



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: June 23, 2025

ITEM NUMBER: OB-1

SUBJECT: FAIRVIEW DEVELOPMENTAL CENTER SPECIFIC PLAN LAND USE PLAN - REVIEW AND RECOMMENDATION

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

PRESENTATION BY: ANNA MCGILL, PLANNING & SUSTAINABILITY DEVELOPMENT MANAGER, KAREN GULLEY, PLACEWORKS, SUZANNE SCHWAB, PLACEWORKS, STEVE GUNNELLS, PLACEWORKS

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RECOMMENDATION:

Staff recommends that the Planning Commission receive the staff presentation and provide feedback on community variables and plan components that will shape the land use plan for the Fairview Developmental Center (FDC) Specific Plan.

APPLICANT OR AUTHORIZED AGENT:

City of Costa Mesa

BACKGROUND:

City and State Roles in the FDC Specific Plan Process

The 115-acre FDC site located at 2501 Harbor Boulevard in the City of Costa Mesa includes several interested entities, uses and state legislation. These factors create an opportunity for a planning process to guide the future redevelopment of the land. Extensive early coordination between the City and the State has resulted in this planning process being a collaboration. This section of the staff report outlines the state legislation that dictates the overall planning process and describes the City's and State entities' roles in guiding the development of the FDC site.

In June 2022, the State Legislature through Senate Bill (SB) 188 approved Government Code Section 14670.31, which provides a framework for the reuse of the FDC property. The legislation codifies a partnership between the Department of General Services (DGS), the Department of Developmental Services (DDS), and the City of Costa Mesa, with defined roles for each entity.

To support this effort, the State allocated \$3.5 million in State funding to the City to develop a Specific Plan, conduct necessary studies, and manage a community-based planning process. The Legislature's intent is for the redevelopment of the FDC site to prioritize affordable housing to the greatest extent feasible, including a minimum of 200 units of permanent supportive housing, open space, and housing for individuals with developmental disabilities. The City will create a Specific Plan for the FDC site that implements the provisions of Government Code Section 14670.31.

Agreement: The City and the State executed an agreement in December 2022 consistent with SB 188. The agreement envisioned that the City's planning work for FDC would be completed by December 2025 and include the following deliverables:

- Robust Community Engagement Strategy (and implementation thereof);
- Comprehensive Conditions Report on the property and its setting;
- Economic Market Demand Report;
- Water Supply Assessment and coordination among Water Agencies;
- Project Conceptual Alternatives & a Preferred Plan Framework;
- Draft Specific Plan with Implementation Strategies;
- Public Draft Initial Study and Notice of Preparation, if required;
- Public Draft Environmental Impact Report;
- Draft Final Environmental Impact Report and Mitigation Monitoring and Reporting Program;
- Final Draft Specific Plan and Environmental Impact Report; and
- Public hearings for EIR certification and Specific Plan adoption, including any General Plan and Zoning amendments identified as necessary for consistency.

As outlined in the agreement between the City and State, the final development plan must align with both the City's adopted vision and the State's interests. While the site is owned and controlled by the State (DGS), the agreement outlines the City's responsibilities for leading the land use planning process.

City's Role: The regulatory framework for this planning process includes preparation of a Specific Plan, identifying and defining public benefits, amending the General Plan, updating the zoning regulations, and conducting the environmental review in accordance with the California Environmental Quality Act (CEQA). Although the City does not own the land, the City maintains zoning authority over the land. This is same authority by which the City regulates all land that is not public right-of-way (streets, etc). In the case of FDC, the City has benefit of a working relationship with the State and

understands the State intentions on securing a private master developer (as opposed to the State itself) to develop the site.

One unique element of the agreement requires the City to conduct an analysis to help determine project scenarios that will be financially feasible for a future master developer. Preparation of financial feasibility analyses is typically undertaken by the property owner or a developer to assess realistic development scenarios to pursue. This information, while used by developers to decide whether to pursue a project, is often not known to a jurisdiction (city or county) during planning efforts. In the case of FDC, the City benefits from understanding the financial feasibility analysis, which identifies the range for reasonable expected development. This information is also needed by DGS to inform their disposition process and select a master developer.

State's (DGS) Role: The State DGS, acting as the property owner, will lead the property disposition process, which will include either sale or lease of the land to a master developer, for the purposes of pursuing one or more projects in compliance with the City's Specific Plan. As part of this process, the State will release a Request for Proposals (RFP) and select a master developer with a proposal that most closely reflects State and City goals and regulations for the site. DGS has expressed that they will likely start the disposition process and release the RFP after the Draft Environmental Impact Report (EIR) public review period is complete. This ensures that the State's disposition process can include with a clearly defined scope of development, Specific Plan regulations, and a detailed understanding of the environmental impacts associated with the site. Note that any project proposal would be processed through the applicable application types identified in the Specific Plan.

State (DDS) Role: DDS is the second state agency that has an active role in the FDC site planning process. DDS provides a wide variety of development disability services to Californians, which can include projects that build additional affordable and/or supportive housing. In accordance with SB 82, and demonstrated in the three developed land use concepts, DDS will retain 15 acres for housing that will be developed in a manner similar to the Harbor Village Apartments. DDS anticipates developing up to 480 residential units adjacent to the existing Harbor Village Apartments, with 20% of the units dedicated to individuals with developmental disabilities, like the Harbor Village model. Any units constructed by DDS as part of the FDC site will count towards the City's fulfilling its Regional Housing Needs Allocation (RHNA) obligation. This 15-acre portion of the property will be included in the Specific Plan area and studied under the EIR. DDS has committed to developing their portion of the site in accordance with the City's Specific Plan, and continue to meet and collaborate with the City to ensure that the Specific Plan's land use policies support the State's DDS housing goals and interests.

State's Role in Emergency Operations Center (EOC): DGS is also overseeing and responsible for the construction of the Emergency Operations Center (EOC).

