



## Agenda Report

---

Item #: 24-321

Meeting Date: 9/3/2024

---

**TITLE: GENERAL PLAN AMENDMENT (PSCR-24-0004) SCREENING FOR A PROPOSED RESIDENTIAL DEVELOPMENT ON A 6.125 ACRE SITE LOCATED AT 3150 BEAR STREET**

**DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION**

**PRESENTED BY: CHRIS YEAGER, ASSOCIATE PLANNER**

**CONTACT INFORMATION: CHRIS YEAGER, ASSOCIATE PLANNER, (714) 754-4883**

**RECOMMENDATION:**

Provide direction regarding an applicant requested General Plan Amendment associated with the proposed development of 146 residential units at 3150 Bear Street. In addition to the General Plan Amendment, the application would also include a related change to the property's zoning designation to support residential development, and a density bonus in conjunction with providing eight very-low-income units. All of the units in the development are proposed for individual ownership.

**BACKGROUND:**

***General Plan Amendment Screening***

City Council Policy 500-2 establishes a procedure for processing privately initiated General Plan Amendments. This procedure requires that the City Council screen the request prior to its acceptance for formal processing. If the City Council does not reject the proposal, the applicant can submit a formal application package that will include several other entitlement requests for review by the Planning Commission who will make a recommendation to the City Council.

***Affordable Housing Ordinance***

Ordinance 2024-02 was adopted by City Council on August 6, 2024, with the purpose of establishing an inclusionary affordable housing program in the City. The ordinance exempts specific projects from its requirements including residential ownership projects. The proposed project is an ownership development and therefore, is exempt from the requirements of the City's Affordable Housing Ordinance. As indicated above, the applicant is requesting to provide eight ownership housing units pursuant to a five-percent State density bonus proposal. By comparison, a residential rental development of this size would have a very-low-income unit requirement of four-percent very-low-income units, or six units.

**PROJECT SITE:**

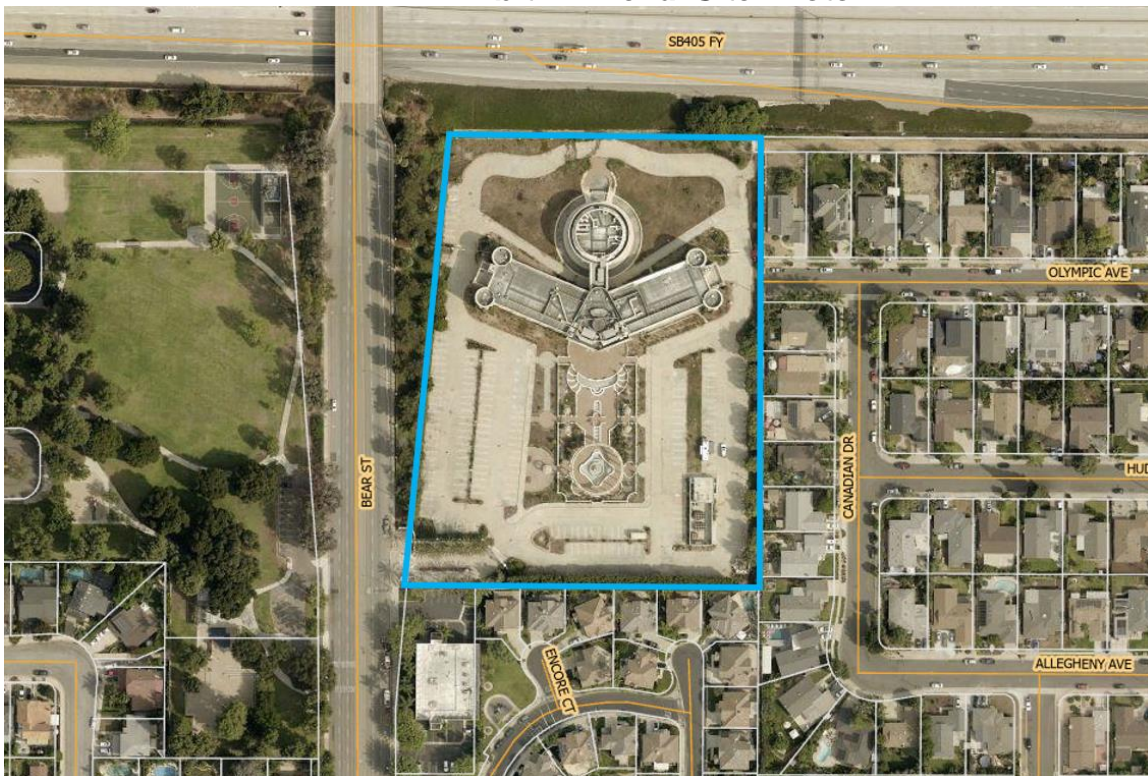
The project site is located on the east-side of Bear Street, south of the I-405 freeway. The project is proposed on a 6.125-acre parcel that is developed with the former Trinity Broadcasting Network Headquarters (see Exhibit 1 below). The site is designated “General Commercial” in the Land Use Element of the General Plan and zoned “Administrative Professional” (AP). The primary building is a three-story 65,924-square-foot structure that was constructed in 1978. An accessory structure, located near the southeast corner of the property houses the property’s on-site electric energy production facility. The remainder of the property is improved with 241 surface parking spaces, decorative hardscape, and landscaping.

