
Stephouse Recovery

1601 Baker Street

City Council Meeting

May 5, 2026



Background

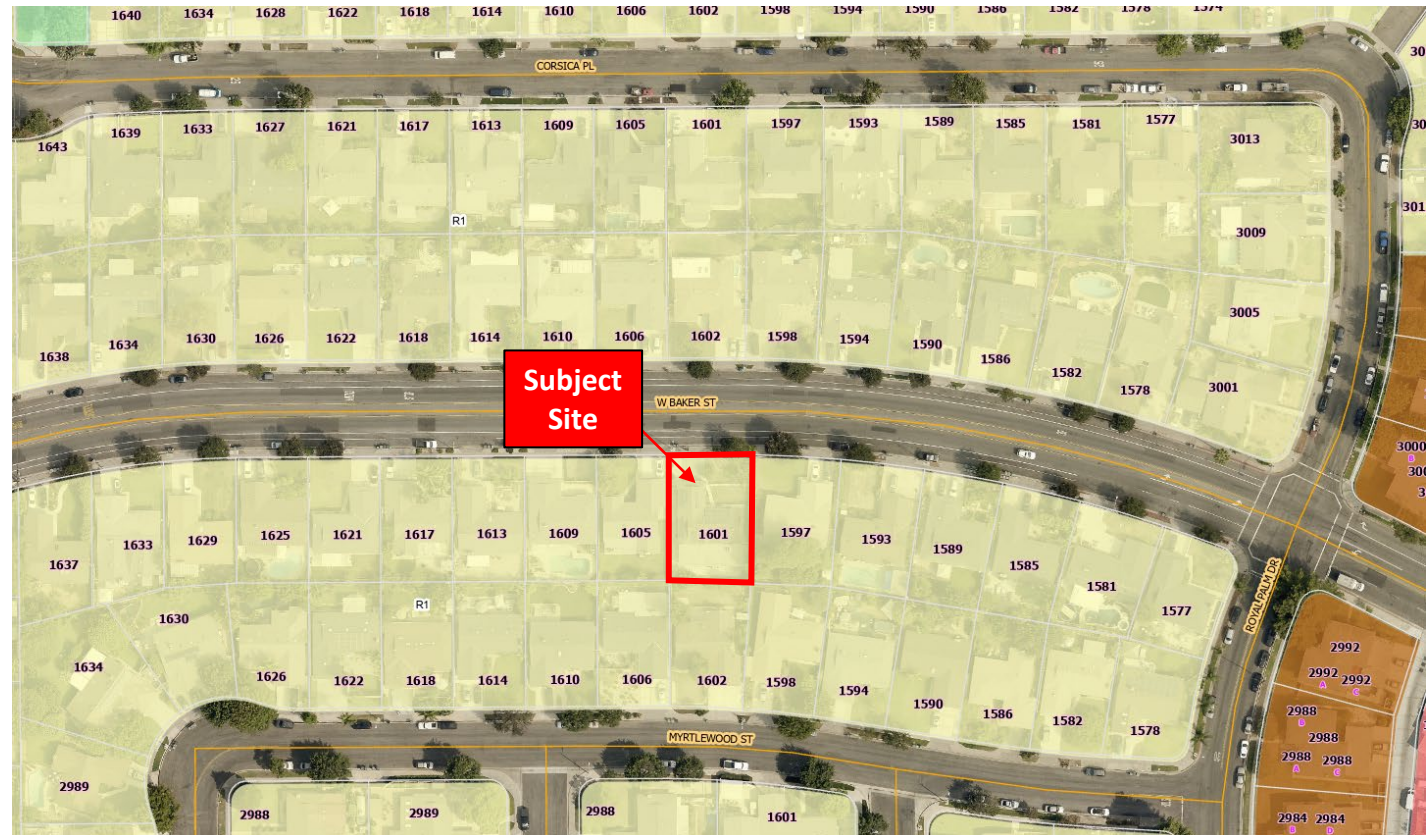
- State-licensed group homes (up to six residents) are exempt from local regulation.
- Unlicensed group homes (up to six residents) in residential zones must obtain a SUP per CMMC Title 13, Chapter XV.
- Ministerial process - staff's role is limited to verifying whether the application conforms to the ordinance, not making discretionary judgments.
- Director of Economic and Development Services may issue the SUP as a ministerial permit upon verification that facility meets all adopted location and operational standards.