Additional information is available online at: <https://buildcaloessreoc.turnersocal.com/>. The May 27, 2025, staff report included additional information on decisions made between the City and State regarding this project, including the revised alignment of Shelley Circle and the identified location of the EOC community tower, which will impose height restrictions located directly north and east of the EOC site. These decisions will be reflected and memorialized in the Specific Plan.

City and State Coordination: The City and State entities (DGS, EOC development team and DDS) hold bi-weekly coordination meetings to discuss the progress of the Specific Plan, EOC project, anticipated DDS housing and DGS disposition process. These continued meetings are critical in ensuring shared information, goals, and interests as they relate to the overall FDC site.

Community Outreach and Input

The City launched the community outreach component of the FDC Specific Plan process in 2023. The goal was to optimize public participation and encourage public input on the plan development. Many comments on the types and amount of housing, on the internal circulation and connectivity to the surrounding community, and parks and opens spaces were gathered and summarized. Outreach events have included in-person and virtual workshops, pop-up events, and study sessions. Materials for all workshop and pop-up events were provided in both English and Spanish, with Spanish interpreters available to assist attendees as needed. For in-person meetings, the City's Parks and Community Services Department provided activities and childcare resources to enable parents to attend and more fully engage in the outreach process.

Workshop 1: The first workshop, which consisted of three workshop meetings, conducted in November 2023, focused on idea generation for the ingredients of great neighborhood which was used to inform a draft vision statement and set of guiding principles. The summary of the input received is available on the FDC website, through this link: https://fdcplan.com/wp-content/uploads/2023/11/Workshop-1_Summary_DRAFT_Revised_11.28.23.pdf

Workshop 2: The second workshop was conducted in January 2024, consisting of three workshop meetings, and focused on the draft Vision and Guiding Principles, based on the feedback from the first workshop series. The summary of the input received is available on the FDC website, through this link: https://fdcplan.com/wp-content/uploads/Workshop-2_Summary_FINAL.pdf

Workshop 3: Held across 3 workshop meetings in February and March 2024, the third workshop series provided an open house format which gave the community opportunity to walk through various stations and learn more about a variety of topics

related to the FDC Specific Plan. The summary of the input received is available on the FDC website, through this link: https://fdcplan.com/wp-content/uploads/Open-House-3_Summary_English.pdf

The first three workshop series were advertised across a range of media and print forms (detailed on each workshop summary) and documented input from 419 attendees.

Workshop 4: The input received on the first three workshops was used to inform and shape the three Project Conceptual Alternatives, which incorporated key community features identified by the public. Held across three workshop meetings in July and August, 2024, the fourth workshop focused on the draft Land Use Concepts. The summary of the input received is available on the FDC website, through this link: https://fdcplan.com/wp-content/uploads/Open-House-4_Summary_ENGLISH.pdf

Throughout the fourth workshop outreach events, the City received 719 survey responses, along with 10 emails and 8 comment cards. A summary of the input received on the land use concepts was included as an attachment in the May 27, 2025, staff report.

Financial Feasibility Recap

As required by the agreement with the State, the City oversaw preparation of a Financial Feasibility Analysis ("Analysis") for the FDC site, using three land use concepts as test cases. The three land use concepts included different unit counts, at 2,300 units, 3,450 units, and 4,000 units, along with land use components identified during public outreach. Incorporating market demand and pricing, the Analysis provides a detailed summary of the development cost at the FDC site – excluding the cost that affordable housing developers will pay to build and operate their projects. The analysis also includes project-wide infrastructure costs—demolition, roads, water, and sewer, along with public safety and open space needs for the level of development. Feasibility alternatives (i.e., changes in the assumptions for each land use concept that would make each concept more feasible) were included to identify adjustments that could make the overall project financially feasible. The Analysis was provided as an attachment to the May 27, 2025, staff report.

Financial feasibility analyses are prepared and analyzed from the perspective of potential developers and ask the question: do the concepts provide for a sufficient number of market rate housing units to offset the costs to support the affordable housing, the DDS housing, and other amenities, such as public safety and parks and recreation facilities. It can be used to predict the potential feasibility of a project with the most accurate information at hand at the time the analysis is conducted. While these analyses try to anticipate future market trends, unforeseen trends or market factors could adjust identified feasibility when the master developer is ready to

construct. The Analysis is a 'snapshot' of the current market and its considerations. For FDC, the Analysis evaluated the three concepts to determine how and whether a developer could redevelop the site and achieve an industry standard internal rate of return for project feasibility (15%).

In evaluating the three land use concepts, this analysis estimates the cost to develop several land use concepts along with an Internal Rate of Return (IRR). The industry standard deems 15% to be the minimum return that outside investors expect to invest equity in a development project. The table below is a summary of the results of the financial feasibility analysis:

Table 1: Total Cash Flow and Annual Internal Rate of Return

	Concept 1	Concept 2	Concept 3
Cash Flow Sums with Financing and Cost/Revenue Escalation			
Total Cash Inflow	\$810,300,000	\$2,148,000,000	\$2,905,000,000
Total Cash Outflow	-\$962,700,000	-\$1,779,000,000	-\$2,235,000,000
Total Net Cash Flow	-\$152,360,000	\$369,100,000	\$669,8900,000
Financial Feasibility Metrics			
Annual Internal Rate of Return (IRR)	-20%	14.6%	16.7%
Feasibility Surplus/(Gap)	(\$233,000,000)	(\$5,020,000)	\$26,700,000

Note: The total cash inflow and outflow is a simple sum of the monthly estimates. The data are not discounted and thus do not reflect the time value of money. However, the IRR does account for the timing of inflows versus out-flows.

Based on the analysis above, Concept 1 would cost more to develop than it would generate in income. This concept would need additional subsidy of over \$233 million to be feasible at a 15.0 percent IRR. Absent a subsidy, it is highly unlikely that this development scenario would come to fruition. Concept 2, which showing slightly less than the industry standard IRR of 15% would still be considered financially feasible as it is anticipated a developer could make minor adjustments to their own pro forma or to the project to bring it to the 15% rate that would make the project viable. Finally, Concept 3 is financially feasible, with an IRR of 16.7%.