The project site is bounded by Bear Street to the west with Shiffer Park located beyond; the I-405 Freeway to the north; two-story single-family residential properties to the south, and one-story single family residential property to the east; and an office building that fronts on Bear Street to the south. The property is in close proximity to South Coast Plaza and Metro Pointe are located north of the I-405 Freeway.

The site is currently being used as office space, including a social media studio, storage, professional office, and temporary assembly. In addition, the City Council granted a Conditional Use Permit (PA-22-37) approval on April 16, 2024 to operate an event center with valet parking services.

The project site is not identified as a Candidate Housing Site in the General Plan Housing Element; however, this site is a “Measure K” site. “Measure K” was passed by Costa Mesa voters on November 8, 2022, for the purpose of revitalizing commercial corridors by encouraging new housing in commercial and industrial areas while preserving the character of existing residential neighborhoods.

***Exhibit 1 – Aerial Site Photo***



**ANALYSIS:**

The project site's "General Commercial" land use classification and "AP, Administrative and Professional" zoning classification do not support residential uses of the property, but instead allow for institutional, office, and professional uses. Because the current zoning does not allow for residential development, the applicant is requesting a general plan amendment to establish a "High Density Residential" land use designation and to rezone the property to "R3, Multiple Family Residential", to allow for residential development. If approved, the applicant would develop 146 for-sale residential units that includes 20 single-family residential dwellings and 126 townhomes.

The current AP zoning district is intended to establish areas where public, administrative, professional, and business offices may be located. It is the further purpose of this district to limit the intensity of use within the district to be compatible with the types of activities generally associated with office developments. Conversely, the proposed R3, Multiple-Family Residential District is intended to promote the development of multi-family rental as well as ownership dwelling units.

The following entitlements are required for the proposed project:

***General Plan Amendment***

The existing Land Use designation of "General Commercial" is proposed to be changed to "High Density Residential" to allow for the residential project. The proposed Land Use designation would enable residential development on the property of up to 20 dwelling units per acre.

***Rezone***

A rezone is required to update the City's Zoning Map with the R3, High Density Residential District, to allow for residential development on the site. The "High Density Residential" Zoning District would permit approximately 122 units on the 6.125 Acre site.

***Density Bonus***

The project proposes to include eight "Very-Low" income, deed restricted affordable units. Pursuant to the California State Density Bonus provisions, the proposed affordable unit percentage proposed by the applicant (five-percent) would allow for a density bonus of 20 percent over the allowable density of 20 du/ac, which would allow for 24 dwelling units per acre. As proposed, the project includes a total density of 23.8 dwelling units per acre (146 units). Pursuant to State Density Bonus Law, the provision of five-percent affordable units also allows for the project to request concessions and waivers to development standards, and reduced parking requirements.

Pursuant to State law, a "concession" is defined as:

- A reduction in site development standards or a modification of zoning code or architectural design requirements, such as a reduction in setback or minimum square footage requirements;
- Approval of mixed-use zoning; or
- Other regulatory incentives or concessions which actually result in identifiable and actual cost reductions.

Pursuant to State Law, a “waiver” is defined as a reduction or modification of a development standard and other regulations that physically precludes the construction of the project, including any density bonus units. The primary difference between a concession and a waiver is that a concession is defined as a local standard or provision that would “result in identifiable and actual cost reductions” for an affordable housing project, whereas a waiver is a development standard or provision that “physically precludes the construction of the affordable housing project, including any density bonus units”.

California Density Bonus law (Government Code Sections 65915 – 65918) allows one concession for the requested five percent very-low affordable housing unit proposal and does not limit the number of requested waivers. The applicant is requesting a concession in the form of an exception to the maximum building height limit (maximum 27 feet/two-stories) to allow for townhomes to be built at 50 feet, 6 inches/four stories. A waiver is requested to deviate from open space requirements (minimum 40% of the lot) to allow for a reduced overall open space area of approximately 27%.

State Law allows a City to deny an incentive, concession, or waiver if the granting of the incentive, concession, or waiver would either:

1. Not result in an identifiable and actual cost reduction to providing affordable units (incentive/concession only);
2. Have a specific, adverse, and unavoidable impact on public health and safety;
3. Have an adverse impact on a property that is listed in the California Register of Historical Resources; or
4. Be contrary to state or federal law.

The applicant is also requesting a parking reduction pursuant to State Density Bonus Law, which is described further below under the *Parking, Circulation and Trip Generation* section of this report.

### ***Tentative Tract Map***

A tentative tract map subdivision is necessary to establish a condominium map to allow for individual ownership of each unit.

### ***Design Review***

Any construction that results in three or more dwelling units in any residential zone, except planned development, is subject to design review and associated findings.

### **PROPOSED DEVELOPMENT:**

The applicant proposes 146 residential units ranging from 1,065 square feet to 2,218 square feet. Twenty of the units are proposed to be developed as detached single-family dwellings and located along the south and east property lines, with the remainder of the units proposed as attached units to be located in eight, four-story buildings.