Project Background

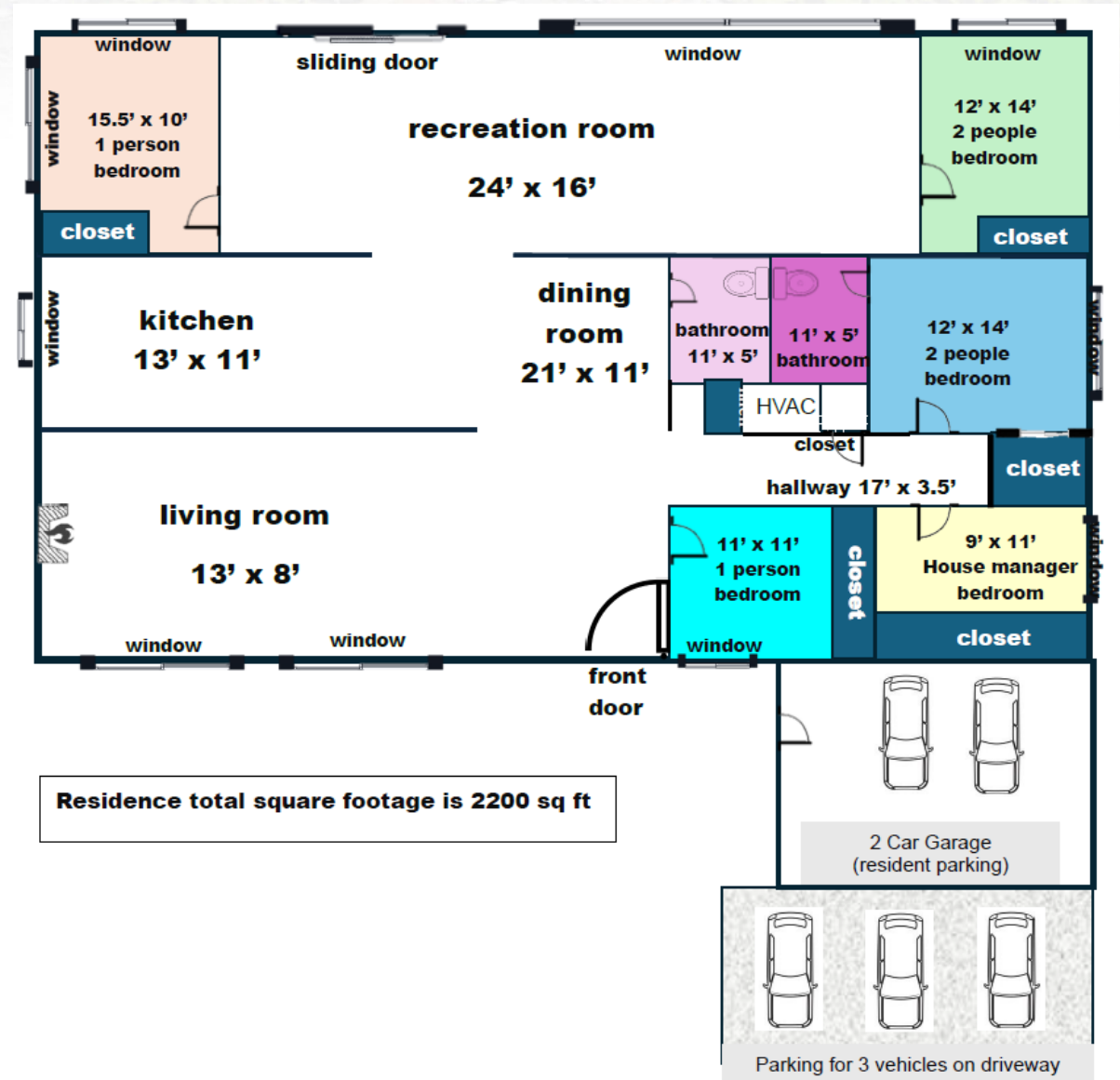
- On October 23, 2025, the City's Hearing Officer considered the SUP application. The purpose of the hearing was to receive information and testimony regarding the Applicant's compliance with the objective standards set forth in subsections (a) and (b) of CMMC Section 13-311.
- Public Comments:
 - 14 public (all in opposition) were received
 - Nine written and five oral comments
 - Primary Concerns:
 - Impact to quality of life;
 - Proximity to a residential care facility;
 - Advertising practices;
 - Overcrowding and parking congestion;
 - Personal and property safety; and
 - Noise
- On January 5, 2026, the City's Hearing Officer issued the SUP
 - Compliance with CMMC Section 13-311

Project Site

- Special Use Permit (SUP) PGSH-24-0002
- SUP for a sober living home serving six recovery residents and one live-in house manager
- Single-Family Residential



Floor Plan & Street View



Standards of Review & Conditions of Approval

Standard	Requirement	Proposed / Provided	Meets Code
Max Occupants	≤6 residents (excl. manager)	6	☑
Location	Primary dwelling unit	Yes	☑
Parking	4 spaces	5	☑
Separation	≥650 ft from other sober living homes or licensed facilities	Compliant	☑
Lot Area / Setbacks / Height	R1 standards	Compliant	☑

- COA #1 - Property inspection by Fire Department prior to operation (smoke/CO detectors, life safety)
- COA #2 - Compliance with CMMC Section 13-311; violations may result in revocation.