While normally unavailable to the City as part of a Specific Plan development process, the Financial Feasibility Analysis results are significant in that they provide an indication of what a master developer is likely to propose on the FDC site as the range of units. This allows the City to more clearly forecast estimated population growth and needs, along with infrastructure and public service needs to support development at the FDC site. The Analysis points to the reasonable expected development level to more clearly reflect Concept 3 than Concept 1. To achieve an

IRR at the industry standard of 15%, it is estimated that the unit range could be approximately 3,600 to 3,800 units.

To prepare a viable Specific Plan and conduct environmental review under CEQA, the City is responsible for evaluating a land use concept that is both physically and financially viable and reasonably expected. The City can then ensure a Specific Plan that achieves a balance of community desires and key public benefits-such as affordable housing, open space, and community amenities- as well as plan elements that are reasonably expected to be seen as part of a future project proposal based on feasibility.

In accordance with the FDC project agreement, the process has now progressed to the Preferred Plan Framework. This process entails Planning Commission input on components to include on a Preferred Plan. These components are based on input received from the community survey and the Vision and Guiding Principles for the Specific Plan. Collectively, the Planning Commission and public input will provide a foundation for components of the Specific Plan.

Planning Commission Input: May 27, 2025, Study Session

Based on the Financial Feasibility Analysis of the land use concepts, staff presented a Study Session on the Preferred Plan Framework to the Planning Commission at a study session item on May 27, 2025. The session included a comprehensive presentation covering land use concepts, varying residential densities – including affordable housing–commercial uses, circulation networks, and open space planning. Commissioners also were provided with an overview of the community outreach and feedback, financial feasibility findings, and necessary site and infrastructure improvements. The purpose of the study session was to gather input from the Planning Commission to help refine the project description, shape the Preferred Plan Framework, and inform the scope of environmental review required under the CEQA. The May 27, 2025, FDC Study Session Staff Report and Materials are included as Attachment 1 to this report. Below is a high-level summary of comments and input received from the Planning Commission at this meeting:

a. Residential Development Range and Affordability Targets

A range of input was received on target residential development ranges for the Specific Plan, with some acknowledgement that the community voiced support to stay closer to the Housing Element target (2,300 units), some input to increase the target to what is financially feasible but not go beyond this point and some input to study the maximum density for the purposes of the EIR (4,000 units) and provide a target range that is financially feasible in the Specific Plan. A few Commissioners asked about a potential land swap concept (further discussed in other input received below) and the possibility of using City-owned land between Fair Drive and the

proposed secondary access road adjacent to Harbor Boulevard to provide additional housing and/or open space. There seemed to be consensus amongst the Commission to encourage meeting the Housing Element's target of 40% affordable units for the FDC site.

b. Development Pattern

The Commission requested additional information on the development patterns considered within the Specific plan, including permitted use types under each land use designation and some additional clarity about density, height, and other potential objective standards. Some Commissioners voiced support for including other community amenity type uses, such as a library or a community room. Some commented that the land use plan doesn't feel "unique" or like a neighborhood at this stage and would like some additional information to help visualize what the Specific Plan will entail.

c. Circulation Network

There was some input received on the grand promenade, mainly requesting more detail on the components within the promenade, including size and look of sidewalks, planting areas and the adjacent development patterns (i.e. mixed-use development, housing or any commercial component). The Planning Commission acknowledged that while the promenade was supported during public outreach, further refinement was needed to enhance its connectivity, reinforce sense of place and promote walkability across the development.

d. Open Space and Community Amenities

While there was no specific Planning Commission direction on the minimum open space desired, they did support open space overall and questioned how the Specific Plan can incorporate the City's General Plan open space goals citywide and for the FDC site. While the staff recommended minimum open space for the Specific Plan that is lower than the Citywide or FDC specific goals in the General Plan, the amount suggested assumed that these goals would be met through dedication of land, the cost of improvements to the land and additional park impact fees that the master developer would pay in accordance with the City's Local Park Ordinance. The components for meeting the open space requirements will be further discussed in the analysis of the staff report. Finally, staff received input regarding the commercial components of the plan and heard support for distribution of commercial space within the Specific Plan, as well as options for both mixed use configurations and standalone retail configurations.

e. Other Input Received

Additional input from the Planning Commission was received and is summarized below:

- Land Swap concept: Some commissioners queried the DDS letter dated June 28, 2024, included in the staff materials, and asked if there was still an opportunity to explore a land swap concept as part of the project. At the meeting, staff explained that this concept was further discussed with the Department of General Services (DGS), who did not express interest at the time in pursuing the concept. However, if a consensus is received amongst both the Planning Commission and City Council to continue to explore this option, staff will continue to engage in discussions with the state and assembly members about its viability as an option and the potential steps (including the current deed restrictions on the use of the golf course land and potential legislation needed) to consider a land swap option. One additional consideration is that the golf course areas outside the FDC site were not included as part of the City's Measure K process, which means a major land use designation change would require a vote of the people.
- Further community outreach: some Commissioners expressed concerns over the results of the community survey conducted when compared to the viable land use options under the financial feasibility analysis and suggested slowing down the process and conducting additional community outreach.

DISCUSSION AND ANALYSIS:

Recommendations for the Vision Statement and Guiding Principles

The Planning Commission requested a summary of the vision statement and guideline principles to evaluate conceptual land use plan framework. The draft vision statement and guiding principles have been included as Attachment 2.

A vision statement is an aspirational description of the desired future for a specific area. It reflects the community's long-term goals and values and serves as a foundation for land use decisions, physical development, and policy direction. In a Specific Plan, the vision ensures that future growth aligns with local priorities while supporting broader city and state goals such as housing production, sustainability, and livability. Guiding principles are the core values that support the vision. They provide a decision-making framework and help shape the plan's development by emphasizing priorities like connectivity, inclusivity, adaptability, and economic vitality.

