services	Jurisdiction
Assistance League – Newport Mesa	Non-profit organizations	public services	Jurisdiction
Costa Mesa Chamber of Commerce	Private Industry	Economic Development	Jurisdiction
Families Forward	Non-profit organizations	public services	Jurisdiction

Table 42 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

Costa Mesa has a strong group of service providers that deliver a wide variety of services for City residents as evidenced by the collaborative, coordinated efforts of local nonprofits, local churches and faith-based groups through the Network of Homeless Solutions (NHS) Taskforce. This effort works directly to overcome institutional barriers faced by the homeless and other at-risk populations. The City has established strong working relationships with the local school districts and colleges/universities to create linkages between employers, residents and schools. The City continues to work well with OCHA by supporting their efforts to assist the City's lower income renters with housing assistance vouchers and certificates. The City also has established strong working relationships with other Orange County grantees as evidenced by the coordination of regional efforts to address issues such as homelessness and fair housing.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	
Legal Assistance	X	X	
Mortgage Assistance			
Rental Assistance	X	X	
Utilities Assistance	X	X	
Street Outreach Services			
Law Enforcement	X	X	
Mobile Clinics		X	
Other Street Outreach Services	X	X	
Supportive Services			
Alcohol & Drug Abuse		X	
Child Care			
Education			
Employment and Employment Training	X		
Healthcare	X	X	
HIV/AIDS	X		
Life Skills	X	X	
Mental Health Counseling	X	X	
Transportation	X	X	
Other			
NA	NA	NA	NA

Table 43 - Homeless Prevention Services Summary

Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)

Several homeless service providers, including the City, are available to assist the homeless and those that are at risk of becoming homeless. Since 2012, the City of Costa Mesa has directly funded homeless outreach and engagement services. Program staff works closely with nonprofit, public and faith-based organizations to coordinate outreach and referral services for chronic and non-chronic homeless individuals with strong ties to the community. Program staff works closely with individuals and families to identify and qualify individuals/households for appropriate mainstream services and resources. Examples of mainstream services available include veterans housing vouchers, veteran medical services, MediCal/Medicare, SSI, and general relief. These efforts are primarily coordinated by the City's Network for Homeless Solutions (NHS) Taskforce. The City's Housing and Community Development (HCD) staff and NHS also work closely with CDBG sub-recipients to ensure individuals and households at risk of becoming homeless, or that are not chronic homeless are also assisted.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

The strength of the City's service delivery system is that it is well coordinated, especially for homeless services. The NHS Taskforce meets biweekly to discuss the status of initiatives and to also address and resolve issues. It is important to highlight the fact that while the City is a partner in the NHS, many of the initiatives are generated by its members (typically community volunteers and local church leaders). Housing (emergency and permanent) remains the primary gap in the City's service delivery system. City staff works closely with service providers to access the limited permanent housing or rapid re-housing resources that are available. There is a lack of year-round emergency shelter beds for single adults for the entire County. To address this gap, the City utilized significant non-HUD funds to acquire a property to be repurposed as an emergency shelter for adult men and women. CDBG funds were used to provide for interior and exterior improvements and total beds available have been increased to 100 from 50 when the shelter was first established in 2019.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

Through the Consolidated Plan priority setting process, the City aligned programs and services that are complementary and work together on a uniform vision for the benefit of Costa Mesa residents. Programs and activities funded with CDBG funds reflect goals and objectives that are set forth in some of the City's major guiding documents such as the Housing Element and Capital Improvement Plan. These plans have been created with input from the public, other City departments, other private agencies and local nonprofit providers.

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SP-45 Goals Summary – 91.215(a)(4)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Housing Preservation	2025	2029	Affordable Housing	Citywide	Housing Preservation	CDBG: \$1,925,000 HOME: \$2,300,000	Rental units rehabilitated: 50 Household Housing Unit Homeowner Housing Rehabilitated: 50 Household Housing Unit Housing Code Enforcement/Foreclosed Property Care: 1000 Household Housing Unit
2	Infrastructure and Facility Improvements	2025	2029	Non-Housing Community Development	Citywide CDBG Eligible Areas	Public Facilities and Infrastructure	CDBG: \$1,000,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 10,000 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Homeless Continuum of Care	2025	2029	Homeless	Citywide	Homeless Services and Housing	CDBG: \$450,000 HOME: \$1,000,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 50 Persons Assisted Tenant-based rental assistance / Rapid Rehousing: 75 Households Assisted Homeless Person Overnight Shelter: 250 Persons Assisted Homelessness Prevention: 150 Persons Assisted
4	Public Social Services	2025	2029	Non-Homeless Special Needs	Citywide	Public Services	CDBG: \$225,000	Public service activities other than Low/Moderate Income Housing Benefit: 4,000 Persons Assisted
5	Program Administration	2025	2029	Program Administration	Citywide	Program Administration	CDBG: \$900,000 HOME: \$200,000	Other: 5 Other

Table 44 – 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
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 all HUD program requirements including the provision of fair housing services.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

Approximately 70 extremely low-income (0% to 30% AMI), very low-income (30% to 50% AMI), and low-income (50% to 80% AMI) will benefit from the City's affordable housing activities. The City will use HOME funds for homeowner rehabilitation, TBRA and affordable rental housing project(s), over the five-year Consolidated Plan period. Pursuant to HUD Regulations at 24 CFR 91.225(d), the City of Costa Mesa certifies as part of its Action Plan(s) from FY 2025-2029 that the use of HOME funds for tenant-based rental assistance is an essential element of the FY 2025-2029 Consolidated Plan's goal to enhance the suitability of the living environment through supportive services for the homeless, low- and moderate-income persons, and those with special needs.

SP-50 Public Housing Accessibility and Involvement – 91.215(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

Not applicable. No public housing units are located in Costa Mesa.

Activities to Increase Resident Involvements

Not applicable. No public housing units are located in Costa Mesa.