Operational Standards

- **Good Neighbor Policy**
- **No Drugs or Alcohol**
- **Parking Compliance & Visitation Policy**

Appeals: The Hearing Officer's decision may be appealed to the Planning Commission pursuant to Title 2, Chapter IX (Appeal and Review Procedure)

Call For Review

- On January 7, 2026 – Application for Review by Mayor Stephens
 - Concerns regarding impacts to neighborhood (See Attachment 4)
- On February 23, 2026 – Planning Commission Review
 - ‘De novo’ hearing
 - Consider new evidence
 - Limited to determining whether the applicant complies, or has agreed to comply, with the objective standards set forth in subsections (a) and (b) of Section 13-311
- Public Comments
 - Neighborhood safety
 - Compatibility with single-family residential area
 - Increase in traffic, noise, and crime
- Planning Commission upheld the Hearing Officer’s issuance of the SUP
 - Ministerial decision
 - Compliance with code requirements
 - No new evidence to overturn approval

Call For Review

- On March 2, 2026 – Application for Review by Council Member Buley
 - Opportunity for community to voice concerns (See Attachment 10)
- The City Council Review
 - ‘De novo’ hearing
 - Consider new evidence
 - Limited to determining whether the applicant complies, or has agreed to comply, with the objective standards set forth in subsections (a) and (b) of Section 13-311

City Council Public Notice & Public Comments

Pursuant to CMMC Section 13-29(d) three types of public notification have been completed no less than 10 days prior to the date of the public hearing:

1. Mailed notice
2. On-site posting
3. Newspaper publication

As of the date of the report, no written public comments have been received.

City Council Actions & Alternatives

The City Council may take the following actions:

- Uphold the decision of the Planning Commission upholding the Hearing Officer's decision; or
- Determine that the application does not meet the requirements of Section 13-311, overturn the Planning Commission's decision, and thereby deny the permit.



Recommendation

City Council to adopt a Resolution to:

1. Find that the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15268 (Ministerial Projects) and 15301 (Existing Facilities); and
2. Uphold the Planning Commission's decision to uphold the Hearing Officer's issuance of the Special Use Permit (PGSH-24-0002) to allow a sober living home with six or fewer persons (not counting the house manager) at 1601 Baker Street.





FY 2026-2027
CDBG & HOME ANNUAL ACTION PLAN

City Council Meeting
May 5, 2026



Background

Costa Mesa is a recipient of two U.S. Department of Housing and Urban Development (HUD) grant program funds:

- Community Development Block Grant (CDBG)
 - Used to achieve one of three National Objectives:
 - 1) Elimination of slums or blight
 - 2) Meet an urgent need, or
 - 3) Benefit low- and moderate-income persons.
- HOME Investment Partnerships (HOME)
 - HOME funds create affordable housing for low-income households.

These two HUD programs annually provide approximately \$1.3 million to assist low-income Costa Mesa residents.

Background – 2026 Orange County Income Limits

% median income	Persons in Household							
	1	2	3	4	5	6	7	8
Extremely Low (30%)	\$39,100	\$44,700	\$50,300	\$55,850	\$60,350	\$64,800	\$69,300	\$73,750
Very-Low (50%)	\$65,150	\$74,450	\$83,750	\$93,050	\$100,500	\$107,950	\$115,400	\$122,850
Low (80%)	\$104,200	\$119,100	\$134,000	\$148,850	\$160,800	\$172,700	\$184,600	\$196,500

Note: CDBG and HOME programs generally require household incomes to be at or below 80% of the Area Median Income (AMI).

5-Year Consolidated Plan

- The City's Consolidated Plan for FY 25/26 to FY 29/30 was adopted on May 20, 2025.
- Required to received CDBG and HOME funds.
- Identifies and prioritizes housing and community needs.
- Outlines goals, objectives and resources to address needs.
- Annual Action Plan is required each year for the use of CDBG and HOME funds.

Public Comment Period

- Annual Action Plan Public Comment Period: April 3 – May 5
- Publication in Daily Pilot
- Notice to neighboring city housing departments
- City Spotlight
- Social Media Post
- Weekly Snapshot
- Flyers posted in City facilities



WE WANT YOUR FEEDBACK!
HOUSING & COMMUNITY FUNDING PRIORITIES

Public Comment Period:
April 3 - May 5

The 2026-27 draft Annual Action Plan outlines how the City proposes to spend its Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Program funds. CDBG and HOME funds support projects like affordable housing, social services, and public facilities that support low- and moderate- income individuals.

View the draft Annual Action Plan by visiting the City's Homepage (Spotlight Section) at www.costamesaca.gov.

For questions, email Nancy Sa at HCD@costamesaca.gov or call (714) 754-5678.