For the Fairview Developmental Center (FDC) Specific Plan, the vision guides the planning process and unifies input from stakeholders and the community. Feedback from outreach events (Workshops 1 and 2) and study sessions informed the draft vision and guiding principles, which reflect both community perspectives and

broader planning goals. These drafts will continue to evolve and will be included in the final Specific Plan to guide future development of the site.

FDC Specific Plan and its Components

A Specific Plan is a tool used by jurisdictions to implement the General Plan in a defined area within the City. The required content is established by Sections 65450 – 65457 of the California Government Code. A Specific Plan incorporates the elements of the community vision into a Preferred Land Use Plan, and planning control, detailed standards and design direction that may supplement and/or differ from a City's traditional zoning regulations. In addition to establishing a land use plan and development regulations, a Specific Plan must also provide conceptual plans for circulation and infrastructure improvements needed to support the intended land uses. It must also address the phasing of development, financing, and how development applications will be processed.

The City's responsibility and due diligence is to create a specific plan for the FDC site that ensures that future development provides all required infrastructure, public services, open space, public safety services, and appropriate development impact fees to fund services that cannot be constructed. Because specific plans, unlike the zoning ordinance, govern a defined geographic area, jurisdictions will establish a scope of development that is anticipated to evaluate infrastructure and land use needs. Understanding the needs guides the development requirements that are included in the specific plan. As such, it is important for a jurisdiction to identify the most realistically expectable level of development to ensure adequate requirements are in place to support that development and broader public needs.

The FDC Specific Plan will be the basis for all future development applications on the site. The developer(s) selected by the State will be required to comply with the adopted Specific Plan, but could utilize other permitted housing state legislation, including State Density Bonus Law (SDBL) provisions, as part of their entitlement requests and application to the City.

Key Chapters and Components of a Specific Plan will typically include existing conditions, visions and guiding principles, the main components of the plan and administration and implementation requirements for how future projects under the project will be processed. Specific Plans typically include the following Chapters:

- Introduction
- Existing Conditions and History of the FDC Site
- Vision and Guiding Principles
- The Plan

- Land Use Plan (including permitted uses under each land use category such as housing/affordable housing, commercial, community amenities, etc.)
- Mobility and Circulation (including roadway and network layout, street sections, bicycle, and pedestrian path and access requirements, etc.)
- Open Space (including minimum required open space, types of open space permitted and possible locations for open space, recreational amenities, dedications, fees to be paid, construction and maintenance responsibilities)
- Infrastructure (including infrastructure requirements for the plan such as water, storm drain, sewer and drain utilities)
- Public Services (including additional requirements for public services such as police and fire facilities, as well as drainage to accommodate the need of additional residents and services)
- Administration and Implementation

More detailed examples of the components of the Specific Plan, including some visual representations of possible requirements, will be included in the staff presentation. While the Specific Plan will include clear standards to ensure that infrastructure and public needs are accommodated, it will also include flexibility to accommodate factors such as evolving housing products. The City's goal is to ensure that development at the FDC site implements community infrastructure and public needs that are met by a developer as they pursue a reasonably expected development plan. To facilitate the City's housing goals, the Specific Plan is not intended to predict development scenarios or overly dictate requirements.

The FDC Specific Plan will serve as the regulatory and policy document guiding the site's transformation over time. It will also support the State's future solicitation of a Master Developer to implement the vision in alignment with the City's goals and community input. Therefore, the overall goal of the project description is to set maximum development parameters that can be studied and can anticipate possible environmental impacts. This process ensures transparency for the public and will help the master developer with a transparent and efficient entitlement process for future City review.

DEVELOPMENT OF THE PREFERRED LAND USE PLAN:

Following community input and financial feasibility analysis, the City's planning effort contemplated the development of land use alternatives and from those alternatives, a

preferred land use plan. Staff is requesting that the Planning Commission provide guidance about components that should be included in a preferred land use plan.

To assist in the Planning Commission efforts and public input, the consultant team developed potential land use alternatives as starting points for discussion. The goal in developing these alternatives was to incorporate components of the studied land use concepts that were desired by the community as well as incorporate aspects of good planning design with consideration of the results of the financial feasibility analysis.

These alternatives, shown below, were vetted, and discussed with City staff across multiple divisions/departments and used to formulate the preferred land use plan that was shown to the Planning Commission at the May 27, 2025, hearing. All land use plans considered can accommodate the staff recommended components of the preferred plan that was shared with the Planning Commission at the last study session (housing target range, minimum amount of open space dispersed through the site, commercial space, grand promenade, and flexibility for a future master developer).

All alternatives are within a development unit range that is considered reasonably expected, based on the financial feasibility analysis. Staff recommends setting a minimum residential development of 2,300 units and a maximum residential development of between 3,600-3,800 units (i.e., the Planning Commission would recommend a number within this range to set as the maximum). The minimum residential development is to ensure that the FDC Specific Plan meets the affordability goals that were outlined in the City's adopted Housing Element.