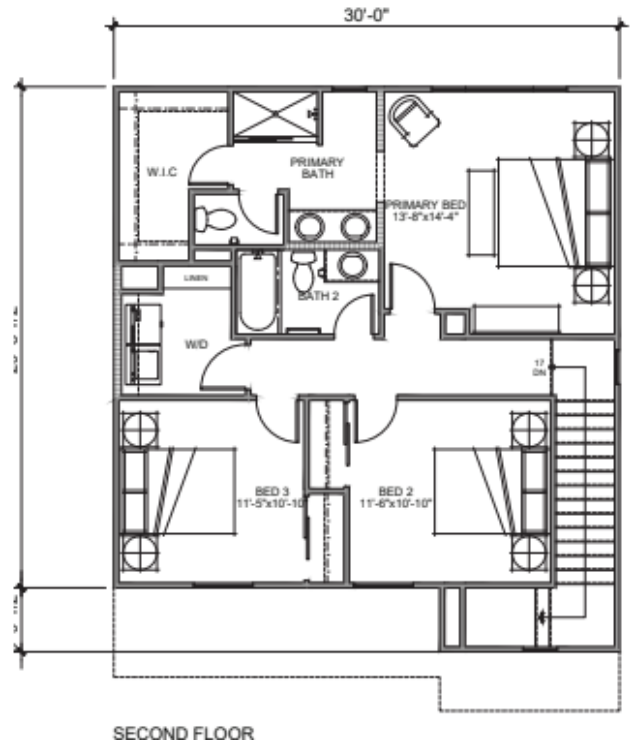
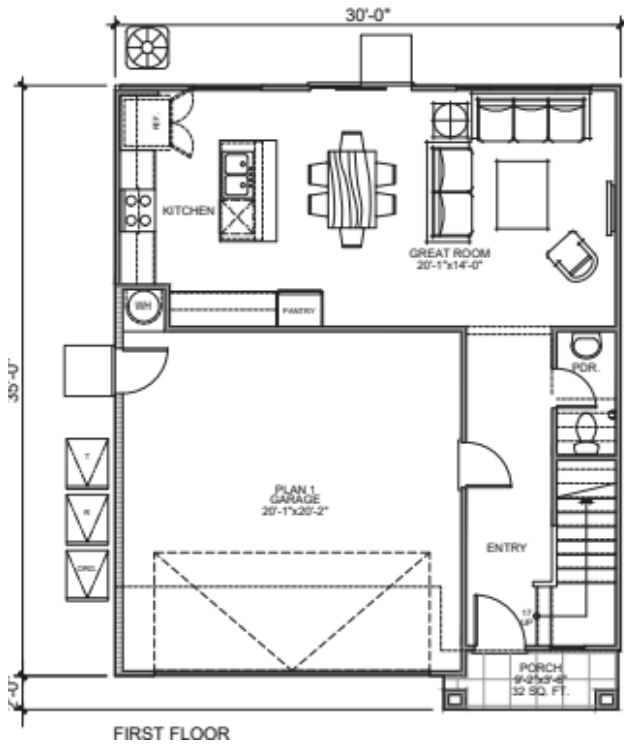
### ***Detached Units***

The project proposes two detached unit types. As shown in Exhibit 2 below, the detached units are proposed to include a two-car garage with ground floor living space. Plan D1 proposes to include three bedrooms on the second floor as well as a laundry room and two bathrooms. Plan D2 proposes to

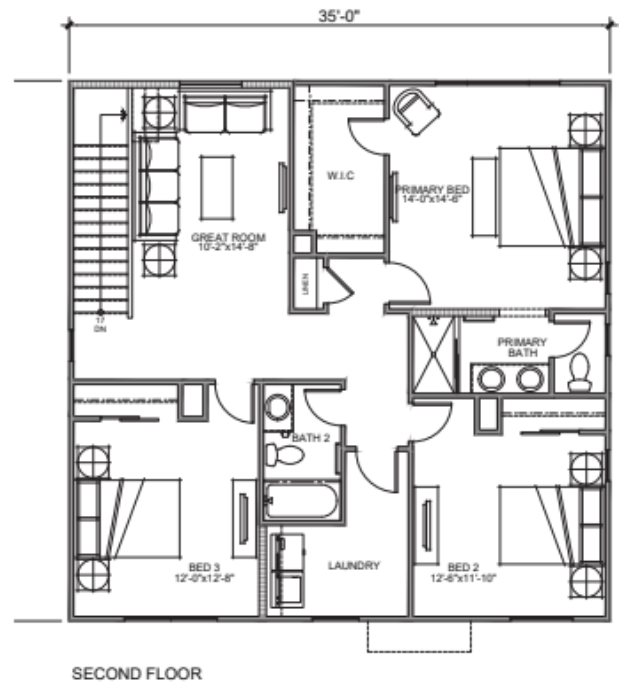
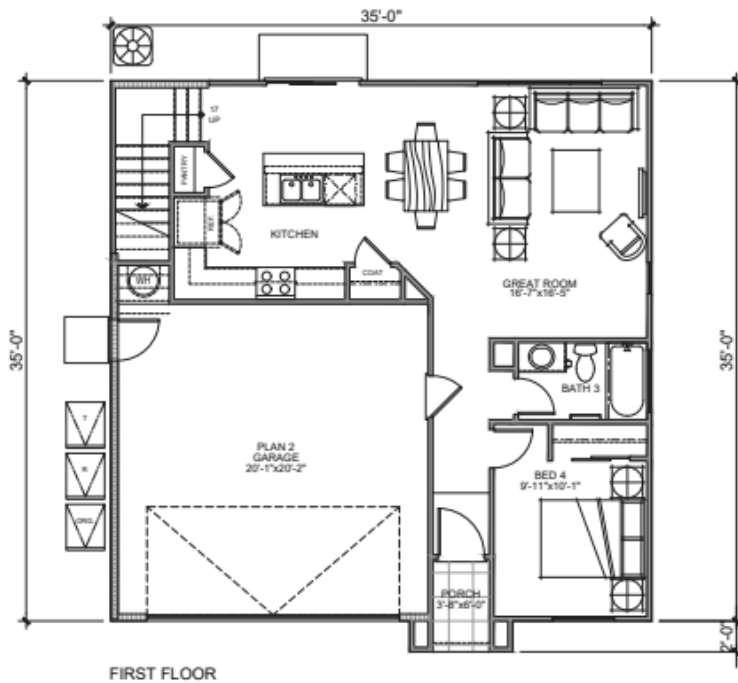
include one bedroom on the ground floor and three additional bedrooms on the second floor. Each unit would have its own private open space on the ground floor.