Submit Feedback

MAIL
Nancy Sa
77 Fair Drive
Costa Mesa, CA 92626

EMAIL
HCD@costamesaca.gov

PUBLIC HEARING
Tuesday, May 5
7:00 p.m.
Council Chambers
77 Fair Drive



Consolidated Plan Goal & Description

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

2 **Infrastructure and Facility Improvements**

To enhance the suitability of the living environment through improvements to public infrastructures and facilities

3 **Homeless Continuum of Care**

To provide supportive services and housing assistance for persons at risk of and experiencing homelessness

4 **Public Social Services**

To provide services for low- and moderate-income persons and those with special needs

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

Annual Action Plan: FY 2026-2027 Funding

- The City will receive \$1.21M in CDBG and HOME funds from HUD

FY 2026-2027 CDBG Funding:

FY 2025-2026 CDBG Allocation	\$880,986
Previous Year(s) Unused Funds	\$172,881
Program Income	\$0
Total	\$1,053,867

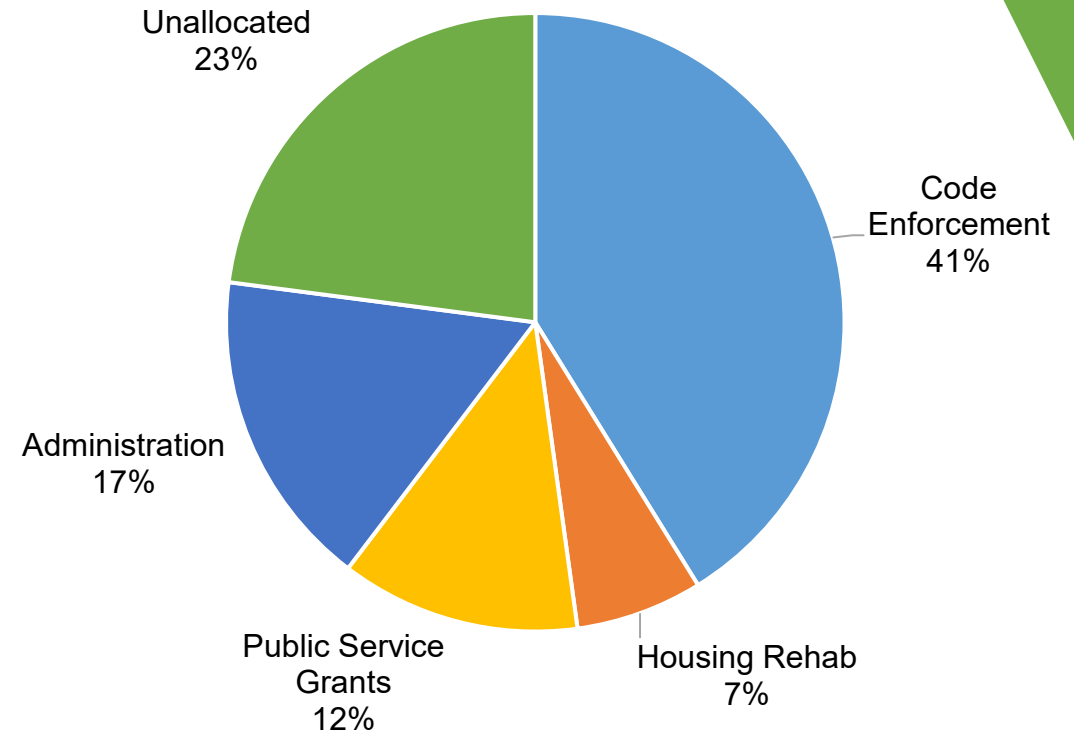
FY 2026-2027 HOME Funding:

FY 2025-2026 CDBG Allocation	\$377,329.57
Previous Year(s) Unused Funds	\$634,668
Program Income	\$50,000
Total	\$1,061,997.57