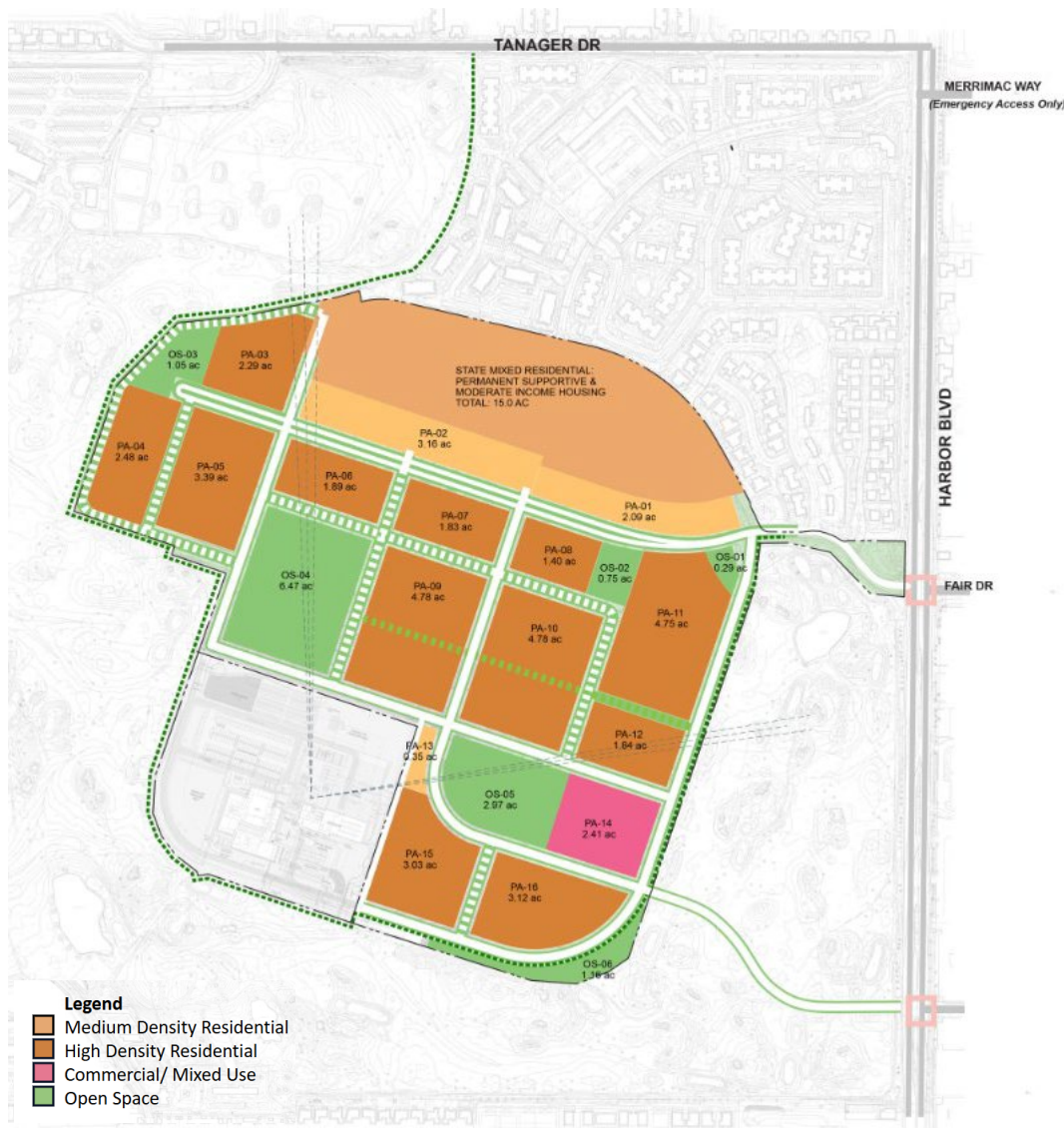
State Density Bonus Law now allows additional density on all housing development projects that provide a certain level of affordable housing. Density bonuses can range from 5% to 80% of the number of base units. For example, a development with 100 base units can earn up to an 80% density bonus (180 units) if all the units are affordable (very-low, low, or moderate-income levels). In another example, a development with 100 units base units can earn up to a 50% bonus (150 units) if 40% of the units are restricted to a very-low income level.

The reason for a maximum number is to accommodate for the reasonable expectation that a master developer will pursue a financially feasible development scenario. This ensures that the City studies all developmentally feasible options and ensures that future projects meet the Specific Plan and adequately fulfill infrastructure and public service requirements to support the approximate level of development. These recommendations seek to strike a balance between the City planning for the reasonably expectable range of development, achieving City and State housing goals, and ensuring that development "pays its way."

Considered Land Use Plan Alternative 1

The first considered land use plan included dispersed open space, with large portions strategically placed within the communication tower height limitation area. The plan also included lower density development along the proposed promenade and a curved secondary road, though this feature was not preferred due to restricted turning radius for larger vehicles and that it created awkward shaped parcels that may be difficult to develop. Finally, commercial was placed near the secondary access to minimize neighborhood traffic and convenience, placed adjacent to open space to create opportunities for outdoor dining and other indoor/outdoor retail opportunities.

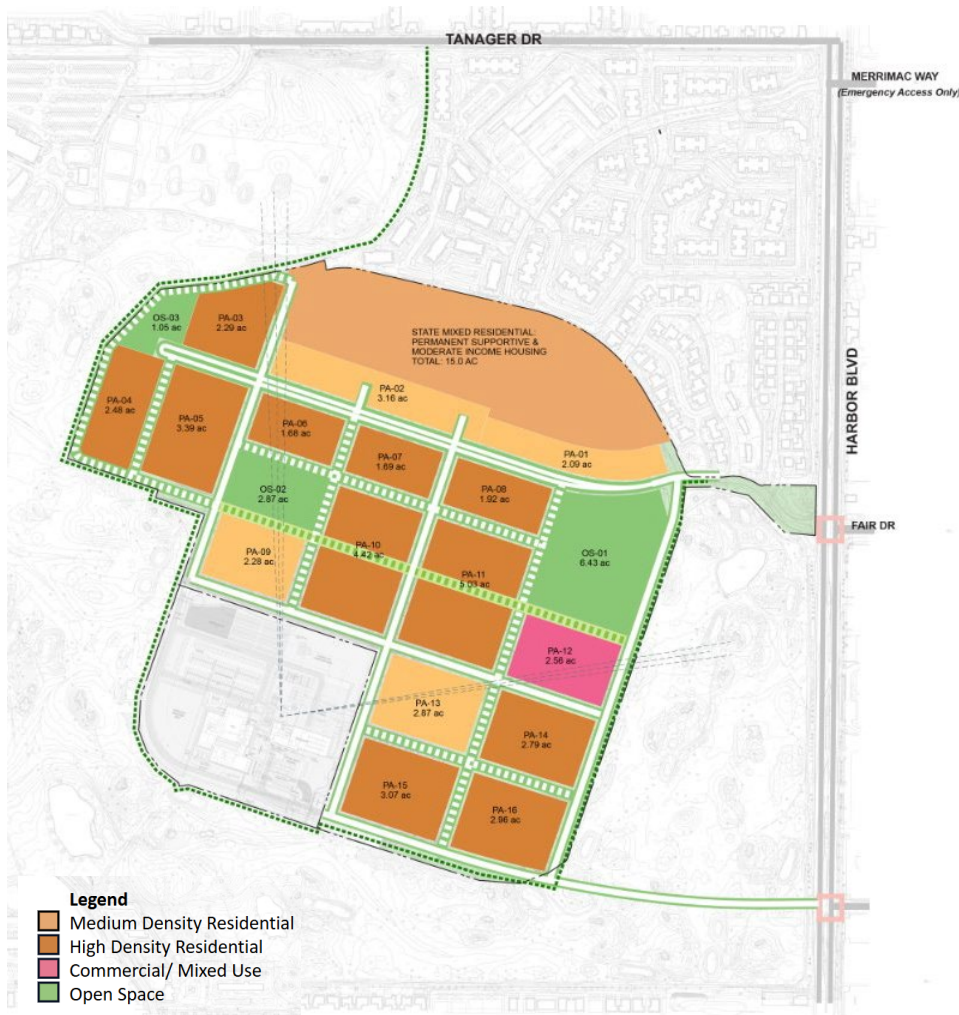
Figure 1: Considered Land Use Concept Map 1