**Exhibit 2 – Detached Unit Floor Plans**

PLAN D1



PLAN D2

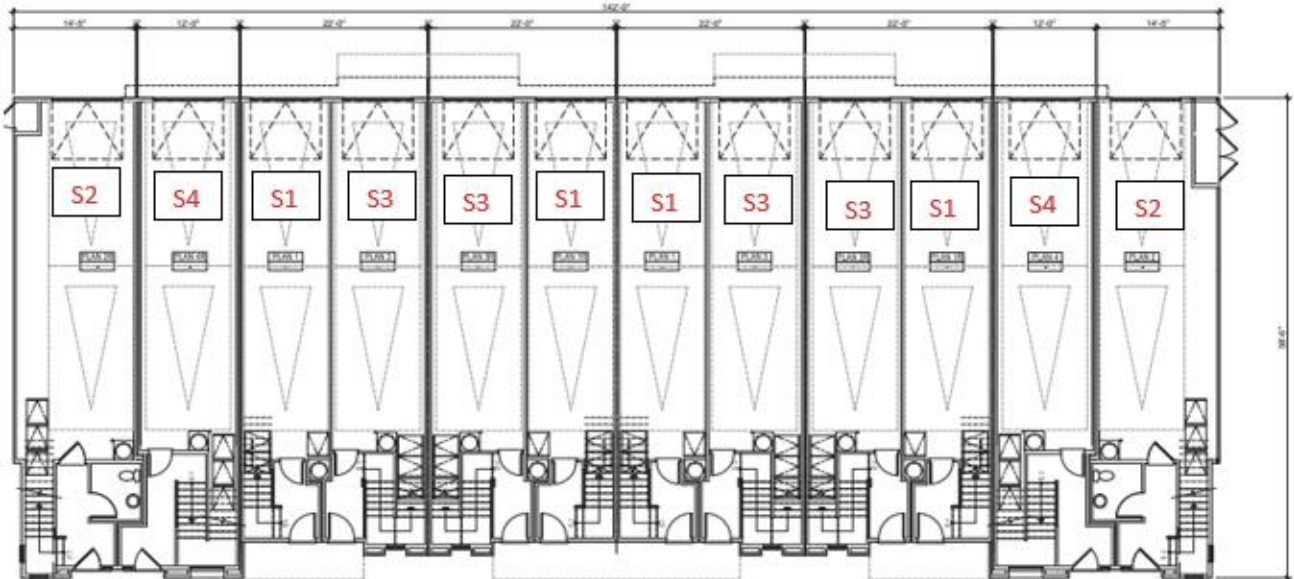




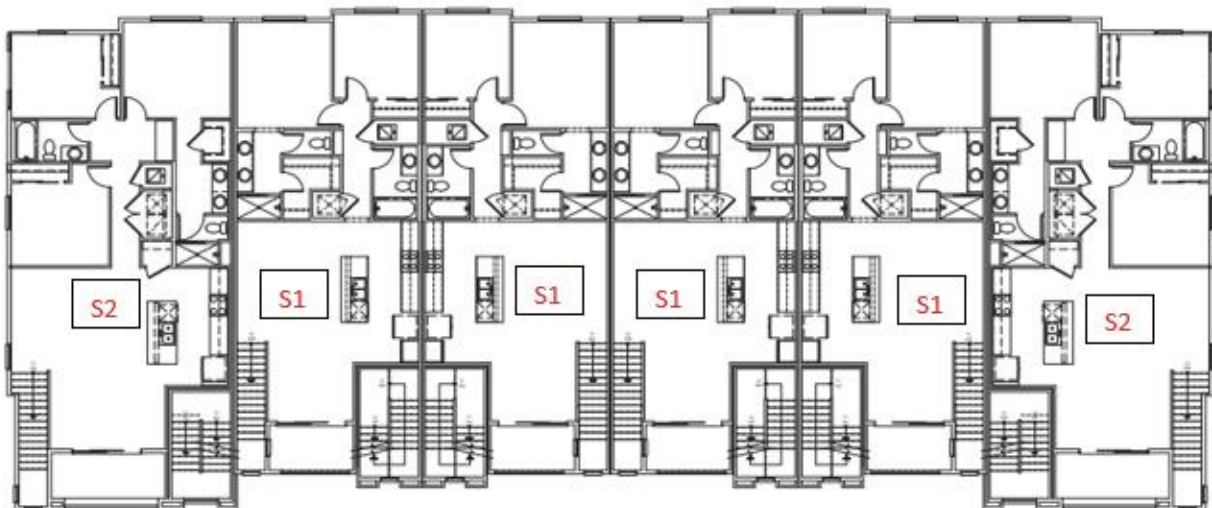
**Attached Units - Flats**

The majority of the units (126) are proposed within eight, four-story buildings. Each unit is accessed via a ground floor entry and would include an attached, tandem, two-car garage. The project proposes four attached unit types referred to as flats. As shown in Exhibit 3 below, units S1 and S2 include an entry on the first-floor with the remainder of the living space being located on the second-floor. Plan S1 includes two bedrooms, two bathrooms, an open main living space, and a private balcony. Plan S2 includes three bedrooms, two full bathrooms, one half bathroom, open living space, and a private balcony. Plan S3 and S4 include an attached, tandem, two-car garage and ground floor entry. The main living space for the units is located on the third and fourth floor and includes an open living area and multiple balconies. Plan S3 proposes to have three bedrooms and three bathrooms, and Plan S4 proposes to have four bedrooms and three bathrooms.

