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# **MOTEL 6 – MESA VISTA APARTMENTS TEFRA HEARING**

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**CITY COUNCIL MEETING  
NOVEMBER 19, 2024**





# BACKGROUND

## **November 2021 – November 2022**

City Council approved an award of \$5.85M to Community Development Partners (CDP) to convert the Motel 6 (now known as the Mesa Vista Apartments), into 86 units of permanent housing:

- Phase 1 – 40 units of permanent supportive housing for veterans and others experiencing homelessness
- Phase 2 – 46 units of permanent affordable housing for Costa Mesa seniors earning at or below 50% AMI (\$55,250/yr)

## **April 2022**

CDP awarded \$10,675,000 in State of California Homekey Program funds to acquire and rehab the project

## **August 2024**

CDP awarded \$23M in State Tax Credits to complete Phase 2



# TAX EQUITY & FISCAL RESPONSIBILITY ACT (TEFRA)

- This TEFRA Hearing provides members of the community an opportunity to comment regarding the use of tax-exempt bonds for the financing of the project.
- The developer has requested that the California Statewide Communities Development Authority (CSCDA) act as the municipal issuer of tax-exempt multi-family housing revenue bonds of up to \$25M.
- CSCDA is a joint powers authority created by the League of California Cities in 1988 to allow local government and eligible private entities to access low-cost, tax-exempt financing for housing projects that provide a public benefit.
- The Council's adoption of the TEFRA Resolution satisfies the requirements of TEFRA and the IRS/Government Code, thus approving the issuance of the bonds by CDCSA to the developer to complete the project.



# RECOMMENDATIONS

1. Conduct a Tax Equity and Fiscal Responsibility Act Hearing, as required by Section 147(f) of the Internal Revenue Code of 1986 to receive comments in consideration of the issuance of tax-exempt bond financing by the California Statewide Communities Development Authority for the benefit of Costa Mesa M6 LP, to provide financing for the acquisition, construction, improvement, and equipping of an 87-unit multifamily rental housing project generally known as Mesa Vista Apartments.

2. Adopt a resolution approving the issuance of Bonds by the California Statewide Communities Development Authority not to exceed \$25,000,000, for the benefit of Costa Mesa M6 LP, to provide financing for the acquisition, construction, improvement, and equipping of an 87-unit multifamily rental housing project generally known as Mesa Vista Apartments.





# QUESTIONS?





# DEVELOPMENT IMPACT FEES & TRAFFIC IMPACT FEE ANALYSIS

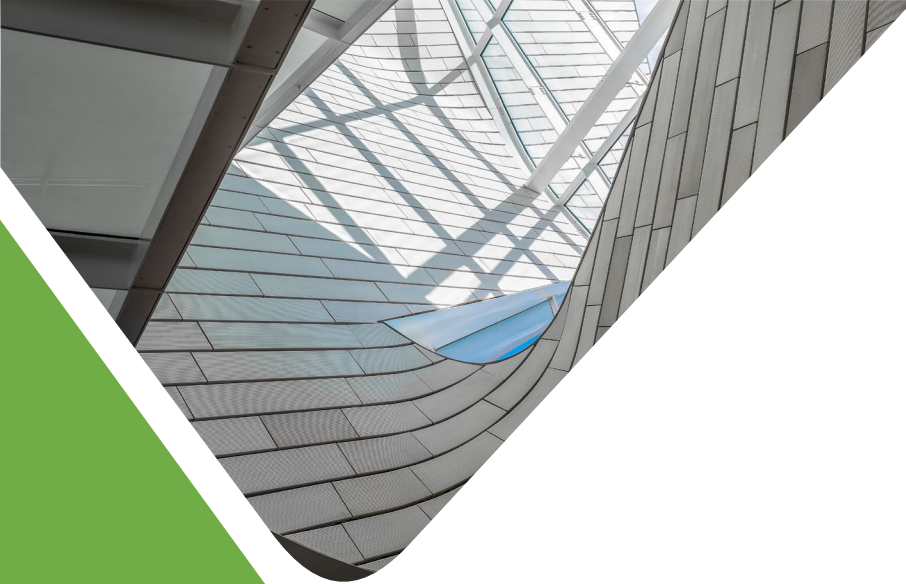
City Council Meeting  
November 19, 2024





# OVERVIEW

- **Development Impact Fees Annual Report**
- **Traffic Impact Fee Analysis**



# DEVELOPMENT IMPACT FEES ANNUAL REPORT



# State Requirements

- California Government Code 66006 specifies that local agencies must prepare annual reports of Development Impact Fees (DIF) within 180 days of the close of the fiscal year.
- The report must describe the fee, the amount of fees collected, interest earned if any, and identifications of any expenditures from those funds.
- California Government Code 66006 also specifies that the report must be reviewed the by agency's legislative body at a regularly scheduled meeting not less than 15 days following release to the public. The DIF was noticed to the public on November 4, 2024.

# Types of Development Impact Fees

- **Park Development Impact Fees** – Developer fees that provide funding for additional or improved park and/or recreational improvements.
- **Drainage Impact Fees** – Developer fees that provide funding for the additional construction and maintenance of the City drainage system.
- **Traffic Impact Fees** – Developer fees that provide funding for additional or improved traffic signal, operation, and infrastructure improvements.
- **Fire System Development Fees** – Developer fees that provide funding for additional fire protection facilities, equipment and paramedic support.
- **Cannabis Traffic Impact Fees** – Developer fees that provide funding for additional or improved traffic signal, operation, and infrastructure improvements.

