



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
June 4, 2024

TOPIC: Affordable Housing Covenants

AGENDA TITLE

Third Amendment to the Joseph House Loan Agreement and Affordable Housing Covenants with Mercy House Living Centers to Allow for Permanent Housing with Supportive Services for Low-Income Families at 210 E 16th Street

RECOMMENDED ACTION

Authorize the Executive Director of the Housing Authority to execute a Third Amendment to the Joseph House Loan Agreement and Affordable Housing Covenants with Mercy House Living Centers, formerly known as Mercy House Transitional Living Centers, to allow for permanent housing with supportive services for low-income families rather than offering housing to a target population of low-income men at 210 16th Street (contingent upon approval of the same City Council action) (Agreement No. A-2024-XXX).

GOVERNMENT CODE §84308 APPLIES: Yes

DISCUSSION

Mercy House has operated Joseph House as a transitional housing program for homeless single men in the community since 1990. On April 11, 2006, the City of Santa Ana and the former Community Redevelopment Agency of the City of Santa Ana (RDA) entered into a Loan Agreement and Affordable Housing Covenants with Mercy House Transitional Living Centers (Mercy House) for the rehabilitation of the Joseph House project located at 210 E 16th Street. At the time of the loan agreement in 2006, the City provided HOME Investment Partnerships Program (HOME Program) and RDA tax increment funds for the rehabilitation of the property.

Due to funding and policy changes at the federal level, a first amendment to the Loan Agreement was entered into on December 1, 2016 to modify the Joseph House transitional housing program to become a dual-purpose facility offering both transitional housing and permanent housing with supportive services for single homeless men from Santa Ana. A second amendment was entered into on November 7, 2017 to allow for the remaining transitional housing unit to be turned into permanent affordable housing and dissolve transitional housing and shelter at the project.

Mercy House is now requesting a third amendment to allow for permanent housing with

supportive services for low-income families, rather than offering housing to a target population of low-income men. Tenants will not need to be relocated and there will be a transition strategy to eventually accommodate low-income families as units become available due to attrition. This transition will be seamless and non-disruptive to current tenants, ensuring that no tenant currently benefiting from the program will be displaced.

Mercy House is proposing to use two units as shared housing, with no more than two residents to a room. The two units are further identified in Exhibit 1 and would have a total of five bedrooms. Within the two units used for shared housing, two rooms shall be available as private bedrooms for a single individual. The rent for the private bedrooms would be more than the shared bedrooms, subject to affordability requirements set forth in the agreement.

FISCAL IMPACT

There is no fiscal impact associated with this action.

EXHIBIT

1. Third Amendment to Joseph House Loan Agreement and Affordable Housing Covenants

Submitted By: Michael L. Garcia, Executive Director of Community Development

Approved By: Alvaro Nuñez, Acting City Manager