Is the public housing agency designated as troubled under 24 CFR part 902?

Not applicable.

Plan to remove the ‘troubled’ designation

Not applicable.

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SP-55 Barriers to affordable housing – 91.215(h)

Barriers to Affordable Housing:

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.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing:

Implementation actions identified in the City's current Housing Element and progress reports to address the negative effects that serve as barriers to affordable housing include:

The City plans to regularly monitor deed-restricted units that have the potential of converting to market-rate during the planning period, work with the property owner on potential extensions past the current agreement to extend the affordability period, and comply with noticing requirements and coordinate with qualified entities to preserve at-risk units.

The City initiated the affordable housing ordinance effort in 2021, retaining Keyser Marston Associates (KMA). Since then, KMA have completed the required Financial Evaluation and the City has conducted 17 stakeholder meetings, two joint Council/Planning Commission Study Sessions and completed the draft Ordinance. The Ordinance was presented to the Planning Commission on November 13, 2023 with a second discussion occurring on December 11, 2023. The Affordable Housing Ordinance (Ordinance No. 2024-02) was approved for first reading by City Council on April 2, 2024.

The Affordable Housing Ordinance will require residential developments with 50 units or more to include an affordable housing component. The residential development must set aside a portion of the residential units as affordable, or provide a land dedication, or construct off-site affordable units, or pay in-lieu fees. To implement the Affordable Housing Program, the City would rezone non-residentially zoned properties located along major corridors to allow for higher density housing with reduced parking requirements and the allowance of affordable rents for low-income units to be calculated based on 80% of the area median income (AMI) where 60% is required under state density bonus law. Adding residential development as an allowed use at higher densities creates land value and incentivizes housing production overall.

The City will pursue State and regional funding for affordable housing development. The City will also pursue local partnerships and annually meet with affordable housing organizations to encourage the development of housing affordable to all segments of the population. Additionally, The City will establish development incentives (i.e. deferment of fees, priority processing, modified development standards, etc.) for affordable housing projects that meet objective evaluation criteria similar to the process for density bonus concessions. The City will also develop clear instructional materials for achieving incentives and make them publicly available on the City's website.

The City will review planning application fees, with a special focus on the density bonus fee, and update the fee(s) to avoid creating a constraint to the development of affordable housing.

Additionally, the City will, subject to funding availability, continue to allocate HOME funding for Tenant-Based Rental Assistance Projects in Action Plans during the FY 2025-2029 planning period. The City estimates it will allocate \$1,000,000 in HOME funds over the five-year planning period, starting with \$200,000 in FY 2025-2029.

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SP-60 Homelessness Strategy – 91.215(d)

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City of Costa Mesa is one of the few municipalities in the region to employ a team of Outreach Workers who serve people experiencing and at risk of homelessness. This team – alongside a vast network of City staff, community volunteers, and nonprofit service providers - make up the Network for Homeless Solutions (NHS), whose primary goal is to connect people in need to resources and facilitate their journey to self-sufficiency. The City utilizes various federal funding streams (i.e., CDBG, CDBG-CV, HOME, and HOME-ARP) to subsidize projects and programs aimed at assisting our residents, including the development of affordable and supportive housing, workforce development, homelessness prevention, and emergency shelter.

Addressing the emergency and transitional housing needs of homeless persons

In 2021, the City utilized CDBG funds to open the 100-bed Costa Mesa Bridge Shelter (CMBS), which provides adult males and females experiencing homelessness with shelter, meals, case management, workforce development, life skills training, benefit management, and on-site medical care. In 2024, the City was awarded a \$4.2 million grant from the Orange County Health Care Agency (OCHCA) to implement 15 behavioral health care beds at the CMBS through FY 26/27. Through these efforts, the NHS has facilitated the placement of over 430 individuals into permanent housing since 2019. Additionally, the City uses its CDBG public service funds for a second-step transitional housing program for domestic violence survivors.

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.

The Network for Homeless Solutions (NHS) seeks to engage with those experiencing homelessness to ensure full access to all available resources and a smooth transition into permanent housing. This constant engagement shortens the length of homelessness and ensures those that have secured permanent housing are able to thrive in their new environments. Additionally, the City utilizes HOME funds to provide tenant based rental assistance to low and very-low income households both experiencing and at-risk of homelessness. The City is committed to increasing access to affordable housing units through advocacy for and development of affordable and supportive housing units and accomplished its first Permanent Supportive Housing project in the City in FY 2022-2023 through a partnership with the County for a motel conversion. Two additional motel conversion projects are currently in the planning stages.

Families Forward, a nonprofit organization that provides housing and homeless prevention services, has two affordable housing projects in the City that provide housing for 16 formerly homeless households with minor children. They also provide additional support for families with CDBG funded supportive services, such as a food pantry, case management and career/life skills coaching.

The City's COC partners include Mercy House, Families Forward, Illumination Foundation, Jamboree Housing, Trellis, CityNet, SPIN, Orange County Office of Care Coordination, Orange County Housing and Community Development, HUD, State HCD, and Orange County Housing Finance Trust. Additionally, the City has allocated the majority of its HOME-ARP grant funds for supportive services including legal services, case management services and outreach services for individuals experiencing or at risk of homelessness in an effort to prevent homelessness and/or shorten the period of time that individuals or families experience homelessness.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and 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. Additionally, The City has also used and continues to use (until funds are expended) CDBG-CV and ARPA funds to provide emergency rental assistance to low-income residents facing financial hardships as a result of the Coronavirus pandemic and its subsequent impact to the economy. Since 2020, the City has allocated nearly \$2.7M to provide rapid rehousing and homelessness prevention services through City-wide rental assistance programs.