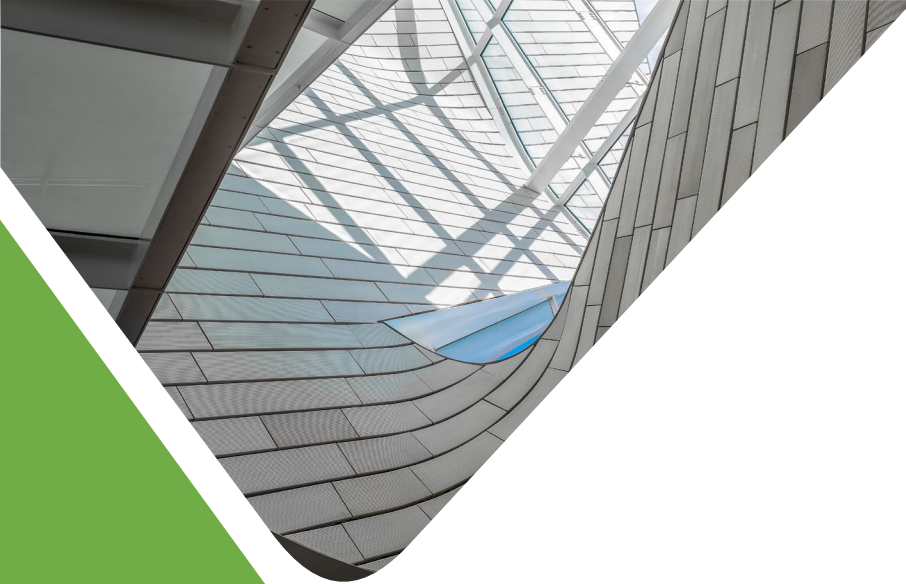




# Statement of Revenues, Expenditures and Changes in Fund Balance as of June 30, 2024\*

Description	Park Development Fees	Drainage Fees	Traffic Impact Fees	Fire System Development Fees	Cannabis Traffic Impact Fees
Beginning Fund Balance	2,872,722	2,174,951	5,840,901	639,122	435,436
Revenue Total	254,234	176,323	247,358	15,059	112,660
Expense Total	(787,431)	(183,061)	(1,490,325)	-	-
<b>Ending Fund Balance</b>	<b>2,339,525</b>	<b>2,168,213</b>	<b>4,597,934</b>	<b>654,181</b>	<b>548,096</b>

Preliminary unaudited FY 2023-24 financial results



# TRAFFIC IMPACT FEE (TIF) ANNUAL REVIEW



# TIF AD HOC COMMITTEE REVIEW

- Ad Hoc Committee met on October 29, 2024
- TIF Analysis included:
  - TIF range between \$176 and \$476 per ADT
  - Recently Completed Projects
  - Consideration of Active Transportation Projects
  - Traffic Signal Synchronization Projects
  - TIF Fund Balance
- Revised calculation of \$228 per ADT based on revised list of CIP projects and inclusion of Active Transportation projects.



# TRAFFIC IMPACT FEE FUND BALANCE

as of June 30, 2024\*

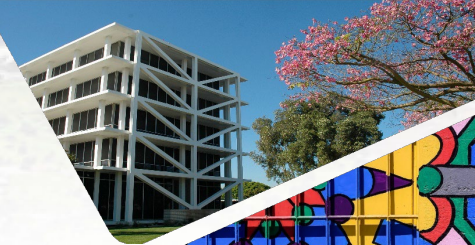
• Beginning fund balance July 1, 2023 -	\$ 5,840,901
➤ Revenues -	\$ 247,358
➤ Expenditures -	<u>\$ (1,490,325)</u>
• Fund Balance as of June 30, 2024 -	\$ 4,597,934
• Capital Projects Current and five-year CIP -	\$ 4,898,160

\*Preliminary unaudited FY 2023-24 financial results

# TIF AD HOC COMMITTEE RECOMMENDATION

- Adopt proposed resolution which includes:
  - Adopt a traffic impact fee of \$228 per ADT with the inclusion of Active Transportation projects;
  - Continue allocation of up to 10% of traffic impact fees towards traffic signal synchronization projects;
  - Continue 5% reduction in automobile trips as result of ATP implementation and additional 5% reduction in automobile trips for developments proposing to implement active transportation improvements beyond typical development requirements.

**Questions?**







# RESIDENTIAL BEEKEEPING ORDINANCE

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**Lieutenant Stephanie Selinske**

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**City Council Meeting  
November 19, 2024**





# Beekeeping Ordinance

## HISTORY

- Animal Services Ad Hoc Committee completed draft ordinance, 2023.
- Ad Hoc report and draft filed with City Council.
- Recent public outreach expressed desire for residential beekeeping.
- First Reading on October 1, 2024, resulted in several amendments and changes.
- Based upon these changes a new first reading is required.

## INTENT

Authorize residential beekeeping subject to certain requirements intended to avoid problems that may otherwise be associated with beekeeping in populated areas.





# Beekeeping Ordinance Permits

## Permit Requirements:

- Written notification to abutting neighbors by City staff.
- Neighbors have 30 days to respond.
- Special consideration for neighbor with severe allergy to sting of bees

## Ordinance changes:

- No fee or renewal fee
- No signage
- No required training
- Grandfathering period (90 days)

Staff will evaluate permit to ensure safety and free use of a neighboring properties.



# Property and Hive Requirements:

- Beehives may only be placed on residential properties that allow for adequate spacing from neighboring residences so as not to interfere with the free use of neighboring property.
- Beehive locations shall be secured from unauthorized access and not visible from the public right of way.
- Beehives should be located at least 15 feet from any property line and 25 feet from neighboring residential buildings
- Beehives unable to meet the above distance requirements require a 6-foot solid barrier (fence, wall, or dense vegetation) be installed to direct bee flight paths upwards and away from neighboring properties.



# Property and Hive Requirements:

- A maximum of two (2) beehives will be placed on a single residential property.
- All bees shall be kept in hive boxes with frames that can be removed for inspection and equipment shall be kept in sound and usable condition.
- A water source for bees shall be provided at all times on the property where bees are kept to discourage bee visitation at swimming pools, hose bibs and other water sources on adjacent properties.