Considered Land Use Plan Alternative 2

The second considered land use plan incorporated open space near Fair Drive to minimize traffic into the community and provide open space adjacent to the golf course. The plan also incorporated lower density development along the promenade and near the EOC site due to the communication tower height limitations. The secondary access road coming into the bottom of the Specific Plan was considered, but ultimately rejected as it did not meet EOC requirements.

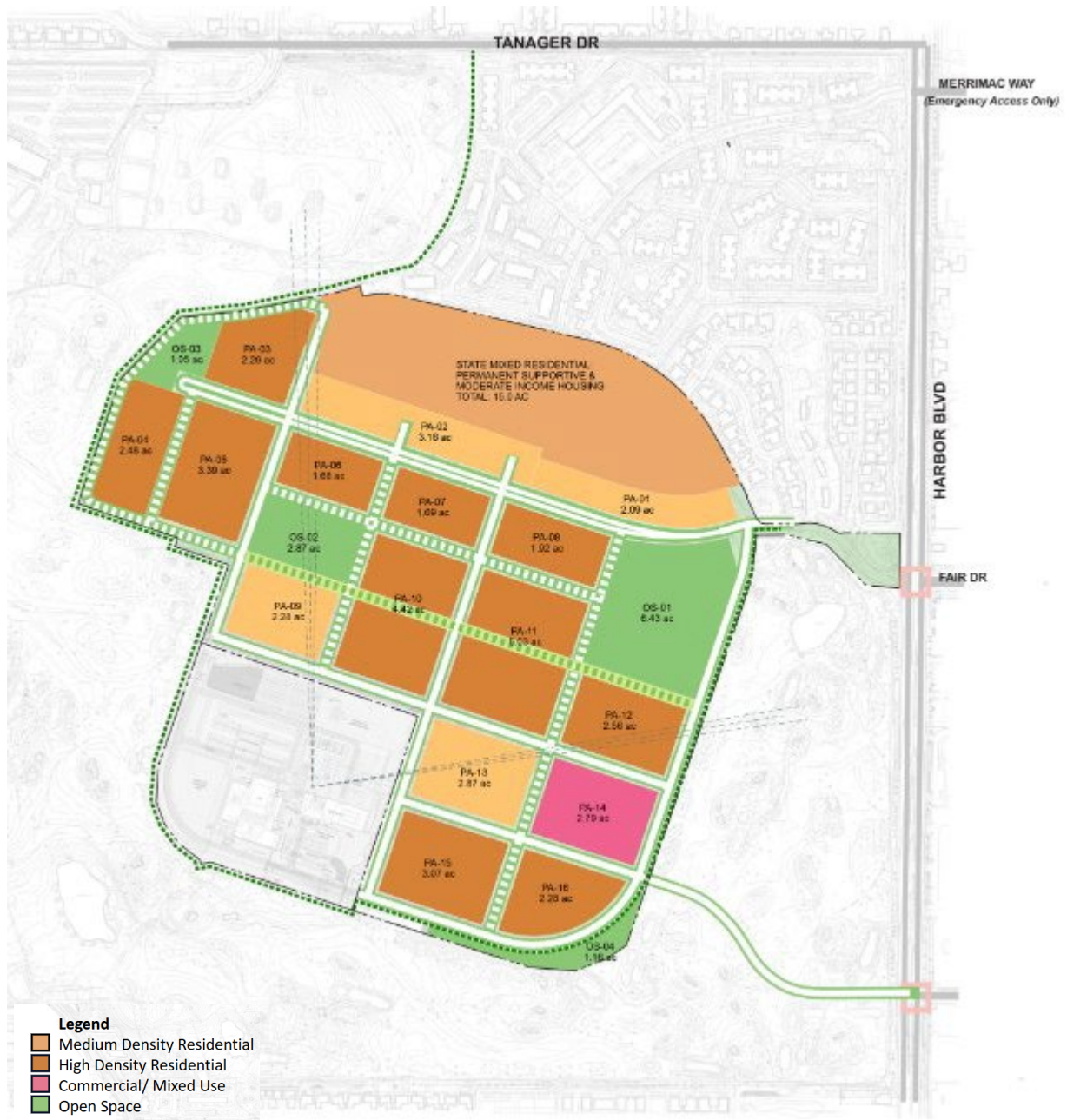
Figure 2: Considered Land Use Concept Map 2



Considered Land Use Plan Alternative 3

Considered Land Use Plan 3 included the same open space near Fair Drive and lower density development along the promenade and adjacent to the EOC site. The plan adjusted the secondary access road to meet EOC requirements and adjacent to commercial space to accommodate convenient access and minimize neighborhood traffic. This considered land use concept most closely reflects the staff recommendation preferred land use plan that was shown to the Planning Commission at the May 27th Study Session.