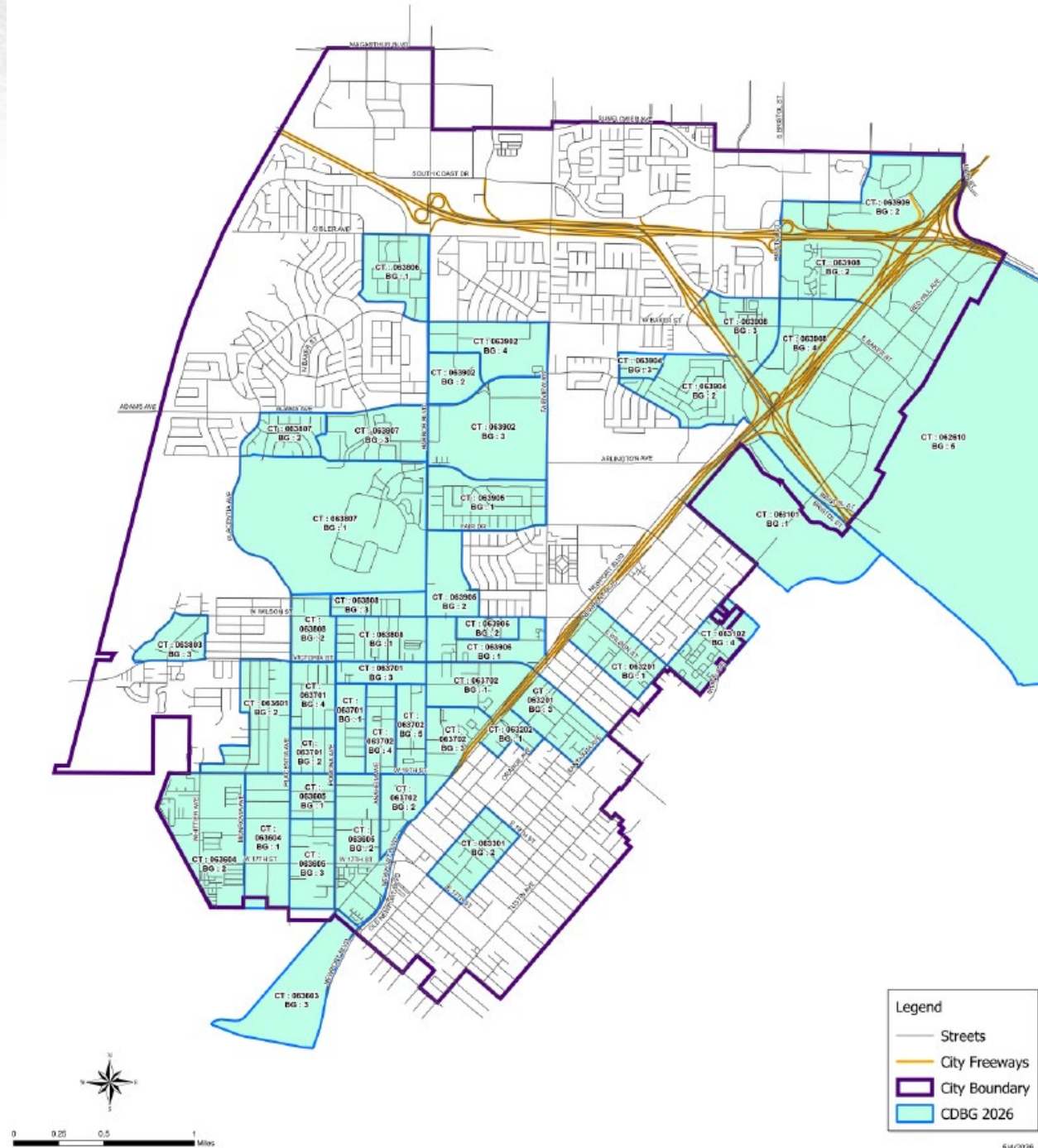
FY 2026-2027 CDBG Funds- \$1.05M

1. Public Service Grants: \$132,147
 - *Maximum 15% of annual allocation*
2. Code Enforcement: \$433,913
3. Housing Rehab: \$70,000
4. Administration: \$176,197
 - *Maximum 20% of annual allocation*
 - *Includes \$20,000 Fair Housing Services*
5. Unallocated: \$241,610
 - *Potential projects: Senior Center Roof and Westside Street Improvement*