Additionally, on November 7, 2023, the City Council adopted an urgency Ordinance for Just Cause Residential Tenant Protections. \$250,000 in ARPA funds were allocated to provide eviction and rental-related legal services including, but not limited to court filings, to enforce the eviction protection provisions of the Costa Mesa Municipal Code regarding unlawful acts in connection with no-fault just cause evictions. Three full time equivalent (FTE) positions were added to implement, monitor and enforce the subject Ordinance including two community outreach workers. The City has implemented a Community Outreach and Education Plan to inform both owners and tenants of their rights regarding evictions as well as the resources available to them. The City funds Project Hope Alliance (PHA) with CDBG and HOME-ARP funds to provide on- and off-campus case management of homeless and at-risk Newport Mesa Unified School District (NMUSD) students and their families. The services provided by PHA are vital to preventing both current and future homelessness for Costa Mesa residents.

SP-65 Lead based paint Hazards – 91.215(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

The City's Owner-Occupied Housing Rehabilitation programs (loans and grants) have been designed to test each participating unit built prior to 1978 (the year lead-based paint was banned) for lead-based paint. A grant is available for homeowners to test, and if necessary, address/remediate the lead hazards that may be found. All rental housing units that may be subject to public assistance will also be tested for lead-based paint hazards.

How are the actions listed above related to the extent of lead poisoning and hazards?

The City can only address potential lead poisoning and hazards within the programs it funds. The City will mandate lead testing for all properties constructed prior to 1978 that are part of the City's Housing Rehabilitation Programs.

How are the actions listed above integrated into housing policies and procedures?

Current Housing Rehabilitation Program policies and procedures require all properties constructed prior to 1978 to be tested for lead. If lead is found, it must be removed or encapsulated as part of the overall rehabilitation of the unit.

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SP-70 Anti-Poverty Strategy – 91.215(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

According to the 2016-2020 ACS, 13.8 percent of the City's population is living at or below the poverty level. Among those living in poverty, 14.6 percent had a disability. Furthermore, 10.9 percent of the seniors (65+) were living below poverty.

The City has identified several activities and services that can be implemented to combat poverty - this strategy includes support of programs that improve coordination and collaboration among City departments and nonprofit agencies that provide social services, employment counseling, and other support services for lower income persons. Specific examples include the following activities:

- Implement housing programs (including housing rehabilitation assistance) for lower income, senior and disabled homeowners.
- Implement a Tenant-Based Rental Assistance (TBRA) program for lower income residents
- Support rental assistance programs provided by the Orange County Housing Authority for very low-income renters.
- Support homeless prevention services for individuals presently housed but at risk of losing their residence.
- Assist those already homeless in need of emergency shelter, transitional housing, or rapid rehousing, continue to coordinate the delivery of services with nonprofit partners.
- Support safety net public services programs to improve the quality of life seniors, youth, the disabled, and other populations that may be severely impacted by the cost of living in the region.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan

The City's anti-poverty strategy calls for assisting lower income households (i.e., seniors and disabled homeowners) to improve their homes without incurring new housing cost. The support for OCHA's rental assistance programs for very low-income renters is also consistent with the City's affordable housing strategy. Additionally, safety net programs (e.g., food programs) assist high poverty households by helping them to free up income for housing. The City is placing a high priority on rental assistance and will, subject to funding availability, allocate HOME program income funding for Tenant-Based Rental Assistance Projects in Action Plans during the FY 2025-2029 planning period.

SP-80 Monitoring – 91.230

Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

Costa Mesa has instituted a monitoring plan for sub-recipients receiving CDBG public service grant funds. Monitoring is conducted by the City's HCD staff. Monitoring involves an in-house review of progress reports and expenditures, and when needed, an on-site visit of sub-recipients to ensure further compliance with federal regulations. The City's monitoring system encourages uniform reporting to achieve consistent information on beneficiaries. Technical assistance is provided as necessary. At a minimum, public service grant recipients receiving consecutive years of CDBG funding will undergo on-site monitoring every other year. If resources permit, they will be monitored annually. Any new grant recipient or a recipient that has displayed administrative/program issues will be monitored annually until adequate administrative/programmatic capacity can be ensured. A monitoring checklist has been developed by the City to assist with program evaluation and on-site monitoring.

Rental housing units that are subject to long-term affordability are also monitored. The HOME program has established time intervals to conduct on-site property inspections. These intervals are based on the number of rental units in the HOME-assisted project. HOME-required inspections can vary from once per year to once every three years. Costa Mesa has established a master list of HOME assisted units listing inspection intervals and dates for the next on-site inspection. To ensure qualified low-income households occupy rental units, an annual recertification of tenant eligibility is required by the City.

The City has actively sought to comply with the minority/women owned business outreach requirements of the HOME program. The City provides information regarding contracting opportunities to minority/women owned enterprises and minority/women business owner organizations. Additionally, the City requires CHDOs to undertake efforts to reach out to minority and women owned businesses with business opportunities.

Elements of the City's Outreach Plan include the following:

- The City will make an effort to place qualified small and minority businesses and women's business enterprises on solicitation lists.
- The City will assure that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources.
- The City may divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises.

- The City will endeavor to use the services of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce, as well as local minority chambers of commerce.

If subcontracts are used, the prime contractor will be required to take the action steps listed above to comply with minority and women owned business outreach efforts.

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Expected Resources

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

Introduction

HUD has announced that the City of Costa Mesa is receiving an allocation of \$907,261 in CDBG and \$378,720 in HOME funds. In addition, \$172,000 in prior year uncommitted CDBG funds, \$1,685,283 in prior year uncommitted HOME funds, and \$50,000 in prior year HOME program income (PI) are available for programming. The City's application for funds is in the form of the SF 424.

Ongoing reductions and fluctuations in CDBG and HOME funding make it difficult to estimate the amount that will be available over the five-year time period of the Consolidated Plan. With the loss of redevelopment funding, the only anticipated funds that may be available to implement the Consolidated Plan are general fund 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	907,261	0	172,000	1,079,261	3,600,000	Remainder estimate is based on an annual allocation of \$900,000. Estimate for the planning period is \$4,679,261.