Figure 3: Considered Land Use Concept Map 3



During the May 27th Study Session, the commission and public requested additional information on the Specific Plan process, which has been provided above and will be included in a more detailed visual form in the staff presentation. The land use plan is intended to be more high-level, with designated land use type and key components of the plan. The land use map identifies potential areas for housing development but does not describe the maximum density or height at these locations, allowing flexibility for the master developer as part of the entitlement process. The Specific Plan will then evolve this land use plan further with additional details, requirements, and considerations. As part of the City's obligation to plan the FDC site to accommodate a reasonably expected level of development, staff has reached a critical point in the project to complete an initial draft the Specific Plan based on the received input. It could also be seen as a study plan that can continue to be refined once a draft Specific Plan is available for review but will be used to study the environmental impacts under CEQA before a final draft Specific Plan is realized. As mentioned above, not accounting for a reasonably expected level of development will result in the City inadequately planning for the infrastructure and public service requirements to support the development.

Key considerations for a preferred land use plan were included in the May 27 staff report including balancing land use components, supporting delivery of affordable housing, ensuring financial viability, and planning for long-term flexibility. Based on the feedback received from the Planning Commission, staff have made certain revision to the key elements below for continued Planning Commission considerations on the working draft preferred land use plan, as outlined below:

1. *Residential Development range*

Based on the input from the Planning Commission and public, as well as the need to adequately plan for a realistic development scenario, the Planning Commission could consider setting a minimum residential development of 2,300 units and a maximum residential development of between 3,600-3,800 units (i.e., the Planning Commission could recommend a number within this range to set as the maximum).

2. *Circulation Network: Grand Promenade*

The revised land use concept map still includes a Grand Promenade or grand entryway to create an identity for this project. This idea has received strong community support. Staff has provided some additional illustrations to further identify the types of uses that would be encouraged and allowed along the promenade including commercial uses, housing, mixed use development, open space, widened sidewalks and bicycle lanes (including in the illustrations

provided within Attachment 3). Additionally, Attachment 4 provides street cross sections for the potential Grand Promenade, as well as other internal roadway configurations being considered for the Specific Plan. The promenade is intended to serve as the site's primary spine, enhancing connectivity, reinforcing a sense of place, and promoting walkability across the development.

3. *Open Space: 12 acres (minimum) of Publicly Accessible Open Space*

While staff originally proposed a minimum open space of 10-12 acres, the staff propose consideration of a minimum of 12 acres based on input from the commission and the community. While this minimum does not meet the current General Plan policies for the City and FDC site, the developer would provide a combination of land, improvements to the parks and trails, and park impact fees consistent with the City's Local Park Ordinance. A defined minimum amount of publicly accessible open space sets the minimum parameter to meet local and State parkland standards and provide accessible recreational opportunities for future residents and visitors. In addition, staff will consider including incentives in the Specific Plan that will further encourage the provision of publicly accessible open space beyond the minimum requirement.

4. *Specific Plan Land Use Plan and Development Standards: Built-in flexibility for future Master Developer with certainty for the community*

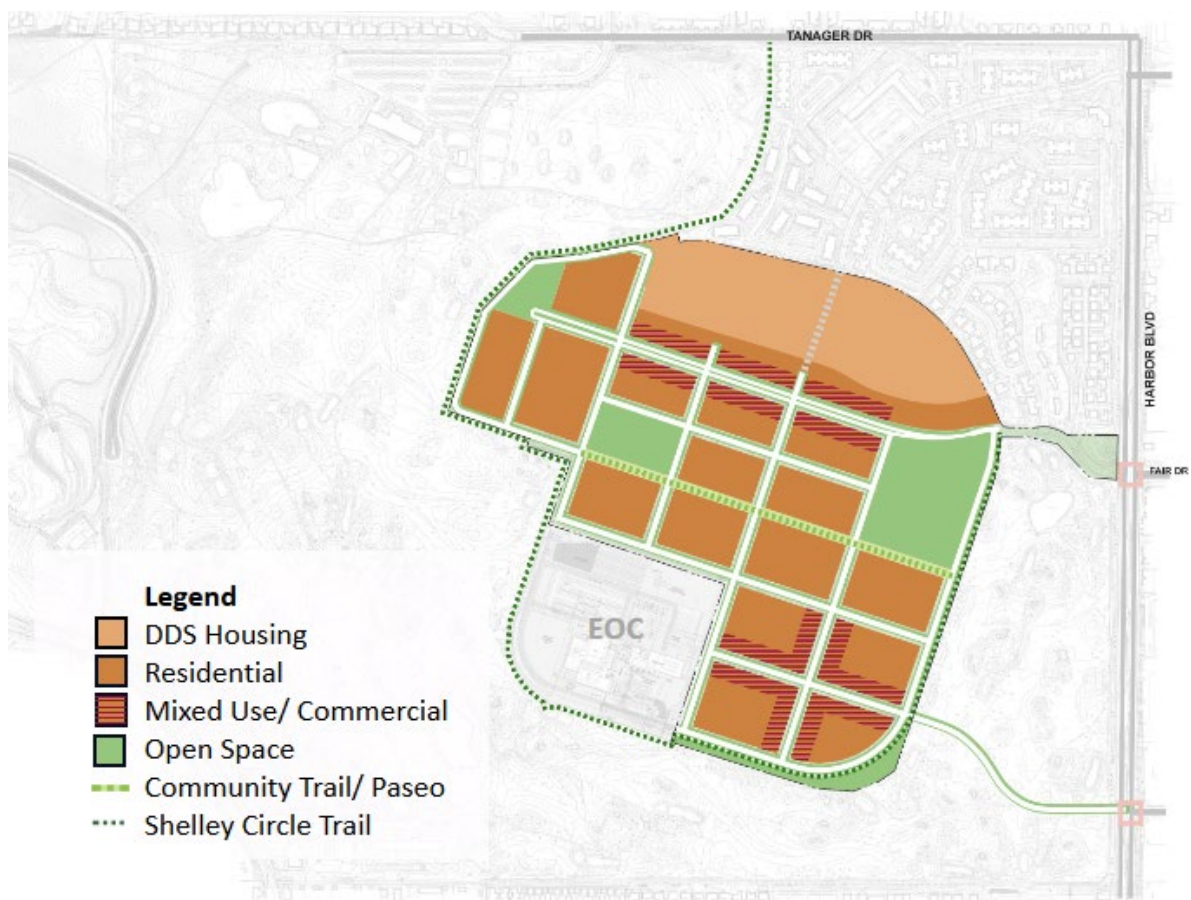
The Specific Plan should be designed to ensure that infrastructure and public services associated with development of the FDC site are provided as part of future project. The Plan will also provide flexibility to accommodate evolving housing products, as the market conditions change over time while maintaining community input and certainty around the plan. This includes adaptable land use designations (including a minimum of 10,000 and a maximum of 35,000 square feet of commercial and/or retail space) and phasing strategies while maintaining the plan's core principles and community objectives. Staff also revised the land use map figure, to identify additional locations for potential commercial and mixed-use development, along the grand promenade and dispersed throughout the plan.