# Costa Mesa Residential Beekeeping Best Management Practices

- Any resident considering taking up beekeeping should first educate themselves on basic principles and guidelines.
- A basic understanding of honeybee biology, foraging habits, and hive management is essential.
- Resources available: Beekeepers Association of Southern CA ([basbbees.org](http://basbbees.org)); The Orange County Beekeepers Association ([ocbeekeepers.org](http://ocbeekeepers.org)) OC Backyard Bees ([backyardbees.net](http://backyardbees.net)); and Scientificbeekeeping.com American Beekeeping Federation ([abfnet.org](http://abfnet.org)) American Bee Journal ([americanbeejournal.com](http://americanbeejournal.com))



# Permit Application and Site Plan



## Residential Beekeeping Permit Application

### Applicant and Ownership Information:

Applicant			
First Name:		Last Name:	
Address where bees are kept:			
Phone #:		E-mail:	

If the applicant is not the property owner, permission from the owner must be provided below:

Property Owner			
First Name:		Last Name:	
Street Address:			
City:		State:	ZIP:
Phone #:		E-mail:	
Signature		Date:	

### Required Bee Hive Information and Acknowledgements:

- Site Plan. Please provide information showing proposed locations for hive(s). Sample site plan is provided.
- A Residential Beekeeping Permit **DOES NOT** override private property restrictions in Covenants, Conditions and Restrictions (CC&R) or Homeowner's Association regulations.
- I have read and understand the City of Costa Mesa Best Management Practices (BMPs) document.
- I hereby certify that I will maintain bees in a manner that conforms to the City of Costa Mesa BMPs, Costa Mesa Municipal Code (CMMC) 3-18.1 - CMMC 3-18.7, and to any conditions of approval attached to the Beekeeping permit.
- I understand that the ability to keep bees is subject to revocation if I allow violations to the permit to exist on my property.
- I understand that at any time, an adjoining property resident may submit proof of a medically-certified allergy to the sting of bees, which would result in the revocation of the Residential Beekeeping permit.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Office Use Only:			
Date Recvd:		Permit #:	
Approved	<input type="checkbox"/>	Denied	<input type="checkbox"/>
Reviewing Planner		Decision Date:	



## Residential Beekeeping Permit Application Site Plan



### Site Plan

Site Plan submitted must include: property address, location of hives, number of hives, and indicate all BMPs standards, i.e. water source, fly-over (vegetation or fence), etc.

Rear Yard

House

P/L

Front Yard

Address: \_\_\_\_\_

Street



# Recommendation:

Staff recommends that the City Council introduce for first reading the attached Ordinance No. 2024-XX amending Title 3 (Animal Regulations) of the Costa Mesa Municipal Code by amending Chapter I (In General) and Chapter VI (Special Animal Permit) to allow for the lawful keeping of bees and/or hives within city and to clarify appeal procedures for special animal permits.





# Questions?





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# 2024-2025 CITYWIDE PARKWAY MAINTENANCE, STREET REHABILITATION, AND SLURRY SEAL PROJECT

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CITY COUNCIL MEETING  
NOVEMBER 19, 2024





# PROJECT OVERVIEW

- Bid Amount: \$9,163,000
- Scope of Work:
  - Phase 1: Parkway Maintenance – Localized repair of damaged curb and gutters and sidewalks to conform to ADA standards, and installation of 2,900 sf of new sidewalks.
  - Phase 2: Street Rehabilitation – Removal and reconstruction of damaged street pavement.
  - Phase 3: Slurry Seal – Application of Type II slurry seal pavement coating.
  - Project Includes bicycle improvements and 8 locations of pedestrian improvements.
  - Court resurfacing improvements at Balearic Park.





# PROJECT FUNDING SUMMARY

- Contract Amount: \$9,163,000
- Contingency Amount: \$916,300
- Funding:
  - Gas Tax: \$5,476,000
  - Measure M2 Fairshare Fund: \$2,037,000
  - Capital Improvement Fund: \$1,550,000
  - Capital Improvement Fund for Balearic Community Center Asphalt Surfacing Project: \$100,000