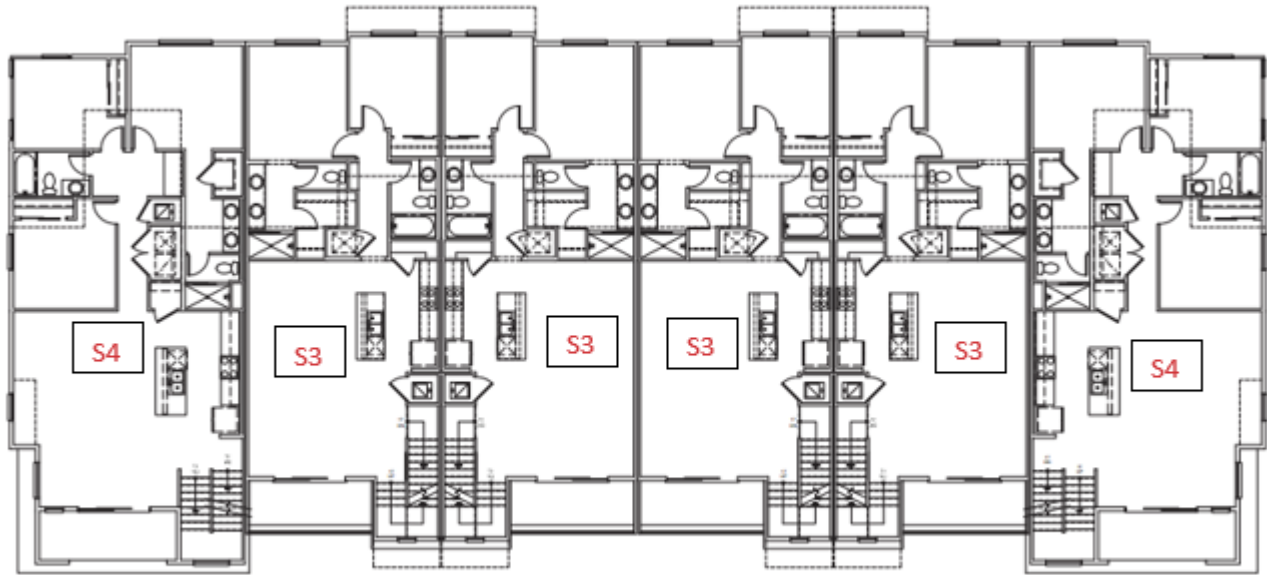
**Exhibit 3 – Flats Floor Plans**



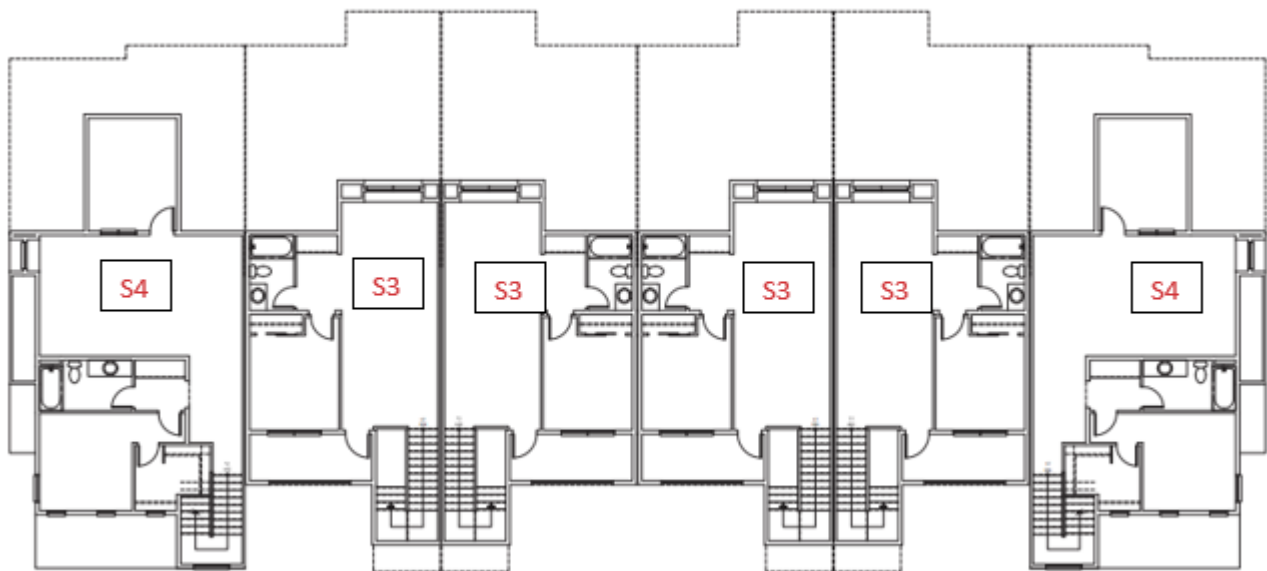
First Floor



Second Floor



Third Floor



Fourth Floor

The detached single-family dwelling units are proposed to be located adjacent to the established single-family neighborhoods along the south and east property lines. The homes to the east along Canadian Drive and Olympic Avenue consist of single-story residences constructed in 1962, and the homes to the south consist of two-story residences constructed in 1996.

**Exhibit 4 – Site Plan**



**Proposed Building Height and Architecture**

Maximum building height in the R3 Zoning District is limited to two-stories/27 feet. As previously indicated in this report, the provision of five-percent "very-low" income units allows the project to request one concession to the City's Development Standards. As proposed, the project requests a concession to allow for the maximum building height to exceed the CMMC standard. Specifically, the townhome portion of the project would have a maximum height of four stories/50.5-foot (two stories and 23.5 feet above the CMMC maximum allowed height), and the detached units are proposed with a maximum height of two stories/30 feet (three feet above the CMMC maximum allowed height). The



taller townhome component has been located as far as possible (greater than 120 feet) from the established residential units to reduce any privacy or shade impacts. The applicant has also indicated that they will attempt to retain all existing mature screening vegetation to provide an additional buffer.

**Exhibit 6 – Project Renderings**



The applicant submitted several exhibits that include modern craftsmen architectural styles for the proposed development. The project designs incorporate various offsets, articulations, and construction materials to enhance the buildings' aesthetic qualities. Details regarding the architectural style, materials used, building facades, as well as shade and shadow analysis, will be required and thoroughly reviewed with the future project application submission. In addition, staff will work with the applicant to further refine the architecture.

***Circulation, Parking and Trip Generation***

The site plan (see Exhibit 4 above) proposes that vehicular access to the site would be provided by a driveway with access from Bear Street (similar to existing site access). Emergency vehicle access will also continue to be provided through Olympic Avenue. In addition, sidewalks are proposed to be connected to Bear Street to allow for pedestrian circulation. The internal private streets are generally

proposed in a grid pattern with additional pedestrian connections throughout the proposed open space areas.

Parking

