AGENDA STAFF REPORT

Control: 26001621

MEETING DATE:	08/25/2026
LEGAL ENTITY TAKING ACTION:	Orange County Housing Authority
BOARD OF SUPERVISORS DISTRICT(S):	District 5
SUBMITTING AGENCY/DEPARTMENT:	OC Community Resources
DEPARTMENT CONTACT PERSON(S):	Dylan Wright, 714-480-2788 Julia Bidwell, 714-480-2991

SUBJECT: Approve Additional Project-Based Voucher for Costa Mesa Senior

CEO CONCUR	**COUNTY COUNSEL REVIEW**	**CLERK OF THE BOARD**
Concur	No Legal Objection	DISCUSSION 3 Votes Board Majority

Budgeted: N/A	**Current Year Cost:** N/A	**Annual Cost:** N/A
Staffing Impact: No		**Sole Source:** No
Current Fiscal Year Revenue: N/A	**Funding Source:** N/A	**County Audit in Last 3 years:** No
Levine Act Review Completed? Yes		

Prior Board Action: 3/24/2026 #16, 2/10/2026 #S30B, 2/25/2025 #22, 2/27/2024 #35

RECOMMENDED ACTION(S):

Acting as the Board of Commissioners to the Orange County Housing Authority:

1. Approve the selection of Costa Mesa Senior for the utilization of one Project-Based Voucher under the 2026 Supportive Housing Notice of Funding Availability, in accordance with the policies and procedures in the Orange County Housing Authority Administrative Plan, and authorize the execution of all related documents, instruments and agreements to implement this action.

2. Authorize the Executive Director of the Orange County Housing Authority or designee to execute agreements necessary to finalize the commitment of one additional U.S. Department of Housing and Urban Development Project-Based Voucher for Costa Mesa Senior, consistent with the business terms, financial conditions and contingencies outlined in this Agenda Staff Report and approved as to form by County Counsel.

SUMMARY:

Approval of one additional Project-Based Voucher for Costa Mesa Senior will help support the development and operation of permanent supportive housing for seniors in Orange County.

BACKGROUND INFORMATION:

On February 27, 2024, the Board of Supervisors (Board) approved the recommended changes in policy and process for the 2023 Supportive Housing Notice of Funding Availability First Amendment (2023 NOFA) and authorized the OC Community Resources (OCCR) Director or designee to issue the 2023 NOFA First Amendment, making available up to $32.7 million in funding and up to 218 Project-Based Vouchers (PBVs) for the development of extremely low-income housing and to return to the Board for funding commitments to individual projects. Units funded through the 2023 NOFA receive direct referrals through the County of Orange's (County) Coordinated Entry System (CES).

On February 25, 2025, the Board approved the recommended changes in policy and process for the 2025 Supportive Housing Notice of Funding Availability (2025 NOFA) and authorized the OCCR Director or designee to issue the 2025 NOFA making available up to $12.05 million in funding and up to 150 PBVs for the development of extremely low-income housing and return to the Board for funding commitments to individual projects.

On February 10, 2026, the Board approved the recommended changes in policy and process for the 2026 Supportive Housing Notice of Funding Availability (2026 NOFA) and authorized the OCCR Director or designee to issue the 2026 NOFA, making available up to $20.9 million in funding and up to 100 PBVs for the development of extremely low-income housing and to return to the Board for funding commitments to individual projects.

On March 24, 2026, the Board approved a loan commitment of up to $3,990,800 in capital funding under the 2023 NOFA First Amendment and 2025 NOFA to a limited partnership to be formed by Jamboree Housing Corporation (Developer) for the development of a 70-unit affordable and permanent supportive housing development located at 695 West 19th Street in the City of Costa Mesa (City) known as Costa Mesa Senior (Development). The Board also approved selection of the Development for utilization of up to 34 PBVs.

After the Board approval, the Developer continued to refine the Development financing plan and determined that one more additional Permanent Supportive Housing (PSH) unit was needed for the Development to qualify under the California Tax Credit Allocation Committee (CTCAC) Special Needs Set-Aside. To meet that requirement, the Development was updated to include 35 PSH units, which represents 50 percent of all units. Because the County had previously committed up to 34 PBVs, the Developer is now requesting one additional PBV from the 2026 NOFA, bringing the total request to up to 35 PBVs to support the added PSH unit.

The Development will consist of 68 one-bedroom units and two two-bedroom units, including one manager's unit. With the addition of the requested PBV, 35 units will be designated for seniors experiencing homelessness with household incomes at or below 30 percent of Area Median Income (AMI) and will receive rental assistance. The remaining affordable units will serve households earning up to 60 percent AMI.

The Development will continue to provide on-site supportive services, property management and community amenities as originally planned. No other material changes are being made to the Development. With the additional PBV, the number of County-restricted units in the Development will increase from 23 to 24 units. As a result, the County's previously approved $1.5 million 15G Reserve loan will now be allocated across 11 units instead of 10 units which will reduce the effective per-unit subsidy from approximately $150,000 to $136,364.