# EXISTING CONDITIONS



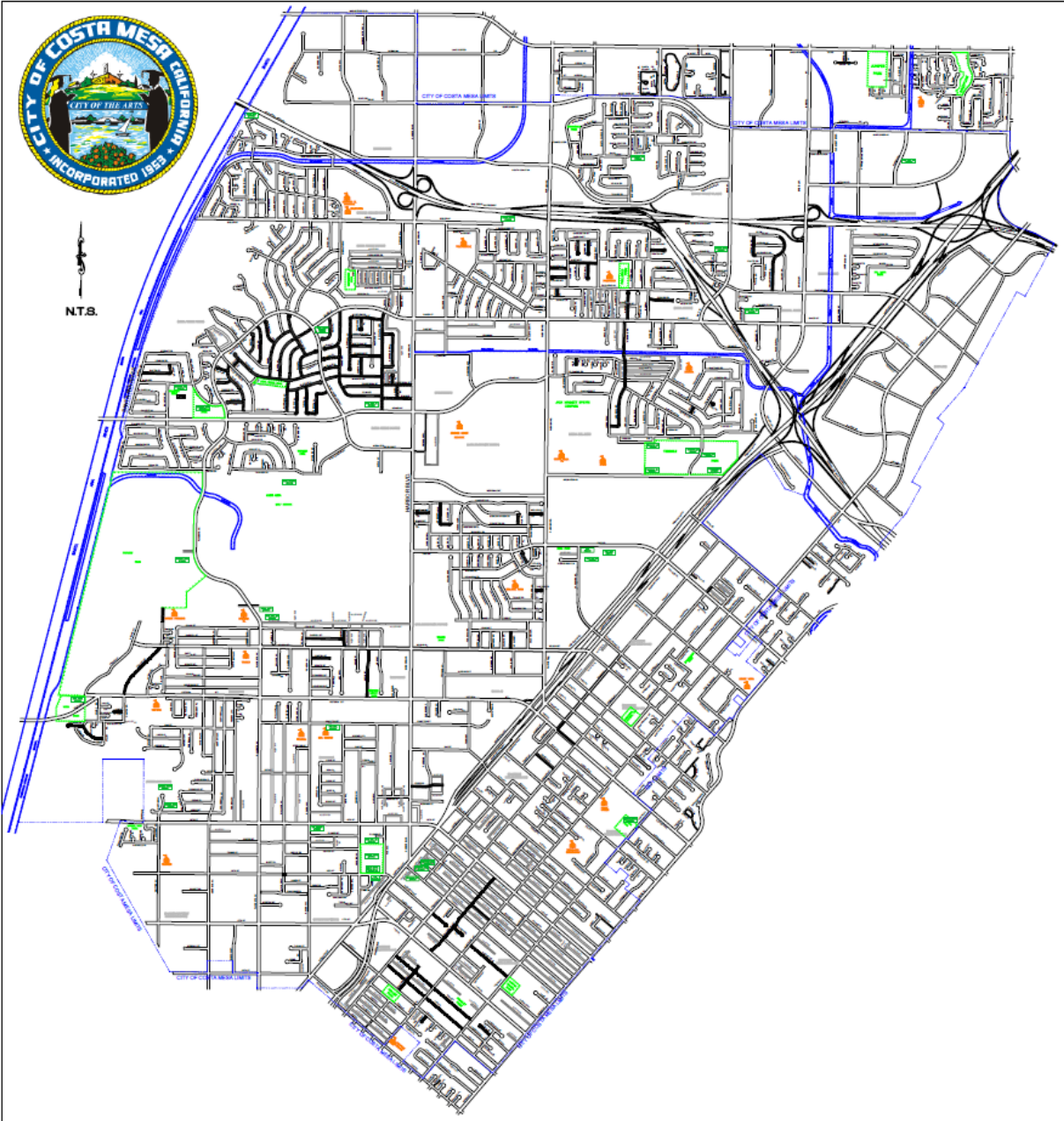
← Parkway

Roadway →





# LOCATION MAP



- STREET REHABILITATION AND PARKWAY LOCATIONS
- ▨ SLURRY AND PARKWAY LOCATIONS
- ▩ PARKWAY ONLY LOCATIONS

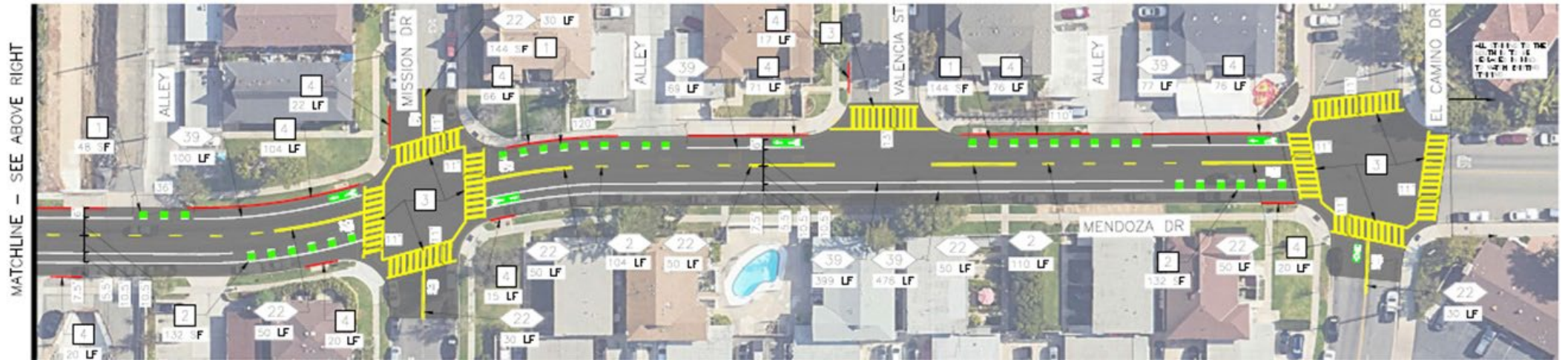




# BICYCLE & PEDESTRIAN IMPROVEMENTS

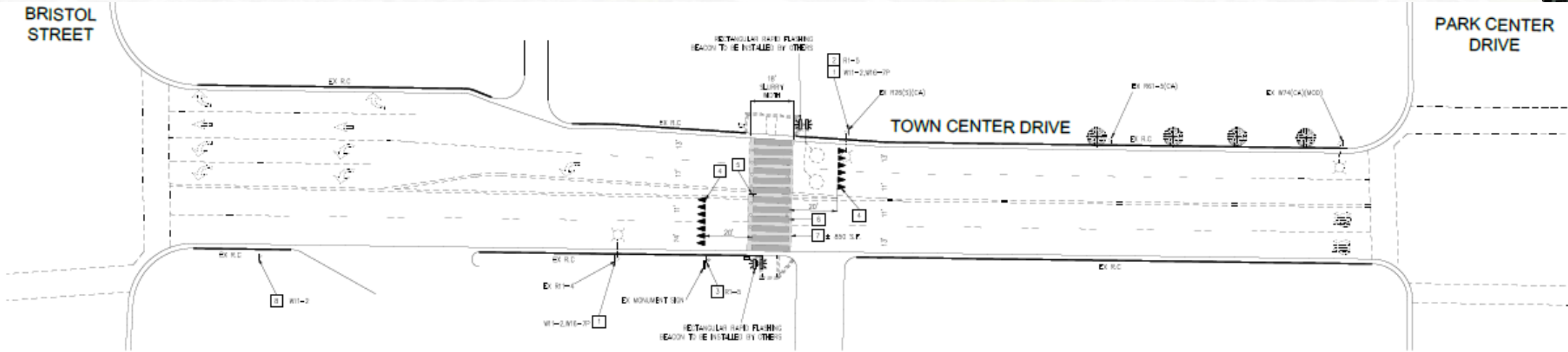


## ALONG MENDOZA DRIVE





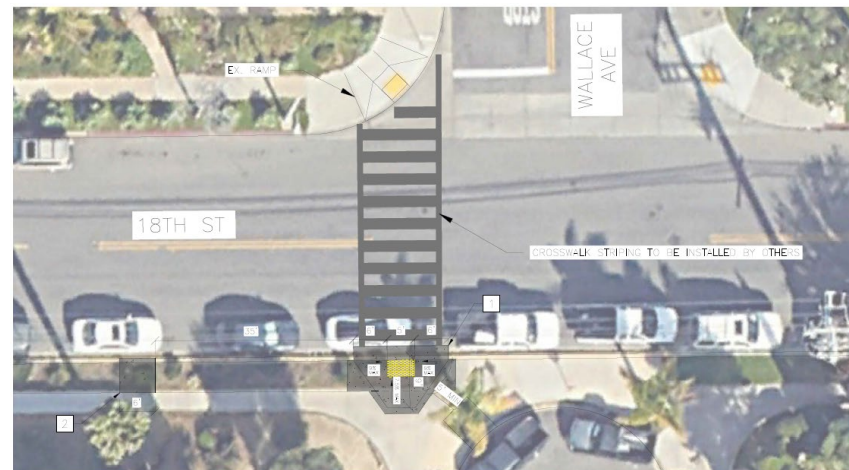
# PEDESTRIAN IMPROVEMENTS



NEW CROSSWALK MARKINGS AT TOWN CENTER DRIVE



NEW CROSSWALK MARKINGS AT SANTA ANA AVE. & OGLE ST.



NEW CROSSWALK MARKINGS AT 18TH ST. & WALLACE AVE



NEW CROSSWALK MARKINGS AT JOANN ST. & MEYER PLACE



# BALEARIC PARK COURT RESURFACING





# RECOMMENDATIONS

- Make a finding of California Environmental Quality Act (CEQA) categorical exemption.