CDBG Recommendations



CDBG Map



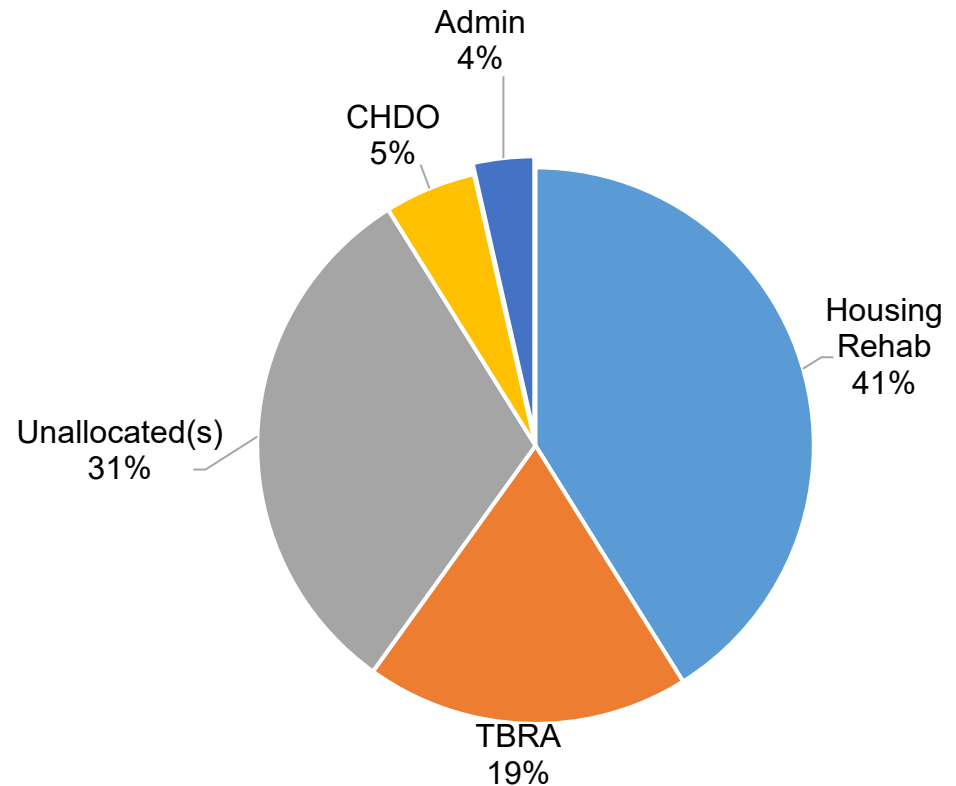
CDBG Public Service Applications

Applicant Name	Program	# Served	Population Served	Amount Requested	Committee Recommends	Amount Recommended
Families Forward	Support Services	50	Homeless	\$30,000	Yes	\$29,049
Human Options	Housing	28	Homeless	\$30,000	Yes	\$29,049
Trellis	Labors of Love	30	Seniors	\$30,000	No	--
Project Hope Alliance	Case Management	90	Youth	\$30,000	Yes	\$29,049
Stand Up for Kids OC	Case Management	20	Youth	\$30,000	No	--
Dance 4 Joy Ministries	Youth Programming	300	Youth	\$15,000	Yes	\$15,000
Community Health Initiative of OC	Health Access Services	800	Low- and Mod- Income	\$30,000	No	--
					TOTAL	\$102,147.90

FY 2026-2027 HOME Funds \$1.06M

1. Housing Rehabilitation Program: \$436,482
2. Tenant Based Rental Assistance: \$200,000
3. Affordable Housing (CHDO): \$56,599
 - 15% of annual allocation set-aside required
4. Administration: \$34,732
 - Maximum 10% of annual allocation
5. Unallocated: \$331,184

HOME Recommendations



Recommendation

Staff recommends that City Council:

1. Approve the recommended allocation the Fiscal Year (FY) 2026-2027 Community Development Block Grant and HOME Investment Partnerships Grant.
2. Adopt a resolution to:
 - Approve the FY 2026-2027 Annual Action Plan
 - Authorize the City Manager, or the City Manager's designee, to submit the 2026-2027 Annual Action Plan to the U.S. Department of Housing and Urban Development.
 - Designate the City Manager, or the City Manager's designee, as the official representative of the City to administer the programs and to execute and submit all required agreements, certifications, and documents required by HUD, and execute all agreements and subrecipient agreements for the use of funds approved in the 2026-2027 Annual Action Plan.



**Continuation of the Adoption of Ordinance
Amending Chapter III of Title 15 of the Municipal
Code Relating to Public Works – Drainage**

**City Council Meeting
May 5, 2026**



Actions on April 21, 2026 Council Meeting

City Council discussed the appeals process procedure related to the ordinance and in the language of Section §15-75 Appeals:

- City Attorney recommended the item be continued until the next meeting to make corrections to the ordinance.
- City Council opened the public hearing and continued the item until the next regularly scheduled City Council Meeting on May 5, 2026.

Ordinance Updated

The ordinance is updated in Section §15-74 Credits, Reimbursement, & Reductions, in lieu of Section §15-75 Appeals:

- A developer may be allowed a drainage fee reduction provided they are able demonstrate substantial showing of evidence that they have increased site permeability by using low impact design features such as bioswales and infiltration basins.
- Requests for a drainage fee reduction and evidence to support the request may be submitted through the permit application process.
- Upon review of proper evidence, the Public Works Director has the authority to reduce the drainage fee as warranted.
- Per §15-74(D), a developer may appeal the Public Works Director's decision to the City Council pursuant to section §15-75 Appeals.



Staff Recommendation

Staff recommends the City Council:

- Adopt Ordinance No. 2026-05, 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.
- Find that the adoption of the ordinance is not a “project” under the California Environmental Quality Act (CEQA), pursuant to CEQA guidelines §15378(b)(4).



ARTS COMMISSION PRESENTATION TO CITY COUNCIL

April 21, 2026 | 6:00 p.m.