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: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	\$378,720	\$50,000	\$1,685,283	\$2,114,003	1,600,000	Remainder estimate is based on an annual allocation of \$400,000. Estimate for the five-year planning period is \$3,714,003.

Table 45 - 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

The City continues to allocate General Fund and resources from the local Housing Authority (as the City's Successor Agency) for homeless services. In addition, the City will pursue funding available from the County and State to provide for homeless services and facilities.

The City has implemented a CalHome owner-occupied housing rehabilitation loan program. Therefore, loan expenditures from this program will provide a match source for the City's HOME program. Overall, the City has an accumulated HOME match surplus available to meet HOME match program requirements.

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

The City's Housing Element identifies City-owned and State-owned properties, and considers various options for the sites. Development opportunities are identified in the Housing Element. The most recent Housing Element covers years 2021 through 2029 and includes updates to the development opportunities to address the needs identified in the Consolidated Plan. For example, the Housing Element identifies the City's Senior Center property as a site for redevelopment to accommodate affordable housing units for seniors. The City Council approved the property for a 70-unit senior affordable housing complex that could be opened by 2027. In addition, the Housing Element identifies the State's Fairview Developmental Center site as a potential housing opportunity site. In December 2022, an agreement between the City and the State was signed which provided \$3.5 Million in State funds to the City for land use planning and zoning at the Fairview Developmental Center (FDC) site focused on accommodating housing for households at all income levels, with a priority for projects that provide housing for individuals with developmental disabilities. Meetings have been conducted for residents to provide input regarding community needs and values for the FDC site. City Council members expressed a desire to explore increasing the number of housing units on the FDC site beyond the 2,300 units identified in the Housing Element.

In 2019, the City used non-federal funds to acquire a property for the purpose of creating an emergency shelter. CDBG funds were used to provide interior and exterior improvements to the existing building to create, what is now, a 100-bed emergency shelter for homeless adult men and women.

Discussion

In recent years, HOME housing rehabilitation loan repayments have provided the City with additional funding; however, this source of funds is susceptible to the fluctuations of the economy and thus unpredictable. The City will actively pursue State and Federal funding to leverage local resources for affordable housing, homeless services and housing, and community development activities.

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	2025	2029	Affordable Housing	Citywide	Housing Preservation	CDBG: \$510,000 (Code \$385,000, Rehab \$125,000) HOME: \$1,881,808 (Rehab \$325,000, Affordable Housing \$1,500,000, CHDO \$56,808)	Rental units rehabilitated: 1 Household Housing Unit Homeowner Housing Rehabilitated: 20 Household Housing Unit Housing Code Enforcement/Foreclosed Property Care: 250 Household Housing Unit
2	Infrastructure and Facility Improvements	2025	2029	Non-Housing Community Development	Citywide CDBG Eligible Areas	Public Facilities and Infrastructure	CDBG: \$251,720	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 2,500 Persons Assisted
3	Homeless Continuum of Care	2025	2029	Homeless	Citywide	Homeless Services and Housing	CDBG: \$53,044 (Families Forward, Human Options) HOME: \$200,000 (TBRA)	Tenant-based rental assistance / Rapid Rehousing: 15 Households Assisted Homeless Person Overnight Shelter: 100 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Public Social Services	2025	2029	Non-Homeless Special Needs	Citywide	Public Services	CDBG: \$83,045	Public service activities other than Low/Moderate Income Housing Benefit: 622 Persons Assisted
5	Program Administration	2025	2029	Program Administration	Citywide	Program Administration	CDBG: \$181,452 HOME: \$37,872	Other: 1 Other

Table 46 – 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 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.
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 all HUD program requirements, including the provision of fair housing services.

Projects

AP-35 Projects – 91.220(d)

Introduction

This Action Plan outlines the steps that the City of Costa will use to address housing and community development needs in the City. The plan includes a listing of activities that the City will fund during FY 2025-2026 (July 1, 2025 through June 30, 2026) using CDBG and HOME funds.

Projects

#	Project Name
1	CDBG Administration
2	CDBG Fair Housing
3	CDBG Housing Rehabilitation Administration
4	CDBG Housing Rehabilitation
5	Assistance League - Newport Mesa
6	Families Forward
7	Human Options
8	Project Hope Alliance
9	Trellis International – Labors of Love
10	City of Costa Mesa Senior Social Services
11	CDBG Code Enforcement
12	CDBG Capital Improvements Project
13	HOME Administration
14	HOME Affordable Housing (CHDO)
15	HOME Affordable Rental Housing
16	HOME Housing Rehabilitation
17	HOME Tenant Based Rental Assistance (TBRA)

Table 47 – 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 a high need to merit funding. The primary obstacles to meeting the underserved needs of low- and moderate- income residents include a lack of funding from federal, state and local sources, and the high cost of housing combined with the low vacancy rate in Costa Mesa and throughout Orange County.