The Costa Mesa Municipal Code requires 477 parking spaces for the proposed development. However, pursuant to California Density Bonus Law, the City may not require more than the following parking ratios for the proposed affordable housing project (see Table 1 below).

**Table 1: Density Bonus Parking Requirements**

Unit Type	Density Bonus Parking	No. of Proposed Units	Required Parking
Studio	1 space	-	-
1 Bedroom	1 space	-	-
2&3 Bedroom	1.5 spaces	137	205.5
4 Bedroom	2.5 spaces	9	22.5

As indicated in Table 2 above, the maximum on-site parking that the City can require for the proposed development is 228 spaces (205.5 spaces for the two/three bedroom units, and 22.5 spaces for the four bedroom units). As proposed, each unit includes a two-car garage for a total of 292 parking spaces. An additional 80 open parking spaces are proposed throughout the project site. The 372 total parking spaces proposed exceeds the 228 parking spaces required pursuant to State Density Bonus Law. Pursuant to State Law, onsite parking spaces may be provided through on-site tandem or uncovered parking. The State Density Bonus Law parking provisions are in addition to any allowed concessions.

Bus Routes

The Orange County Transportation Authority (OCTA) operates the 55 and 57 bus routes approximately 0.6 miles walking distance from the project site at the intersection of Bristol Street and Paularino Avenue. The 55 bus operates north-south through Costa Mesa with termini in Santa Ana and the Newport Transportation Center. The 57 bus also operates generally north-south through Costa Mesa with termini at the Newport Transportation Center and the Brea Mall.

Bike Lanes

An existing Class-2 bike lane is provided on Bear Street. The bicycle lane is interconnected with the regional bicycle trail system and provides connections between Costa Mesa, Huntington Beach, Newport Beach, and Santa Ana.

Trip Generation

CMMC Section 13-275(e) indicates that any increase in traffic generation by a change of use that is required to obtain a discretionary permit, shall be subject to review by the appropriate reviewing authority, which may impose fees to address increased trip generation. If required, the fee collected is used to fund the City’s comprehensive transportation system improvement program. The purpose of the program is to ensure that the City’s transportation system has the capacity to accommodate additional trips. The Citywide Traffic Impact Fee related to new and expanding developments is determined using estimated Average Daily Trips (ADT), which is the combined total number of vehicular trips both in and out of a development generated throughout an average weekday. The City’s Transportation Division has conducted a preliminary trip generation study which indicates that the project would result in approximately 1,009 daily trips, and would generate more trips compared to the