- Adopt plans, specifications, and working details for the 2024-2025 Citywide Parkway Maintenance, Street Rehabilitation, and Slurry Seal Project, City Project No. 24-03.
- Award a Public Works Agreement (PWA) for construction to Onyx Paving Company, Inc. in the amount of \$9,163,000.
- Authorize the City Manager and City Clerk to execute the PWA with Onyx Paving Company, Inc.
- Authorize an additional ten percent (10%) contingency, in the amount of \$916,300.

An aerial photograph of a city skyline at sunset, with a colorful mural in the foreground. The mural features abstract shapes in yellow, blue, green, and red. The city buildings are silhouetted against the orange and yellow sky. The mural is partially obscured by a white geometric shape.

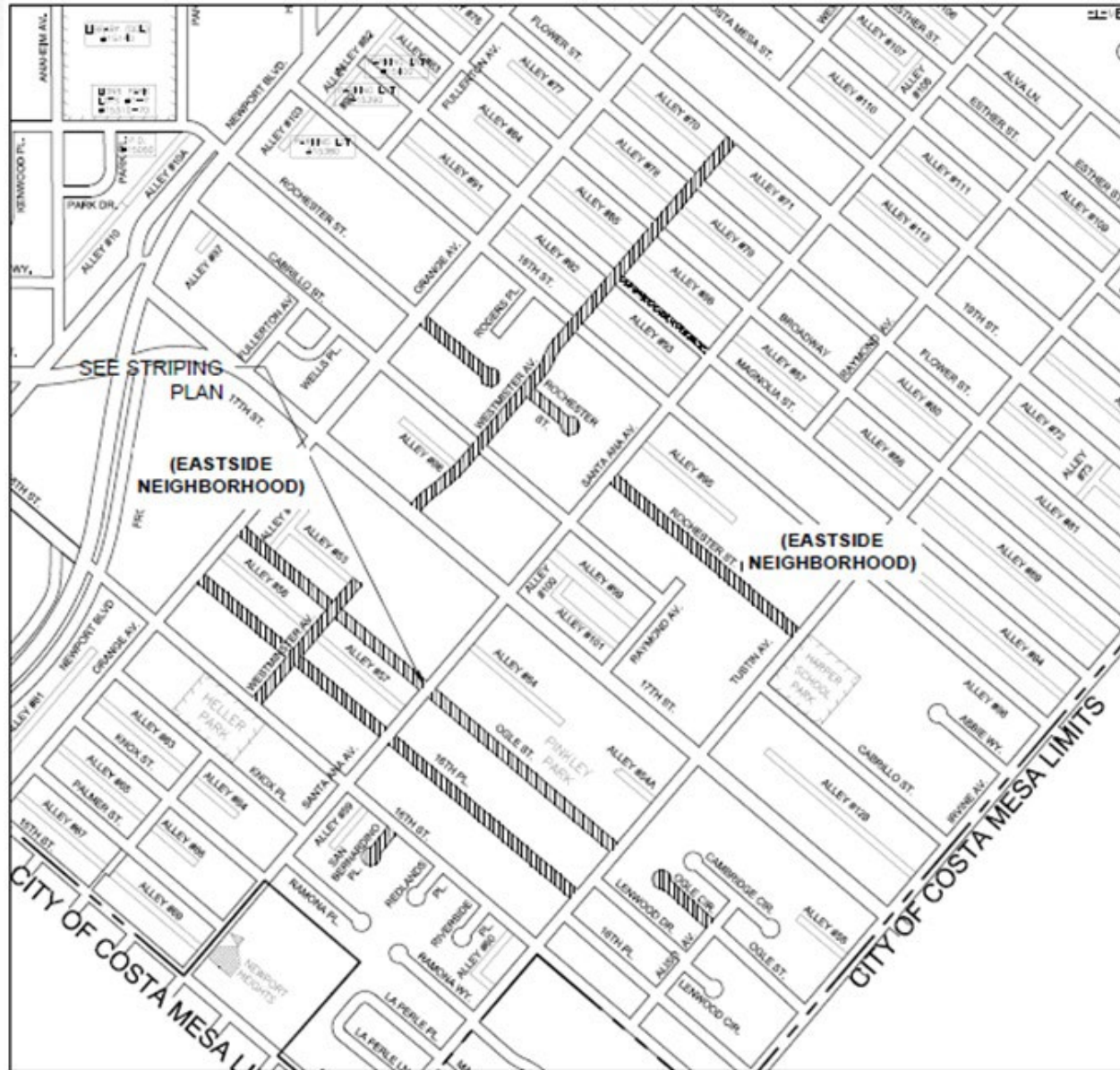
# QUESTIONS?