The remaining 11 PSH units will continue to be restricted through funding provided by the OC Housing Finance Trust. All other financing terms, affordability requirements, and Development conditions that were approved by the Board on March 24, 2026, remain unchanged.

The Developer was awarded nine percent Low-Income Housing Tax Credits on June 22, 2026, out of the Special Needs Set Aside.

Below are the updated financial summary highlights of the Construction and Permanent Financing phase of Development.

Construction Source of Funds	**Funding Amount**
Construction Loan	$27,500,000
County (Mental Health Services Act (MHSA))	$2,490,800
County (15G Reserves)	$1,500,000
City – Capital Loan	$3,250,000
City – Land Donation	$10,500,000
OC Housing Finance Trust (MHSA)	$1,844,340
CalOptima Health	$5,000,000
Impact Fee Waiver	$700,000
Deferred Fees and Costs	$1,633,784
Tax Credit Equity (Construction)	$4,731,527
Total Sources of Funds	**$59,150,451**

Permanent Sources of Funds	**Funding Amount**
Permanent Loan	$7,531,163
County (MHSA)	$2,490,800
County (15G Reserves)	$1,500,000
City – HOME Investment Partnerships Program	$3,250,000
City – Land Donation	$10,500,000
OC Housing Finance Trust (MHSA)	$1,844,340
CalOptima Health	$5,000,000
Impact Fee Waiver	$700,000
Deferred Developer Fee	$339,717
Tax Credit Equity (Permanent)	$25,994,431
Total Sources of Funds	**$59,150,451**

Construction Uses of Funds	
Acquisition	$10,560,000
Construction	$34,546,970
Architectural / Survey / Engineering	$1,550,000
Loan Interest & Fees	$3,517,708
Hard & Soft Cost Contingency	$2,394,639
Legal Fees	$400,000
Reserves	$379,787
Other Costs	$3,001,347

Developer Fee	$2,800,000
Total Costs	**$59,150,451**

Note: Financing subject to change prior to construction and completion of Development. Underwriting guidelines are in accordance with 2025 NOFA.

Regional Housing Needs Allocation (RHNA) Transfer

Per Section 2.08 of the 2026 NOFA, developments that receive County local and regional revenues (e.g., General Funds, Housing Successor Agency funds, 15G Reserves funds, and PBVs), the County requires acceptance of a RHNA credit transfer. The transfer would reduce the County's RHNA allocation and increase the city's allocation proportionately as allowed under Government Code Section 65584.07. The transfer is calculated pro-rata, based on the share of County funds compared to city funds invested in the total number of County assisted units. This transfer must be approved by the city in which the development is located.

For this Development, the County will require RHNA transfer for one additional County assisted unit pursuant to the 2026 NOFA policies, in addition to the 10 County-restricted units under the 2025 NOFA policies, as approved by the Board on March 24, 2026.

Commitment of the County loan(s) and PBVs are contingent upon the following:

1. Completion and approval of California Environmental Quality Act (CEQA), as applicable.
2. Evidence of commitment of all construction and permanent financing sources, including tax cred award.
3. Receipt and approval of final project development costs and revised final development proforma an financing plan (including cash flow analysis) to reflect all final funding approvals.
4. Approval and execution of the Memorandum of Agreement for RHNA transfer of 11 County-assiste units in accordance with Section 2.08 of the 2025 NOFA and 2026 NOFA.

The PSH units in this development are part of the 2,396 PSH units identified in the Housing Funding Strategy 2022 Update to address housing needs for individuals and households experiencing homelessness. These PSH units will contribute to the progress of this effort and provide much needed supportive housing in the near future.

In addition, the up to 35 PSH units in this Development will follow the best practices, guiding principles and commitments outlined in the Homeless Service System Pillars Report, which was created by the Commission to Address Homelessness.

Compliance with CEQA: This action is not a project within the meaning of California Environmental Quality Act (CEQA) Guidelines Section 15378 and is therefore not subject to CEQA, since it does not have the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The approval of this agenda item does not commit the County to a definite course of action in regard to a project since it is for approval of a County commitment to provide one additional PBV for the Development and to support the production of supportive housing in Orange County. This proposed activity is therefore not subject to CEQA. Any future action connected to this approval that constitutes a project will be reviewed for compliance with CEQA.

Compliance with NEPA: Per 24 Code of Federal Regulations Part 58 (Attachment B), an Environmental Assessment of the project was completed and an Authority to Use Grant Funds was issued by HUD on October 27, 2025, for the PBVs. A subsequent Compliance Evaluation and Statutory Checklist, a supplemental environmental review to evaluate the addition of one (1) PBV, is underway and will be finalized prior to closing.

FINANCIAL IMPACT:

This action does not result in any new County financial obligations. The additional Project-Based Voucher allocation does not require County General Fund resources.

STAFFING IMPACT:
N/A

REVIEWING AGENCIES/DEPARTMENTS:
Office of Care Coordination
Health Care Agency

ATTACHMENTS:
Attachment A – California Code of Regulations Title 14 Section 15378
Attachment B – Code of Federal Regulations Title 24 Subtitle A Part 58