

HOUSING AUTHORITY

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

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

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

Covenant Monitoring and Administration - 11500

Rental Rehabilitation – 20425

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

Housing Authority Administration – 20600

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

Costa Mesa Family Village – 20620

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

First Time Homebuyer Program – 20625

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

Habitat For Humanity – 20630

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

Single Family Rehabilitation Program – 20640

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

St. John Manor – 20650

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

Costa Mesa Village – 20655

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

Housing Development And Preservation Of Affordable Housing - 11500

James/West 18th Street Property – 20635

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

Homeless Outreach And Bridge Shelter Operation - 14300

Homeless Outreach – 20605

Homeless Outreach's primary activities are community outreach and working with various organizations and governmental agencies to identify housing solutions for Costa Mesas homeless population. The General Fund will provide funding for program expenses in excess of the Low and Moderate Income Housing Asset Funds (LMIHAFs) \$250,000 allowance for this category.

Bridge Shelter Operation – 20606

Another new component to the Housing Authority is the operation of the City's permanent bridge shelter program, which is located at 3175 Airway Avenue. This program provides transitional housing and support services for up to 100 homeless adults.

Behavioral Health Bridge Housing Program- 20670

The primary focus of the BHBH Program is to assist individuals experiencing homelessness who have serious behavioral health conditions that prevent them from accessing resources and securing permanent housing. Beginning in Fiscal Year 2023-24 a Memorandum of Understanding between the Orange County Health Care Agency (OCHCA) and the City of Costa Mesa was entered to establish BHBH services.

Budget Narrative

The Fiscal Year 2026-27 budget for the Housing Authority is approximately \$4.5 million, a decrease of \$299,260, or 6 percent, compared to the adopted budget for Fiscal Year 2025-26. The decrease of \$299,260 is primarily due to lower costs for shelter services.

	FY 23-24 Actuals	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	FY 26-27 Proposed Budget
REVENUES BY FUNDING SOURCE				
Behavioral Health Services			\$ 972,051	\$ 972,051
Costa Mesa Family Village Ground Lease	\$ 231,776	\$ 200,000	200,000	200,000
James/W. 18th Street Property	248,386	250,000	250,000	300,000
Investment Income	90,317	23,400	-	-
Loan Repayments	115,500	200,000	390,000	390,000
RDA Loan Repayment from DOF (Annual ROPS)	-	381,141	-	-
State SB 2 Grant	-	324,000	-	-
General Fund Contribution	1,264,993	1,264,993	1,264,993	1,264,993
Other Governmental Agencies	1,266,243	1,000,000	1,359,219	446,205
Donations	1,532	-	-	-
Use of Fund Balance	-	1,549,646	834,559	2,108,103
Transfers in from (State Grants)	2,662,644	454,308	750,000	-
Total Housing Authority Revenues	\$ 5,881,391	\$ 5,647,488	\$ 6,020,822	\$ 5,681,352

	FY 23-24 Actuals	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	FY 26-27 Proposed Budget
EXPENSE CATEGORY BY PROGRAM				
COVENANT MONITORING AND ADMINISTRATION - 11500				
Housing Authority Administration - 20600				
Salaries and Benefits	\$ 62,021	\$ 114,319	\$ 111,697	\$ 70,696
Maintenance and Operations	9,381	31,303	60,000	60,000
Subtotal Housing Authority Administration	\$ 71,403	\$ 145,622	\$ 171,697	\$ 130,696
Costa Mesa Family Village - 20620				
Maintenance and Operations	\$ -	\$ -	\$ 5,000	\$ -
Subtotal Costa Mesa Family Village	\$ -	\$ -	\$ 5,000	\$ -
First Time Homebuyer Program - 20625				
Maintenance and Operations	\$ -	\$ -	\$ 11,000	\$ -
Subtotal First Time Homebuyer Program	\$ -	\$ -	\$ 11,000	\$ -
Habitat for Humanity - 20630				
Maintenance and Operations	\$ -	\$ -	\$ 7,000	\$ 7,000
Fixed Assets	50,854	56,505	-	-
Subtotal Habitat for Humanity	\$ 50,854	\$ 56,505	\$ 7,000	\$ 7,000
Single Family Rehabilitation Program - 20640				
Maintenance and Operations	\$ -	\$ -	\$ 20,000	\$ -
Subtotal Single Family Rehabilitation Prog.	\$ -	\$ -	\$ 20,000	\$ -