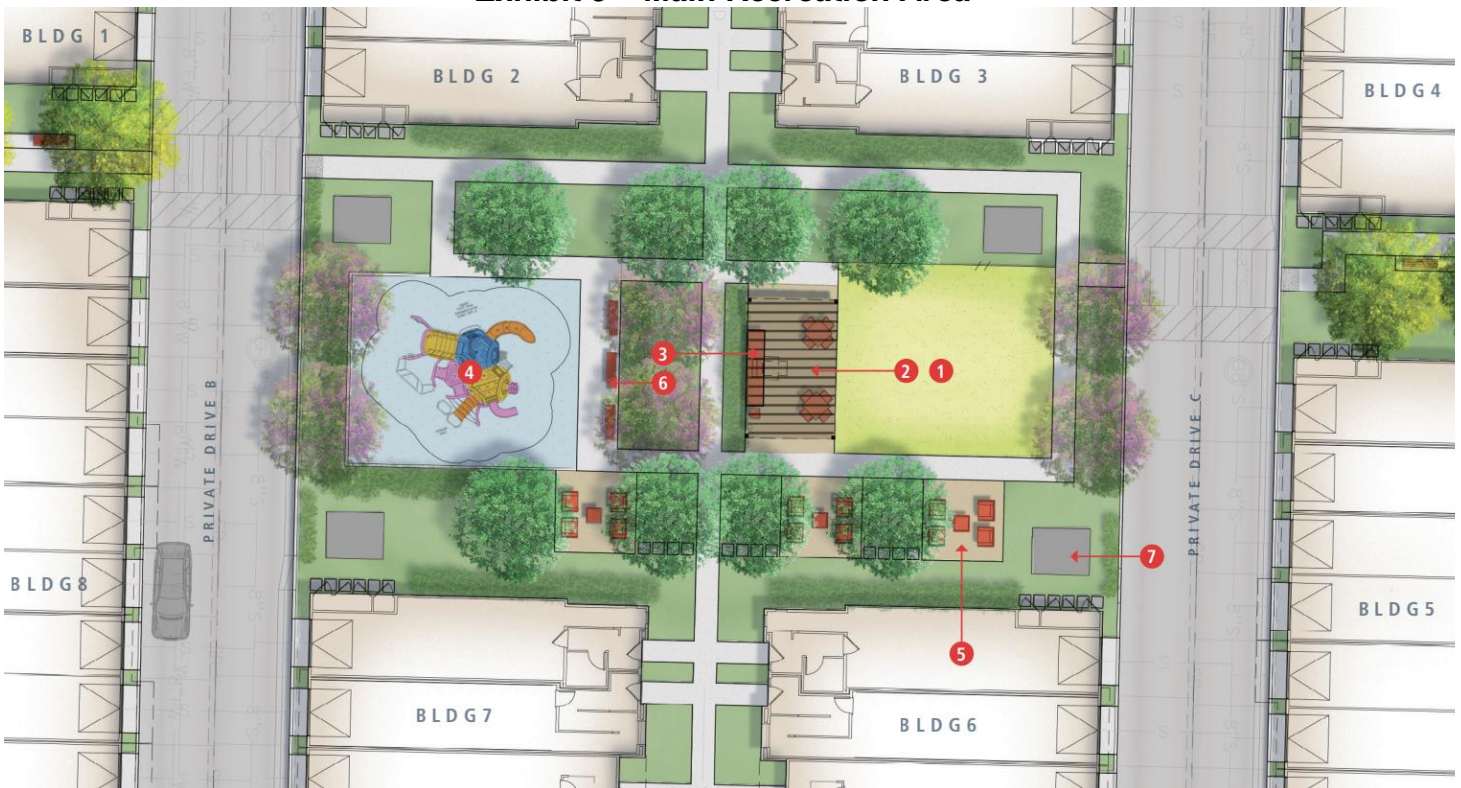
existing uses. Therefore, a traffic impact fee will be required if the project proceeds. The fee calculation would be finalized during the building permit plan check process and be paid prior to building permit issuance.

Lastly, CMMC Section 13-275(a), specifies that “a traffic impact study shall be required for all development projects estimated by the Public Works Department to generate one hundred (100) or more vehicle trip ends during a peak hour.” The highest peak hour trips in either the AM or PM is used to estimate the number of vehicular trips generated both in and out of a new or expanded development, known as vehicle trip-ends during a peak hour. The City’s Transportation Services staff determined that the proposed project would result in approximately 66 AM and 80 PM net peak hour trips and thus a traffic study would not be required.

**Open Space**

New residential development proposed in the R3 Zoning District is required to provide a minimum of 40% open space on the project site. The project is proposing approximately 46,000 square feet of shared open space, including a central recreation area that includes shade structures, BBQ area, play equipment, and casual seating areas (see Exhibit 5 below). An additional passive recreational area is proposed on the west side of the property. In addition to the proposed common open space areas, each unit is proposed to include private open space. The detached single-family dwellings are proposed to include private rear yards with approximately 600 square feet of open space. Each townhome is provided with at least one balcony. The total open space proposed onsite is 72,906 square feet, or approximately 27% of the lot. Pursuant to State Density Bonus Law, the applicant is proposing a “waiver” to deviate from the CMMC open space requirements.

**Exhibit 5 – Main Recreation Area**



### ***Fire and Emergency Access***

If the project is accepted for processing, firefighter and apparatus access will be required throughout the project, and the applicant will work with the Fire Marshal to develop an acceptable project safety plan. The project's incremental impact to fire/life safety resources will also be evaluated. Based on the Fire Department's preliminary review of the project, there does not appear to be any significant issues that would preclude the project from moving forward.