The following programs and goals from the five (5) year plan have been implemented and re-evaluated:

- **Annual Art Crawl Experience**
- **Revised guidelines and standards for Exhibition spaces in City facilities**
- **Created new guidelines for Utility Box Art Program**
- **Updated Arts and Culture Calendar and Artist Directory**
- **Arts Grant Program with new guidelines and application**
- **Free Park Performances at parks and city events**
- **Poet Laureate Program**
- **Implemented optional private property Mural Permit in TESSA**
- **Free at Segerstrom Center Campus program**
- **ARTventure juried art exhibition and awards ceremony**
- **Hired consultant Arts Orange County to create an Art in Public Places Report to guide the public art goals in the ACMP**

Accomplishments for 2025

- Selection of new Poet Laureate for two-year term as **Costa Mesa's first ever Poet Laureate**
- Reviewed and approved twelve (12) new designs for the **Utility Box Art Program**
- Reviewed and approved nine (9) grantees for the **Arts Grant Program**
- Reviewed and made changes to the **Arts Grant Program** guidelines that included increases to arts grant amounts
- Participation in a review panel to select poetry for a new public art initiative: **Sidewalk Poetry project** for implementation at Brentwood Park
- Reviewed and approved a new Scope of Work for **ACMP** update
- Discussion and review of the **Art in Public Places Report** as part of a larger plan to draft a public art ordinance for implementation in the future as a mechanism to fund public art projects



Upcoming Plans for 2026



Assist in the implementation of a potential update and new **Arts and Culture Master Plan** for City Council review



Review and approve new poems for new **Sidewalk Poetry Project** for upcoming park renovations at Ketchum-Libolt and Shalimar Parks



Draft an **official public art ordinance** for City Council review

Upcoming Plans for 2026 *(continued)*



Review and make suggestions for optional **TESSA mural applications** for private property



Review and approve new designs for the **Utility Box Art Program**



Review and approve new **Arts Grant Program** grantees

Purpose for Budget Priorities for 2026-27

- The current framework requires City finance staff to return to Council each year to request general fund dollars to **backfill a recurring shortfall.**
- Our recommendations are **not a request for new funding.** The intent is to update city policies and municipal codes to remove recurring inefficiencies and better align existing and anticipated revenue with their original purpose.
- Updating city policies and municipal codes where applicable would ensure **arts funding is properly designated from the outset**, staff time is not consumed by avoidable annual shortfalls, and public dollars are directed as efficiently as possible toward the outcomes the Arts and Culture Master Plan was designed to deliver.



Proposed Budget Priorities for 2026-27

1

Reclassify the Arts Specialist position to the City's General Fund

2

Establish a dedicated Public Art Fund

3

Dedicate a portion of any Transient Occupancy Tax increase to the Public Art Fund

4

Increase the Cannabis Tax Allocation from 0.5% to 1.0% to fund the full implementation of the Arts and Culture Master Plan

5

Approve consultant, if selected by City Council, to work on a new ACMP update

6

Approve new budget framework to fund the interim period between the last year of the current ACMP and the implementation of the proposed update to the ACMP

Illustrative Budget Framework for 2026-27

- The **following budget frameworks** are provided to illustrate how the City's arts funding can be organized more clearly and deployed more effectively under current operating conditions.
- As the City of Costa Mesa approaches the end of the current fiscal year, the **Arts and Culture Master Plan has effectively expired**, and an updated plan has not yet been adopted.
- These next two models also account for the anticipated **cost of the Master Plan update contract**, ensuring that the update process does not create additional pressure on the City's general fund and remains consistent with the intent of the ordinance.
- Both scenarios organize funding into clear categories and reflect a simple principle: **core programming and contractual obligations are funded first**, with remaining funds directed toward a Public Art Fund capable of supporting visible, long-term improvements across the City.



Proposed Budget for 2026-27 @ 0.5% Cannabis Tax Revenue

FY26 & FY27 PROPOSED BUDGET @ 0.5% CANNABIS TAX REVENUE

Account	Item	FY25/26	Proposed 26/27	Proposed 27/28
Multimedia, Promos				
	Free at Segerstrom Center Campus	\$ 60,000.00	\$ 30,000.00	\$ 30,000.00
	Utility Box Art Program	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00
Consulting				
	Artist Laureate Program	\$ 2,500.00	\$ 5,000.00	\$ 5,000.00
	Large-Scale Installations	\$ -	-	\$ -
	Master Plan Update	\$ 60,000.00	\$ 60,000.00	\$ -
Recreation				
	ARTventure/Action Arts	\$ 30,000.00	\$ 45,000.00	\$ 45,000.00
	Galleries	\$ 400.00	\$ 900.00	\$ 900.00
	Free Park Performances	\$ 48,000.00	\$ 48,000.00	\$ 48,000.00
	Art Crawl	\$ 3,000.00	\$ 4,000.00	\$ 4,000.00
Grants				
	Arts Grants Program	\$ 12,500.00	\$ 30,000.00	\$ 32,500.00
Public Art				
Board Member Fees				
	Arts Commission Stipends	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00
	Public Art Fund	\$ -	\$ 4,600.00	\$ 62,100.00
	Total Events and Initiatives	\$ 237,300.00	\$ 248,400.00	\$ 248,400.00

