



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 26-228

Meeting Date: 4/21/2026

TITLE:

ADOPTION OF ORDINANCE AMENDING CHAPTER III OF TITLE 15 OF THE COSTA MESA MUNICIPAL CODE RELATING TO PUBLIC WORKS - DRAINAGE

DEPARTMENT: PUBLIC WORKS DEPARTMENT / ENGINEERING DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: SEUNG YANG, P.E., CITY ENGINEER, (714) 754-5335

RECOMMENDATION:

Staff recommends the City Council give second reading and adopt Ordinance No. 2026-05, to be read by title only, approving revisions to Chapter III of Title 15 of the Costa Mesa Municipal Code (Public Works-Drainage) to incorporate updated drainage impact fees, revise administrative provisions for fee collection, and align City code language with current state law and the City's adopted Storm Drainage Impact Fee Nexus Study.

BACKGROUND:

On October 15, 2024, the City Council reviewed and accepted Phase 1 of the Storm Drain System Master Plan Update, which included an "Existing Conditions Assessment Report" (ECAR) and the "Proposed Drainage and Water Quality Improvements" report.

On March 17, 2026, the City Council opened a public hearing and continued an introduction and first reading, by title only, of an ordinance amending Chapter III of Title 15 of the Costa Mesa Municipal Code relating to drainage to the April 7, 2026, City Council meeting.

During its regularly scheduled City Council meeting on April 7, 2026, the Council, while approving the proposed staff recommendation, requested minor revisions to the proposed ordinance to clarify the appeal process for drainage fee adjustments. Specifically, the requested revisions establish that appeals based on increased site permeability, including permeable surfaces, bioswales, or other stormwater infiltration features, shall be subject to final review and approval by the Public Works Director.

The requested revisions are incorporated into the ordinance presented for adoption and explained in the ANALYSIS section below.

All information regarding the Storm Drain System Master Plan Update study can be found on the City's webpage at <https://www.costamesaca.gov/storm>.

ANALYSIS:

During its regularly scheduled City Council meeting on April 7, 2026, the City Council approved staff's recommendation to adopt the 2026 Storm Drainage Impact Fee Nexus Study as the final component of the 2024 Storm Drain System Master Plan Update with the following changes:

§15-75 Appeals - Add option (c) under Paragraph A:

- (c) A fee adjustment based upon a substantial showing of evidence of increased site permeability, including but not limited to permeable surfaces, bioswales, or other stormwater infiltration features, that will reduce stormwater runoff and impacts to the City's existing drainage system. Any fee adjustment proposed pursuant to subsection (c) shall be subject to final review and approval by the Public Works Director.

§15-75 Appeals - Replace Paragraph B. with the following:

- B. The City Council shall consider appeals submitted pursuant to subsections (A)(a) and (A)(b) at a public meeting to be held within 60 calendar days after the appeal application has been filed. Appeals submitted pursuant to subsection (A)(c) shall be reviewed by the Public Works Director, and such review shall be completed within 60 calendar days after the appeal application has been filed. The decision of the City Council or Public Works Director, as applicable, shall be final. The decision shall be in writing and shall be mailed to the applicant.

In addition, staff is recommending the following change in order to remain consistent with Councilmember Marr's motion:

§15-75 Appeals - Replace Paragraph C. with the following:

- C. If an adjustment is granted pursuant to this section, any subsequent change or intensification of the use or uses of the property or any expansion of the structures on the property, or removal or modification of the site permeability or stormwater infiltration features relied upon for the adjustment, shall invalidate the adjustment, and the applicant shall be subject to the development impact fee requirement applicable to the entire development based on the fee in effect at the time of the change, expansion, removal, or modification, less any amount previously paid.

In addition, the City Council approved a motion to include a review of the Drainage Fees after three years.

The City Council approved the above actions unanimously by a vote of 7 - 0.

Ordinance No. 2026-05 is included as Attachment 1 to this report. The ordinance is presented for approval and adoption. If adopted, the ordinance would become effective thirty (30) days after adoption and the Storm Drain Impact Fees go into effect sixty (60) days after their April 7, 2026, approval.

ALTERNATIVES:

The City Council may choose to adopt, modify, or reject the ordinance as proposed. If the City Council chooses to make substantive modifications to the ordinance after introduction, the modified ordinance must be adopted by City Council in a future meeting.

FISCAL REVIEW:

The fiscal impact of updating the City's drainage fees will depend on the pace of future development throughout the City. All funds collected in the Drainage Fees Fund (Fund 209) will be utilized to fund eligible capital improvements identified in the nexus study and the 2024 Storm Drain System Master Plan Update.

LEGAL REVIEW:

The proposed ordinance and report have been prepared in conjunction with and reviewed by the City Attorney's Office.

PUBLIC NOTICE:

Pursuant to Government Code, section 66016.5(a)(7) and Assembly Bill (AB) 602, a notice was published in the City's local newspaper (i.e., Daily Pilot) on February 13, 2026 and on February 20, 2026. These publications provided more than the required (30) days' notice prior to the initial public hearing scheduled for March 17, 2026.

At the March 17, 2026 City Council meeting, the public hearing was opened and continued to April 7, 2026, allowing additional time for noticing, public review, and consideration. On April 7, 2026, the City Council completed the public hearing, adopted the Storm Drainage Impact Fee Nexus Study, and introduced for first reading Ordinance No. 2026-05 related to drainage and the updated storm drainage impact fees. The second reading is scheduled for the City Council meeting on April 21, 2026.

CITY COUNCIL GOALS AND PRIORITIES:

The Storm Drain System Master Plan Update and the corresponding ordinance to revise the City's Municipal Code work towards achieving the following City Council goals:

- Maintain and Enhance the City's Facilities, Equipment and Technology
- Strengthen the Public's Safety and Improve the Quality of Life
- Advance Environmental Sustainability and Climate Resiliency

CONCLUSION:

Staff recommends the City Council give second reading and adopt Ordinance No. 2026-05, to be read by title only, approving revisions to Chapter III of Title 15 of the Costa Mesa Municipal Code (Public Works-Drainage) to incorporate updated drainage impact fees, revise administrative provisions for fee collection, and align City code language with current state law and the City's adopted Storm Drainage Impact Fee Nexus Study.