AP-38 Project Summary

Project Summary Information

1	Project Name	CDBG Administration
	Target Area	Citywide
	Goals Supported	Program Administration
	Needs Addressed	Program Administration
	Funding	CDBG: \$161,452
	Description	CDBG program oversight
	Target Date	06/30/2026
	Estimate the number/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
2	Project Name	CDBG Fair Housing
	Target Area	Citywide
	Goals Supported	Program Administration
	Needs Addressed	Program Administration/Fair Housing
	Funding	CDBG: \$20,000
	Description	Fair housing outreach, education and enforcement services
	Target Date	06/30/2026
	Estimate the number/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
3	Project Name	CDBG Housing Rehabilitation Administration
	Target Area	Citywide
	Goals Supported	Housing Preservation
	Needs Addressed	Housing Preservation
	Funding	CDBG: \$50,000
	Description	CDBG funds staff costs associated with the direct delivery of owner-occupied housing rehabilitation loans and grants
	Target Date	06/30/2026
	Estimate the number/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	77 Fair Drive, Costa Mesa, CA
4	Planned Activities	Staff costs associated with the delivery of housing rehabilitation loans and grants
	Project Name	CDBG Housing Rehabilitation Grants Program
	Target Area	Citywide
	Goals Supported	Housing Preservation
	Needs Addressed	Housing Preservation
	Funding	CDBG: \$75,000
	Description	CDBG funds for housing rehabilitation grants
	Target Date	06/30/2026
	Estimate the number/type of families that will benefit from the proposed activities	15 households

	Location Description	Citywide
	Planned Activities	Homeowner housing rehabilitation grants to address deferred property improvements and building code deficiencies
5	Project Name	Assistance League of Newport Mesa
	Target Area	Newport Mesa School District
	Goals Supported	Public Social Services
	Needs Addressed	Public Services
	Funding	CDBG: \$15,913
	Description	Shoes for low-income students
	Target Date	06/30/2026
	Estimate the number/type of families that will benefit from the proposed activities	300 individuals
	Location Description	Citywide
	Planned Activities	Shoes will be provided for low-income Costa Mesa students in the Operation SchoolBell – Feet First program
6	Project Name	Families Forward
	Target Area	Citywide
	Goals Supported	Homeless Continuum of Care
	Needs Addressed	Homeless Services and Housing
	Funding	CDBG: \$26,522
	Description	Housing Supportive Services
	Target Date	06/30/2026
	Estimate the number/type of families that will benefit from the proposed activities	33 individuals

	Location Description	Citywide
	Planned Activities	The program will provide housing support services for homeless Costa Mesa families with children
7	Project Name	Human Options
	Target Area	Citywide
	Goals Supported	Homeless Continuum of Care
	Needs Addressed	Homeless Services and Housing
	Funding	CDBG: \$26,522
	Description	Transitional Housing and Support Services
	Target Date	06/30/2026
	Estimate the number/type of families that will benefit from the proposed activities	58 individuals
	Location Description	Citywide
	Planned Activities	Transitional housing and support services for survivors of domestic violence
8	Project Name	Project Hope Alliance
	Target Area	Citywide
	Goals Supported	Public Social Services
	Needs Addressed	Public Services
	Funding	CDBG: \$21,219
	Description	Case management and wrap-around services for NMUSD students experiencing homelessness including one-on-one case management, mentoring, tutoring, college and FAFSA application assistance, job search assistance, basic needs support like food
	Target Date	06/30/2026

	Estimate the number/type of families that will benefit from the proposed activities	83 individuals
	Location Description	Citywide
	Planned Activities	CDBG funds will support the salaries of program staff to provide one-on-one case management, mentoring, tutoring, college and FAFSA application assistance, and job search assistance
9	Project Name	Trellis International – Labors of Love
	Target Area	Citywide
	Goals Supported	Public Social Services
	Needs Addressed	Public Services
	Funding	CDBG: \$15,913
	Description	Manual labor projects to help low-income seniors
	Target Date	06/30/2026
	Estimate the number/type of families that will benefit from the proposed activities	15 individuals
	Location Description	Citywide
	Planned Activities	CDBG will fund staff salaries and supplies to oversee volunteers and carry-out the program
10	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	06/30/2026
	Estimate the number/type of families that will benefit from the proposed activities	260 seniors
	Location Description	Program available citywide but based out of the Costa Mesa Senior Center located at 695 W. 19th Street, Costa Mesa, CA.
	Planned Activities	Funding for counseling and case management for seniors
11	Project Name	CDBG Special Housing Code Enforcement
	Target Area	CDBG Eligible Areas
	Goals Supported	Housing Preservation
	Needs Addressed	Housing Preservation
	Funding	CDBG: \$385,000
	Description	Enforcement of housing and building codes and connecting residents with housing-related resources
	Target Date	06/30/2026
	Estimate the number/type of families that will benefit from the proposed activities	200 Housing Units
	Location Description	77 Fair Drive, Costa Mesa, CA – City Hall
12	Planned Activities	Inspection and enforcement of housing and building codes in CDBG eligible declining/deteriorating areas combined with connecting residents to housing-related resources to halt the decline of the area.
	Project Name	Westside Street Improvements
	Target Area	CDBG Eligible Areas
	Goals Supported	Infrastructure and Facility Improvements
	Needs Addressed	Public Facilities and Infrastructure

	Funding	CDBG: \$251,720
	Description	Street Pavement Rehabilitation
	Target Date	06/30/2027
	Estimate the number/type of families that will benefit from the proposed activities	TBD – approximately 2,500
	Location Description	CDBG Eligible Areas: Census Tract 063803-3 – 063803-4
	Planned Activities	Rehabilitation of street pavement as an infrastructure project may include 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.
13	Project Name	HOME Administration
	Target Area	Citywide
	Goals Supported	Program Administration
	Needs Addressed	Program Administration
	Funding	CDBG: \$37,872
	Description	HOME funds for program oversight and coordination
	Target Date	06/30/2026
	Estimate the number/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
14	Project Name	HOME Affordable Housing (CHDO)
	Target Area	Citywide

	Goals Supported	Housing Preservation
	Needs Addressed	Housing Preservation
	Funding	HOME: \$56,808
	Description	HOME-CHDO funds reserved for eligible housing project (to be determined)
	Target Date	06/30/2027
	Estimate the number/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
15	Project Name	HOME Affordable Rental Housing
	Target Area	Citywide
	Goals Supported	Housing Preservation
	Needs Addressed	Housing Preservation
	Funding	HOME: \$1,500,000
	Description	Affordable Rental Housing Project TBD
	Target Date	06/30/2027
	Estimate the number/type of families that will benefit from the proposed activities	TBD
	Location Description	TBD
	Planned Activities	TBD
16	Project Name	HOME Housing Rehabilitation Grants and Loans Program
	Target Area	Citywide