### ***Off-site Improvements***

As indicated in the attached project applicant letter, the applicant is currently working with City staff for development of certain off-site improvements in conjunction with the proposed new residential development. As currently conceived, the applicant would provide certain public benefits, at no cost to the City, such as a pedestrian access easement through the project site from the neighboring existing residential development (via a gate on Olympic Avenue), and upgrades to Bear Street that include, but not limited to, a signalized pedestrian crosswalk that connects the easterly (project) side of Bear Street to Schiffer Park. If the project continues, details regarding the off-site improvements will be refined and thoroughly reviewed with the future project application submission.

### ***General Plan Consistency***

The following project-applicable General Plan goals and policies can be reviewed and considered by the City Council in the context of the overall project as the Council considers whether or not to allow the proposed General Plan application to proceed:

#### ***Goal LU-1: A balanced community with a mix of land uses to meet resident and business needs.***

The project will contribute to a balanced mix of uses in the area that includes providing additional ownership housing opportunities. The project would remove approximately six-acres from the City's inventory of commercial properties to allow for residential uses. According to the applicant, current market demand supports the conversion of the property to residential use because of the reduced demand in office space coupled with the increased residential demand from the Statewide shortage in housing. However, if the project proceeds, staff will require a fiscal impact study that addresses potential City economic or other impacts related to the proposed change in land use.

#### ***Policy LU-1.3: Strongly encourage the development of residential uses and owner-occupied housing (single-family detached residences, condominiums, townhouses) where feasible to improve the balance between rental and ownership housing opportunities.***

In 2018, owner-occupied housing units accounted for 40.4 percent of the housing stock and 59.6 percent were rental occupied units. The project proposes 146 new ownership housing units including eight very low-income units. As encouraged by this General Plan Policy, the inclusion of 146 additional ownership units will improve the imbalance of rental-to-ownership housing in the City.



**Policy LU-2.8:** *Limit building height to four stories above grade south of the I-405 Freeway, except for special purpose housing such as elderly, affordable, or student housing, unless otherwise approved by a General Plan amendment.*

The project, which proposes an affordable housing component, is located south of the 1-405 Freeway and would not exceed a maximum height of four stories.

**Policy C-6.12:** *Require that every new development project pay its share of costs associated with the mitigation of project generated impacts.*

The project will be subject to the payment of development impact fees including transportation impact fees, drainage fees, and parkland fees.

**Policy HOU-3.4:** *Consider the potential impact of new housing opportunities and their impacts on existing residential neighborhoods when reviewing development applications affecting residential properties.*

Two established single-family residential neighborhoods are located adjacent to the subject site to the south and east. The project is not anticipated to negatively impact the adjacent residential uses in that site planning and design considerations (including building massing, location and height) are included to protect privacy of adjacent residents and balance their exposure to air, sun, shade and other potential impacts.

**Policy HOU-3.5:** *Encourage residential and mixed-use development along transportation routes and major commercial/mixed use corridors.*

If accepted for processing, the project would be situated near the I-405 freeway. Additionally, the site is located adjacent to Bear Street and nearby Bristol Street, both identified as “major arterials” in the Master Plan of Streets Highways (MPSH). Bus routes are located approximately ½ mile from the subject site and the project site is adjacent to an existing Class II bikeway.

### **California Environmental Quality Act (CEQA)**

The project is subject to the California Environmental Quality Act (CEQA). If the General Plan application is accepted for processing, staff will ensure compliance with CEQA. An initial study will be prepared to determine whether the project would result in environmental effects. The appropriate environmental document, which could be a mitigated negative declaration (MND), negative declaration (ND), or an environmental impact report (EIR) will then be prepared. If necessary and applicable, appropriate environmental studies will recommend necessary and appropriate mitigation measures, to support the requisite environmental document.

### **ALTERNATIVES:**

Because the screening process allows the applicant to consider the City Council’s initial comments and to refine the development concept based on Council feedback prior to submittal of a land use application for review, and no decisions are made, there are no alternative actions for the City Council to consider.

**FISCAL REVIEW:**

There is no fiscal impact to the City associated with this item. However, approval of this request and the potential development of the 146 ownership residential units will generate revenue such as property tax, sales tax, franchise tax, etc. If the City Council directs staff to proceed with the project, a comprehensive project-specific fiscal analysis would be completed and would include an identification of both positive and negative fiscal impacts.

**LEGAL REVIEW:**

The City Attorney has reviewed this report and has approved it as to form.

**CITY COUNCIL GOALS AND PRIORITIES:**

This item supports the following City Council Goal:

- Diversify, stabilize, and increase housing to reflect community needs.

**CONCLUSION:**

The General Plan Screening is a preliminary project review requirement necessary to initiate processing of an application for the proposed land use change and associated development. Staff recommends that the City Council provide direction as to whether to proceed with a General Plan Amendment request to implement the “High Density Residential” land use for the subject property, and other associated entitlements. If the City Council allows the project to proceed to an entitlement application, submittal of applications for a General Plan Amendment, Zoning Code Amendment, Density Bonus, Design Review, and Tentative Tract Map, would be processed. Entitlement processing would also include a comprehensive environmental review with associated technical studies such as infrastructure studies, noise study, water supply study, and a fiscal analysis. Lastly, staff will work with the City Attorney and the applicant to prepare the necessary affordable housing documents for the affordable units which set maximum income for the respective owners and affordability terms.