	FY 23-24 Actuals	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	FY 26-27 Proposed Budget
COVENANT MONITORING AND ADMINISTRATION - 11500 (Continued)				
St. John Manor - 20650				
Maintenance and Operations	\$ -	\$ -	\$ 5,000	\$ -
Subtotal St. John Manor	\$ -	\$ -	\$ 5,000	\$ -
Costa Mesa Village - 20655				
Maintenance and Operations	\$ -	\$ -	\$ 3,100	\$ -
Subtotal Costa Mesa Village	\$ -	\$ -	\$ 3,100	\$ -
Subtotal Covenant Monitoring and Admin.	\$ 122,257	\$ 202,127	\$ 222,797	\$ 137,696
HOUSING DEVELOPMENT AND PRESERVATION OF AFFORDABLE HOUSING - 11500				
James/West 18th Street Property - 20635				
Salaries and Benefits	\$ 40,107	\$ 50,035	\$ 65,226	\$ 60,070
Maintenance and Operations	262,122	189,594	202,500	\$ 202,500
Fixed Assets	-	-	27,600	27,600
Subtotal James/West 18th Street Property	\$ 302,229	\$ 239,629	\$ 295,326	\$ 290,170
HOMELESS OUTREACH AND BRIDGE SHELTER OPERATION - 11310 11500 14300 11100				
CDBG-CV - 20435				
Salaries and Benefits	\$ 1,136	\$ 2,109	\$ -	\$ -
Maintenance and Operations	\$ 170,027	\$ 21,860	\$ -	\$ -
Subtotal Homeless Outreach	\$ 171,163	\$ 23,968	\$ -	\$ -
Tenant Based Rental Assistance - 20448				
Salaries and Benefits	\$ -	\$ 255,389	\$ 208,314	\$ 221,075
Maintenance and Operations	\$ -	\$ 375,765	\$ -	\$ -
Subtotal Homeless Outreach	\$ -	\$ 631,153	\$ 208,314	\$ 221,075
Homeless Outreach - 20605 *				
Salaries and Benefits	\$ 1,145,954	\$ 1,355,216	\$ 1,535,537	\$ 1,664,517
Maintenance and Operations	63,659	281,803	108,243	108,243
Subtotal Homeless Outreach	\$ 1,209,613	\$ 1,637,019	\$ 1,643,780	\$ 1,772,760
Bridge Shelter Operation - 20606				
Maintenance and Operations	\$ 3,246,644	\$ 2,333,618	\$ 2,678,553	\$ 2,278,553
Fixed Assets	33,233	-	-	-
Subtotal Bridget Shelter Operation	\$ 3,279,877	\$ 2,333,618	\$ 2,678,553	\$ 2,278,553
Behavioral Health Services - 20670				
Salaries and Benefits	\$ -	\$ 166,888	\$ 284,050	\$ 293,097
Maintenance and Operations	\$ -	\$ 471,904	\$ 688,001	\$ 688,001
Fixed Assets	-	281,539	-	-
Subtotal Behavioral Health Services	\$ -	\$ 920,330	\$ 972,051	\$ 981,098

	FY 23-24 Actuals	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	FY 26-27 Proposed Budget
TOTAL HOUSING AUTHORITY				
Salaries and Benefits	\$ 1,249,219	\$ 1,943,955	\$ 2,204,824	\$ 2,309,455
Maintenance and Operations	3,751,833	3,705,847	3,788,397	3,344,297
Fixed Assets	84,087	338,043	27,600	27,600
Total Housing Authority	\$ 5,085,139	\$ 5,987,845	\$ 6,020,821	\$ 5,681,352