	Goals Supported	Housing Preservation
	Needs Addressed	Housing Preservation
	Funding	HOME: \$325,000
	Description	HOME funds for owner-occupied housing rehabilitation loans and grants
	Target Date	06/30/2026
	Estimate the number/type of families that will benefit from the proposed activities	16 low- and moderate- income homeowners (1 loan and 15 grants)
	Location Description	Citywide
	Planned Activities	Housing rehabilitation loans and grants to address deferred property improvements and building code deficiencies
17	Project Name	HOME Tenant Based Rental Assistance (TBRA)
	Target Area	Citywide
	Goals Supported	Homeless Continuum of Care
	Needs Addressed	Homeless Services and Housing
	Funding	HOME: \$200,000
	Description	The City will use HOME funds for tenant based rental assistance to assist low-income residents with rental assistance to increase housing affordability
	Target Date	06/30/2026
	Estimate the number/type of families that will benefit from the proposed activities	15 low-income households with minor children
	Location Description	Citywide
	Planned Activities	HOME funds will be used to provide tenant-based rental subsidies

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 Fiscal Year 2025-2026 will mainly be available on a citywide basis to income eligible individuals (i.e., limited clientele). See **Appendix B** for the City's CDBG eligible areas.

Geographic Distribution

Target Area	Percentage of Funds
Citywide	90
CDBG Eligible Areas	10

Table 48 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The priority needs identified in the City's FY 2025-2029 Consolidated Plan form the basis for allocation investments geographically within the jurisdiction during FY 2025-2026. The established priorities are:

High Priority

- Housing Preservation
- Public Facilities and Infrastructure
- Homeless Services and Housing
- Public Needs Services
- Program Administration

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 in the City. 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 perhaps encourage homeowners to also invest in their homes.

Discussion

As indicated above, CDBG and HOME funds will focus 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 residents will also invest in their home and community.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

During Fiscal Year 2025-2026, 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	5
Non-Homeless	10
Special-Needs	5
Total	20

Table 49 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	15
Rehab of Existing Units:	15
Total	30

Table 50 - One Year Goals for Affordable Housing by Support Type

Discussion

The City will focus FY 2025-2026 HOME funds on the rehabilitation of existing owner-occupied housing units and tenant-based rental assistance (TBRA). The City will make CDBG funds available for the homeowner rehabilitation grants program to assist additional residents that may not be eligible for HOME funding. While not the primary focus of the program, some special-needs households (senior and disabled) may be assisted during the year via the City's Housing Rehabilitation Program. Additionally, the City will release an RFP or RFO for affordable rental housing projects in the City to be funded with prior year(s) uncommitted HOME funds that have been identified for FY 2025-2026.

Since 2020, the City has allocated more than \$2.7M to provide rapid rehousing and homelessness prevention services through City-wide rental assistance programs. It is anticipated that OCHA will continue to provide rental assistance to approximately 540 Costa Mesa renter households during FY 2025-2026.

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.

DRAFT

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

Introduction

As outlined in the Strategic Plan, the City's homeless strategy is to support programs that help to prevent homelessness by supporting 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, including the Costa Mesa Bridge Shelter 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

In recent years, the City has directly funded homeless outreach services with City General Funds and other non-HUD funds. The City of Costa Mesa Network for Homeless Solutions (NHS) is a ten-person team who meet people where they are to forge genuine relationships, make connections to services, and, ultimately, facilitate their transition into permanent housing. Partnering agencies are CityNet, PATH (Orange County North and Central Service Planning Area (SPA) contracted outreach provider), Save Our Selves (SOS), Lighthouse Church, Mercy House, Trellis, Chrysalis, Project Hope Alliance, Meals on Wheels OC, Families Forward, Serving People In Need (SPIN), and Someone Cares Soup Kitchen.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City owns and operates a 100-bed emergency shelter including 15 beds for individuals experiencing homelessness with behavioral health needs. The facility is funded in partnership with the City of Newport Beach. Mercy House, a nonprofit organization, is the Shelter Operator and Bracken's Kitchen, a nonprofit organization, operates the full-service commercial kitchen. Shelter partners are Mercy House, Bracken's Kitchen, Trellis, Orange County Housing Authority (OCHA), Santa Ana Housing Authority (SAHA), Anaheim Housing Authority (AHA) and Garden Grove Housing Authority (GGHA). The City utilized CDBG funds to repurpose a warehouse into the shelter facility in 2019. Since that time, the Bridge Shelter has assisted over 1,000 individuals with emergency shelter and associated services including housing 190 shelter participants and housing 240 individuals through street outreach for a total of 430 housed between April 14, 2019 and February 28, 2025.

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

The Network for Homeless Solutions (NHS) includes a ten-person team of Outreach Workers, a 100 - bed emergency shelter, and the provision of affordable/supportive housing. Each one of these components

seeks to engage with those experiencing homelessness to ensure full access to all available resources and a smooth transition into permanent housing. This constant engagement shortens the length of homelessness and ensures those that have secured permanent housing are able to thrive in their new environments. Since April 2019, the City of Costa Mesa has assisted 430 formerly homeless people to secure permanent housing. Additionally, the City utilizes HOME funds to provide tenant based rental assistance to low and very-low income households both experiencing and at-risk of homelessness. The City is committed to increasing access to affordable housing units through advocacy for and development of affordable and supportive housing units. The City's first Permanent Supportive Housing project completed its first stage of housing units in FY 2023-2024 and currently houses formerly homeless residents. Families Forward has two affordable housing projects in Costa Mesa that continue to house 16 (previously homeless) households with minor children. The City's COC partners include Mercy House, Families Forward, Jamboree Housing, Trellis, CityNet, SPIN, Orange County Office of Care Coordination, Orange County Housing and Community Development, HUD, State HCD, and Orange County Housing Finance Trust. Additionally, the City has allocated the majority of its HOME-ARP grant funds for supportive services including legal services, case management services and outreach services for individuals experiencing or at-risk of homelessness in an effort to prevent homelessness and/or shorten the period of time that individuals or families experience homelessness.