5. *Working Draft FDC Preferred Land Use Concept Map*

Figure 4 illustrates the revised working draft preferred plan that incorporates the input from the Planning Commission. It is included in the staff report to provide something for the Planning Commission to react to and continue to provide input on. The draft plan shown below could accommodate a minimum unit range of 2,300 units and a range of housing units (up to 4,000 units), a

grand promenade, minimum open space of at least 12 acres and pedestrian trails and a street network that can accommodate all modes of transportation (vehicles, bicycle lanes and pedestrian routes), including a secondary access route from Harbor Boulevard. Commercial and mixed-use configurations have been added to the land use map, distributed across the site, with some focus on potential options along the grand promenade and within the interior of the plan. The draft plan also maintains flexibility to be memorialized into the Specific Plan to accommodate changing market conditions, evolving housing products and a range of potential housing developers depending on the State's disposition process.

Figure 4: Working Draft FDC Preferred Land Use Concept Map



Project Description Considerations for CEQA

Public and Planning Commission/City Council input received over the course of the Specific Plan process, as well as input received on the draft preferred plan, will be used to shape and memorialize the requirements in the Specific Plan. It will also be used to set the thresholds and parameters for the project description that ultimately

gets studied under the Environmental Impact Report (EIR) in accordance with the California Environmental Quality Act (CEQA). This project description will be included in the Notice of Preparation (NOP) and used to initiate the environmental review, leading to the preparation of the Draft Environmental Impact Report (DEIR).

It is commonplace for the project description, as studied under CEQA, to include maximum development capacity and thresholds, so that the City can accurately study and anticipate all possible environmental impacts. One example of this is studying up to 4,000 units as part of the EIR, even though the Specific Plan may set a maximum residential unit threshold lower than this number (e.g. 3,600-3,800 units). The higher threshold is chosen for CEQA purposes because it was shown in land use concepts and is therefore reasonably assumed that a future application may propose up to that threshold. Studying this maximum threshold also ensures that the City accurately studies all potential environmental impacts and discloses them to the public. Another example of this threshold would be to study a maximum height threshold within the EIR project description, even though the Specific Plan may set different height maximums for varying parcels within the plan. Additionally, CEQA alternatives are used as a tool to study other potential scenarios under CEQA. Typically, these consist of a project alternative that would be seen to provide reduced environmental impacts (e.g., a smaller-scale or lower intensity project).

GENERAL PLAN CONFORMANCE:

The City's 2021-2029 Housing Element identifies the site as a Housing Opportunity Site and allocates 2,300 residential units, with 40% of those units expected to be affordable to very low- and low-income households. To implement this vision, a General Plan Amendment will be required to reconcile the current MUC land use designation with the housing capacity and policy direction in the Housing Element. The Fairview Developmental Center Specific Plan will serve as the guiding planning document to implement these goals and provide a comprehensive framework for future development.

PUBLIC NOTICE:

There is no public notice requirement for the Planning Commission Fairview Developmental Center Specific Plan Study Session. However, to encourage public engagement, the City provided the following informal outreach:

- The date and time of the study session were posted on the project website.
- Information about the study session was shared via the City's social media channels and distributed to the project email list and citywide email lists (which includes over 8,000 email addresses).

As of the date of this report, no written public comments have been received. Any public comments received prior to the June 23, 2025, Planning Commission meeting will be forwarded separately to the Planning Commission.

NEXT STEPS:

Following this meeting, staff will return to the Planning Commission with a refined preferred land use plan and draft project description to a future Planning Commission meeting this summer for further review and a recommendation of the Preferred Plan to the City Council.

Following this, the City Council will consider the aforementioned materials, along with the Planning Commission's recommendation and to provide direction on the preferred plan use project, project description, vision statement and guiding principles at a future meeting (likely in August/September). The goal is to receive direction on some of the main topic areas discussed.

Following direction from the City Council, staff will proceed with the environmental review process. A Notice of Preparation (NOP) will be issued to initiate the environmental review, leading to the preparation of a Draft Environmental Impact Report (DEIR). Concurrently, staff will continue to refine proposed Specific Plan policies, development standards, and objective design guidelines. Community outreach will be conducted to present the study plan and DEIR to the community for feedback. A follow-up study session with the Planning Commission and City Council will also be held on the draft Specific Plan, with additional opportunity for discussion and refinement. During the DEIR public review period, the public will be able to evaluate and understand the environmental impacts and continue to provide input that will refine the preferred plan and the Specific Plan components. Once input is received and refinements are made, the City would create a final draft Specific Plan and initiate the formal public hearing process to consider adoption of the Specific Plan and associated project approvals. Concurrently, following completion of the DEIR public review period, DGS anticipates releasing a request for proposals to select a Master Developer.

ATTACHMENTS:

1. May 27, 2025, FDC Study Session Staff Report
2. FDC Vision and Guiding Principles
3. Land Use Concept Illustrations
4. FDC Specific Plan Draft Street Sections