Proposed Budget for 2026-27 @ 1.0% Cannabis Tax Revenue

FY26 & FY27 PROPOSED BUDGET @ 1.0% CANNABIS TAX REVENUE

Account	Item	FY25/26	Proposed 26/27	Proposed 27/28
Multimedia, Promos				
	Free at Segerstrom Center Campus	\$ 60,000.00	\$ 30,000.00	\$ 35,000.00
	Utility Box Art Program	\$ 12,500.00	\$ 25,000.00	\$ 30,000.00
Consulting				
	Artist Laureate Program	\$ 2,500.00	\$ 7,500.00	\$ 7,500.00
	Large-Scale Installations	\$		
	Master Plan Update	\$ 60,000.00	\$ 60,000.00	\$ -
Recreation				
	ARTventure/Action Arts	\$ 30,000.00	\$ 45,000.00	\$ 45,000.00
	Galleries	\$ 400.00	\$ 1,000.00	\$ 1,000.00
	Free Park Performances	\$ 48,000.00	\$ 60,000.00	\$ 60,000.00
	Art Crawl	\$ 3,000.00	\$ 4,000.00	\$ 4,000.00
Grants				
	Arts Grants Program	\$ 12,500.00	\$ 75,000.00	\$ 100,000.00
Public Art				
Board Member Fees				
	Arts Commission Stipends	\$ 8,400.00	\$ 8,400.00	\$ 8,400.00
	Public Art Fund	\$ -	\$ 112,500.00	\$ 177,500.00
	Total Events and Initiatives	\$ 237,300.00	\$ 428,400.00	\$ 468,400.00

Press

Los Angeles Times Daily Pilot

NEWS

Costa Mesa butterfly garden offers sanctuary for humans and pollinators alike



Artist Marisolhe Bazan's "La Magia de Colleta" sculptures adorn a new Mariposa Garden at Costa Mesa's Marina View Park. (Don Leach / Staff Photographer)

By Sara Cardine
Staff Writer | %Follow

Jan. 30, 2024 7:31 PM PT

Costa Mesa leaders, who've recently committed to increasing access to open space by investing in the restoration and expansion of city parks, are now hoping to entice interest among a new sector of parkgoers — plant pollinators.

Officials convened at Marina View Park on the city's west side Tuesday morning to unveil a new "Mariposa Garden" with drought-tolerant native and naturalized flora designed to attract a variety of insect species, including the monarch butterfly.

The event also featured the debut of a butterfly-themed art installation called "La Magia de Colleta" — the first public art project to be funded by the city.

NEWS

Costa Mesa names UC Irvine poetry instructor Danielle Hanson its first poet laureate



Danielle Hanson, a part-time poetry instructor at UC Irvine, has been named Costa Mesa's inaugural Poet Laureate. (Courtesy of Danielle Hanson)

By Sara Cardine
Staff Writer | %Follow

April 2, 2025 5:35 PM PT



Danielle Hanson in 2016 left a thriving corporate communications job in Atlanta to devote her time to her first love — poetry.

That departure kicked off a six-year period of serving as a volunteer editor at various small publishing companies and literary journals, during which Hanson saw her own work published before securing a job as a part-time instructor in UC Irvine's School of Humanities.

"The curse, and also the blessing, of writing poetry is you're absolutely never going to make a living doing this," the 53-year-old Irvine resident quipped in an interview Monday.

Still, despite that rule of thumb, Hanson seems to be making a pretty good go at a life steeped in verse. In addition to teaching poetry, she's published two books of her own work, "Ambushing Water" in 2017 and "Fraying Edge of Sky" the following year. And she's currently working on a third.

TimesOC NEWSLETTER

Watch your step — there's poetry in this Orange County park



Marco Reyes cleans a mold to press poems into a concrete path leading to a new playground at Brentwood Park in Costa Mesa. (Eric Licas)

By Carol Cormaci
Times Community News Executive Editor | @Contact

April 1, 2026 9 AM PT



While crews were pressing poetry verses into wet concrete last week as part of an exceptionally creative revitalization of Brentwood Park in Costa Mesa, the city's poet laureate, Danielle Hanson, savored the moment.

"For me, what I'm super excited about is getting people who don't normally encounter poetry in their daily lives," she told reporter Eric Licas when he interviewed her for [an lyrical a public work news story as I've ever read](#). "I mean, we're all super busy. We seek out the things that we already like or get introduced to. I like putting poetry in front of people where they already are — so, a park setting. I adore it!"

The 2.6-acre strip at 260 Brentwood St. used to be "nothing but grass and an old picnic bench," Costa Mesa Arts Commissioner Charlene Aschendorf said ahead of a ribbon-cutting scheduled for [3:30 p.m. Friday](#) for the renovated site.



Q&A