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. Additionally, The City has also used and continues to use (until funds are expended) CDBG-CV and ARPA funds to provide emergency rental assistance to low-income residents facing financial hardships as a result of the Coronavirus pandemic and its subsequent impact to the economy. Since 2020, the City has allocated more than \$2.7M to provide rapid rehousing and homelessness prevention services through City-wide rental assistance programs.

Discussion

In addition to the above, on November 7, 2023, the City Council adopted an urgency Ordinance for Just Cause Residential Tenant Protections. \$250,000 in ARPA funds were allocated to provide eviction and

rental-related legal services including, but not limited to court filings, to enforce the eviction protection provisions of the Costa Mesa Municipal Code regarding unlawful acts in connection with no-fault just cause evictions. Three full time equivalent (FTE) positions were added to implement, monitor and enforce the subject Ordinance including two community outreach workers. The City has implemented a Community Outreach and Education Plan to inform both owners and tenants of their rights regarding evictions as well as the resources available to them. The City funds Project Hope Alliance (PHA) with CDBG and HOME-ARP funds to provide on- and off-campus case management of homeless and at-risk Newport Mesa Unified School District (NMUSD) students and their families. The services provided by PHA are vital to preventing both current and future homelessness for Costa Mesa residents.

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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. The current Housing Element covers the eight-year planning cycle of 2021-2029 and provides updated strategies to address barriers to affordable housing since the completion of the FY 2020-2024 consolidated planning process. The City will continue efforts to address these barriers, incorporating the updated strategies throughout the FY 2025-2029 Consolidated Plan.

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. Implementation actions identified in the City's current Housing Element and progress reports to address the negative effects that serve as barriers to affordable housing include:

The City Plans to regularly monitor deed-restricted units that have the potential of converting to market-rate during the planning period, work with the property owner on potential extensions past the current agreement to extend the affordability period, and comply with noticing requirements and coordinate with qualified entities to preserve at-risk units.

The City initiated the affordable housing ordinance effort in 2021, retaining Keyser Marston Associates (KMA). Since then, KMA completed the required Financial Evaluation and the City conducted 17 stakeholder meetings, two joint Council/Planning Commission Study Sessions and completed the draft Ordinance. The final Affordable Housing Ordinance (Ordinance No. 2024-02) was approved at the regularly scheduled City Council meeting on August 6, 2024.

The Affordable Housing Ordinance will require residential developments with 50 units or more to include an affordable housing component. The residential development must set aside a portion of the residential units as affordable, or provide land dedication, or construct off-site affordable units, or pay in-lieu fees. To implement the Affordable Housing Program, the City would rezone non-residentially zoned properties located along major corridors to allow for higher density housing with reduced parking requirements and the allowance of affordable rents for low-income units to be calculated based on 80% of the area median income (AMI) where 60% is required under state density bonus law. Adding

residential development as an allowed use at higher densities creates land value and incentivizes housing production overall.

The City will pursue State and regional funding for affordable housing development. The City will also pursue local partnerships and meet annually with affordable housing organizations to encourage the development of housing affordable to all segments of the population. Additionally, the City will establish development incentives (i.e. deferment of fees, priority processing, modified development standards, etc.) for affordable housing projects that meet objective evaluation criteria similar to the process for density bonus concessions. The City will also develop clear instructional materials for achieving incentives and make them publicly available on the City's website.

The City will review planning application fees, with a special focus on the density bonus fee, and update the fee(s) to avoid creating a constraint to the development of affordable housing.

Discussion:

The City's Housing Element outlines the City's plan to address barriers to affordable housing. The City of Costa Mesa followed certain "guiding principles" in developing its approach and strategy for accommodating future housing growth. These guiding principles assist with implementation of the housing goals, policies and programs and will aid overall decision making. The guiding principles are rooted in community engagement and local knowledge and input into the planning process. The guiding principles are as follows:

The City will plan for future housing primarily along major commercial, industrial, and mixed use corridors within Costa Mesa that are compatible with growth, while preserving established residential neighborhoods.

Each neighborhood, community, and district within Costa Mesa has its own unique characteristics and needs. Future housing growth will build upon Costa Mesa's history and complement the diversity and unique characteristics that already exist within each area.

The City will plan for a diverse range of housing forms, types, and densities to address the housing needs of an inclusive and diverse community and provide housing opportunities that meet the needs of all residents, including low-income households, seniors, multi-generational families, larger households, and special needs groups.

AP-85 Other Actions – 91.220(k)

Introduction:

The priority needs identified in the City's FY 2025-2029 Consolidated Plan form the basis for allocation investments geographically within the jurisdiction during FY 2025-2026. The established priorities are:

High Priority

- Affordable Housing Preservation
- Public Facilities and Infrastructure
- Homeless Services and Housing
- Public Needs Services
- Program Administration

Outlined below are the actions the City will implement to address the sub-strategies of 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. The City's housing rehabilitation program assists elderly and lower-income homeowners in improving their residences to address specific household needs and the City's tenant based rental assistance program assists low-income families with minor children to keep them in permanent housing. 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 March 2025, 540 households in Costa Mesa were receiving Housing Choice Vouchers. Among these households, 95 included members with disabilities, 394 with at least one elderly person, 35 Veteran households, and 63 family households. Among these households, 29 were homeless at admission. OCHA re-opened its waiting list on September 18, 2023. As of March 2025, there are 293 Costa Mesa names on the 2023 waiting list including 161 disabled persons, 109 elderly, 42 families, 19 currently homeless and 27 Veterans. The waiting list from 2012 has a total of 15 households on it including 3 disabled persons, 5 elderly persons, 7 families and 1 currently homeless.

Actions planned to foster and maintain affordable housing

The City of Costa Mesa has identified the actions it will undertake during Fiscal Year 2025-2026 to foster and maintain affordable housing. The Consolidated Plan identified programs such as Owner-Occupied Housing Rehabilitation assistance as the means to maintain and improve housing currently available to by low- and moderate-income residents. By providing deferred payment loans and grants, lower income households are able to rehabilitate their residence to meet basic housing quality standards and incur zero or minimal additional housing costs. An estimated 16 housing units will be assisted with HOME

funds during Fiscal Year 2025-2026. The City will also allocate CDBG funding for housing rehabilitation grants in FY 2025-2026, to assist homeowners with rehabilitation projects that would not qualify for funding under the HOME program. Additionally, the City has allocated HOME CHDO funds to accommodate a potential housing project and identified uncommitted HOME entitlement funds from prior years to issue a Request for Proposals (RFP) or a Request for Qualifications (RFQ) to solicit applications for funding and/or selecting developers, service providers, subrecipients and/or contractors for the development of permanent affordable rental housing in the City.

Actions planned to reduce lead-based paint hazards

Based on past housing rehabilitation program statistics, only a small percentage of housing units that were rehabilitated with City resources contain lead-paint hazards. To ensure compliance with program regulations, all housing units that were constructed before 1978, that are rehabilitated with City resources, will be tested for lead-paint hazards. If needed, additional grant funds can 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 Fiscal Year 2025-2026 the City will fund the following activities to support implementation of this strategy:

- Housing rehabilitation grants and loans for lower-income senior and disabled homeowners
- Support rental assistance programs provided by the OCHA for very-low income renters and provide tenant based rental assistance to residents who are severely rent burdened
- Support services for individuals presently housed but at risk of losing their residence. Also, assist those already homeless in need of emergency shelter, 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 five-year and one-year plans that highlight its mission, goals and objectives as it relates 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. 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 to coordinate the efficient and effective use of limited resources 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. The City participated with all 34 cities in Orange County to develop an updated Orange County Regional Assessment of Fair Housing for FY2025-26 through FY2029-30. An executive summary of the Regional Assessment of Fair Housing **approved by City Council on May 20, 2025** is found in **Appendix F**.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(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(I)(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%

The City will meet the CDBG Program's overall 70% benefit for low- and moderate-income requirement over three program years; **2023-2024, 2024-2025, and 2025-2026.**

**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 were to be redirected to such a program, steps will be taken to ensure program guidelines comply with 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:

As indicated above, the City has not, and does not plan to use HOME funds for homebuyer assistance; however, if funds were to be redirected to such a program, the applicable loan agreement would 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:

The City has not proposed use of HOME funds to refinance existing debt secured by multifamily housing; however, if funds were to be redirected to such a program, program staff will ensure that all applicable program policies are followed including establish refinancing guidelines and amending the Consolidated Plan to include guidelines.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).

N/A

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

N/A

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

N/A

Appendix - Alternate/Local Data Sources

1	Data Source Name
	Detail Homeless Information
	List the name of the organization or individual who originated the data set.
	211OC, Orange County United Way
	Provide a brief summary of the data set.
	The Point-in-Time (PIT) count is a count of sheltered and unsheltered homeless persons on a single night during the last 10 days of January. The data is from the 2024 Final Point in Time Report.
	What was the purpose for developing this data set?
	Enumeration of homeless in Orange County.
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?
	Survey based on HUD's best practices point-in-time methodology.
	What time period (provide the year, and optionally month, or month and day) is covered by this data set?
	Information is provided in narratives.
	What is the status of the data set (complete, in progress, or planned)?
	Complete
2	Data Source Name
	Orange County Housing Authority Data
	List the name of the organization or individual who originated the data set.
	Orange County Housing Authority (OCHA)

	<p>Provide a brief summary of the data set.</p> <p>OCHA provided the number of Costa Mesa residents receiving assistance through certificates and vouchers.</p>
	<p>What was the purpose for developing this data set?</p> <p>The purpose of this data set was to provide data specific to Costa Mesa Public Housing rather than the Orange County-wide provided by HUD through the Housing Authority.</p>
	<p>Provide the year (and optionally month, or month and day) for when the data was collected.</p> <p>March 2024</p>
	<p>Briefly describe the methodology for the data collection.</p> <p>The data was collected by OCHA and was sent to Costa Mesa upon request.</p>
	<p>Describe the total population from which the sample was taken.</p> <p>The population is Costa Mesa residents receiving assistance through OCHA.</p>
	<p>Describe the demographics of the respondents or characteristics of the unit of measure, and the number of respondents or units surveyed.</p> <p>Persons assisted through OCHA.</p>
3	<p>Data Source Name</p> <p>2016-2020 ACS Vacant Units</p>
	<p>List the name of the organization or individual who originated the data set.</p> <p>American Community Survey</p>
	<p>Provide a brief summary of the data set.</p> <p>2016-2020 estimates of vacant units in Costa Mesa.</p>
	<p>What was the purpose for developing this data set?</p> <p>The purpose of this dataset is to estimate then number of vacant units suitable for rehabilitation.</p>
	<p>Provide the year (and optionally month, or month and day) for when the data was collected.</p> <p>2016-2020 estimates</p>
	<p>Briefly describe the methodology for the data collection.</p> <p>Data was collected by the Census Bureau.</p>
	<p>Describe the total population from which the sample was taken.</p> <p>A sample of Costa Mesa's housing stock was surveyed to provide estimates.</p>
	<p>Describe the demographics of the respondents or characteristics of the unit of measure, and the number of respondents or units surveyed.</p> <p>Housing Units</p>

Appendix

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