# ADDITIONAL LOCATION MAPS (IF NEEDED)

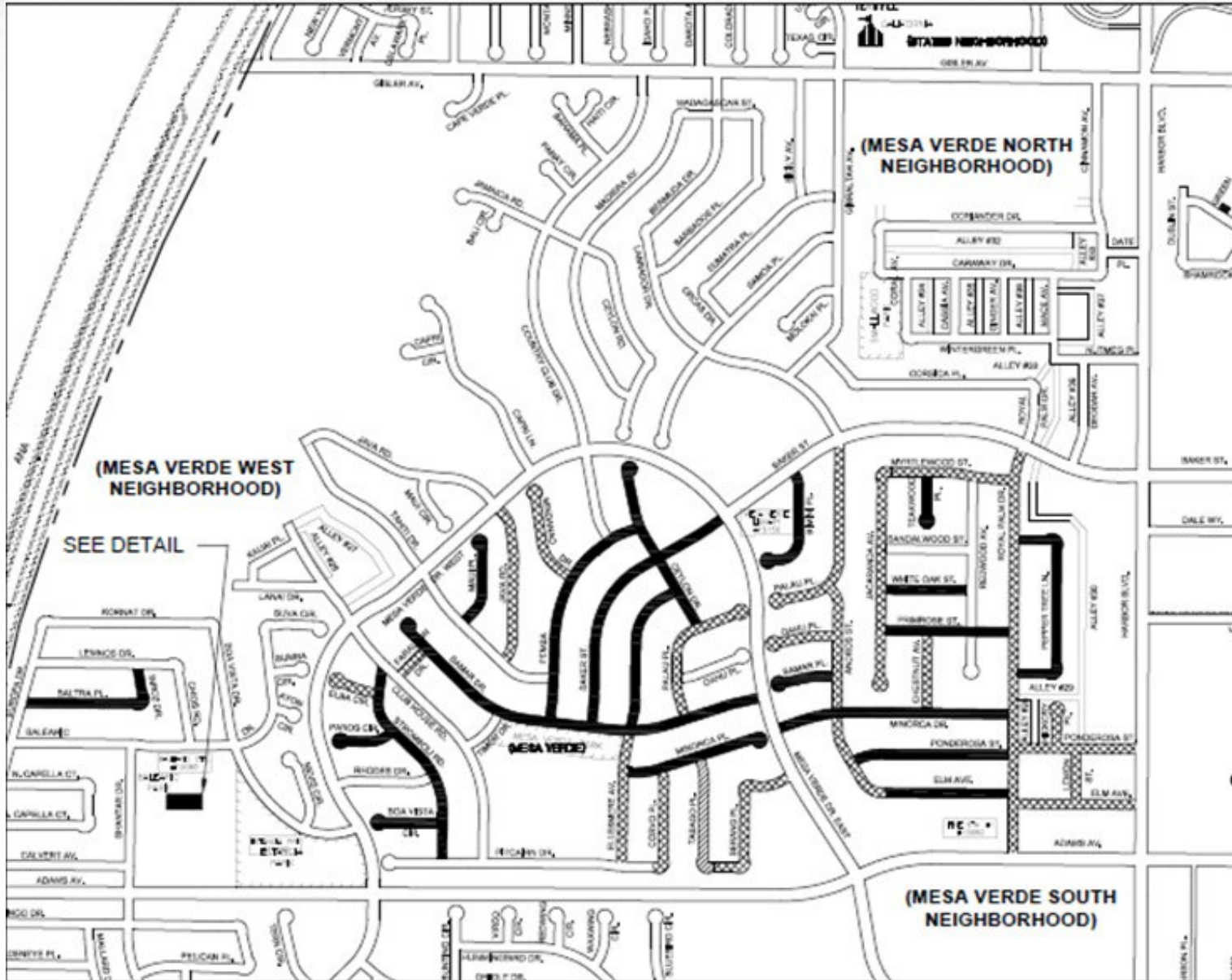


# LOCATION MAPS



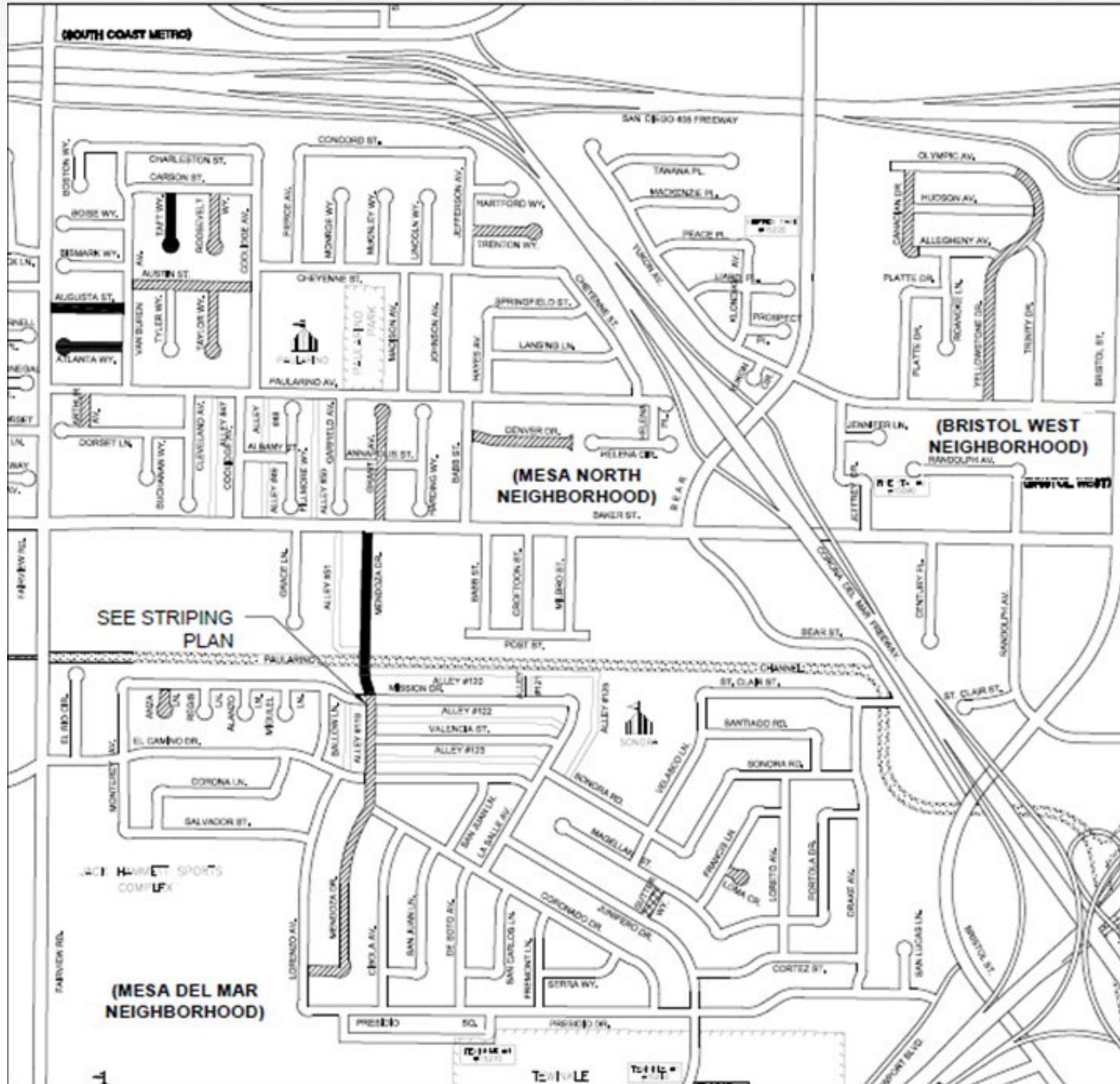





# LOCATION MAPS





# LOCATION MAPS



-  STREET REHABILITATION AND PARKWAY LOCATIONS
-  SLURRY AND PARKWAY LOCATIONS
-  PARKWAY ONLY LOCATIONS

# LOCATION MAPS

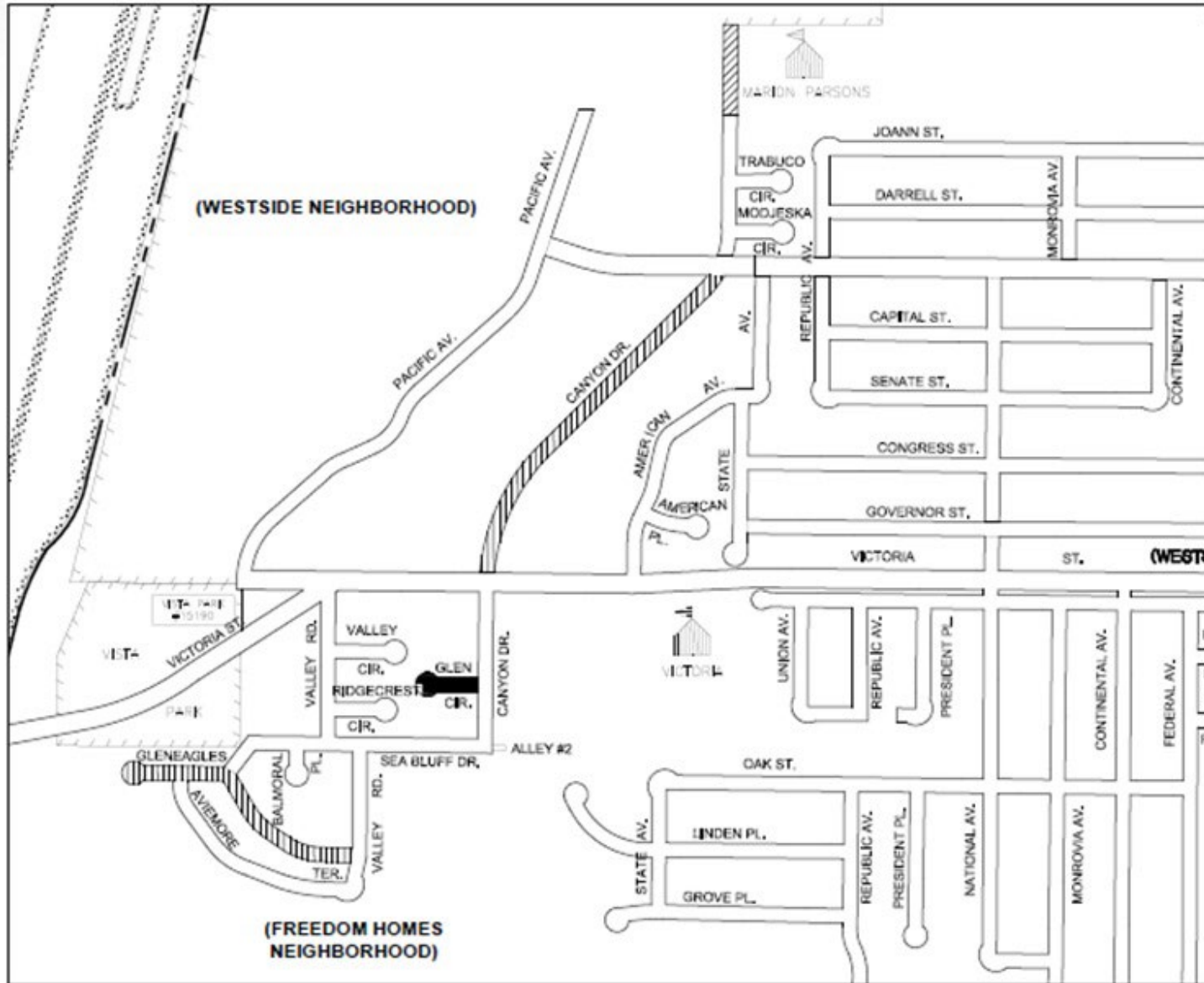


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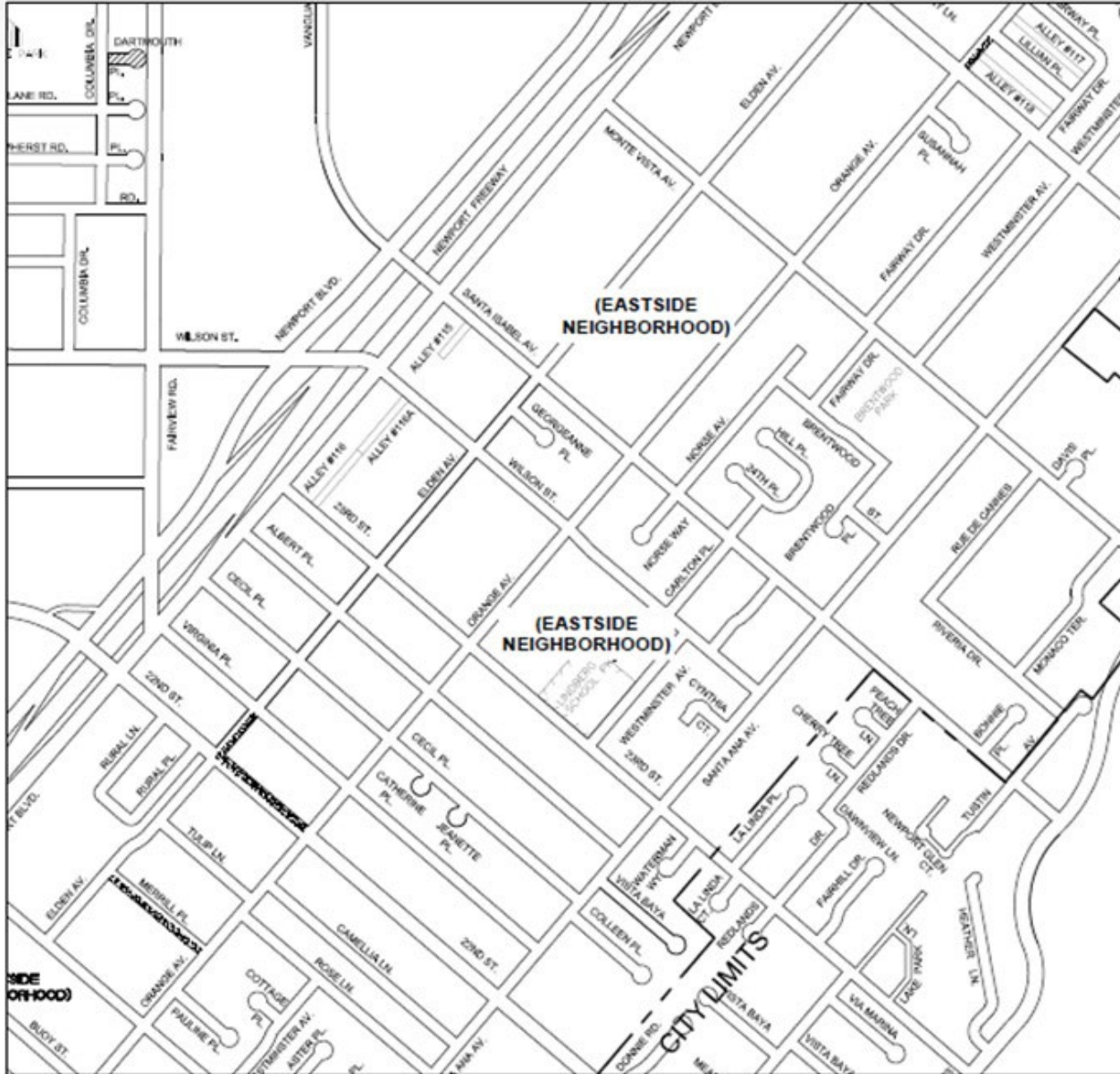
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# LOCATION MAPS



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# ACQUISITION OF 778 SHALIMAR DRIVE FOR EVALUATION OF COMMUNITY SERVING USES

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November 19, 2024





# Background

- The residential real property (Property) located at 778 Shalimar Drive was listed for sale on May 23, 2024, at a listing price of \$1,850,000.
- In June 2024:
  - City staff identified the potential land acquisition of the property for community serving public uses.
  - The City's Real Estate consultant, acting on behalf of the City as its broker, contacted the seller to express the City's interest in the property.
    - The property owner was amenable to negotiating with the City and has been in subsequent discussions for the potential acquisition of the property.
  - City staff conducted an initial site visit of the property and visited three (3) tenant-occupied units.

# Background continued

- In July 2024, the City Council authorized a letter of interest to be submitted to the seller to begin negotiations.
- On August 6, 2024, the City Council at its Closed Session authorized Staff to negotiate the property's Price and Terms of Payment.
- Based on the negotiations, the City Attorney & Real Estate Consultant prepared a draft Real Property Purchase Agreement.
- On November 12, 2024, the Planning Commission adopted Resolution PC 2024-26, finding that the proposed acquisition of the property is in conformance with the City of Costa Mesa General Plan and is not subject to the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15061 (b)(3).





# Property Facts

<u>Property Details</u>	<u>Description</u>
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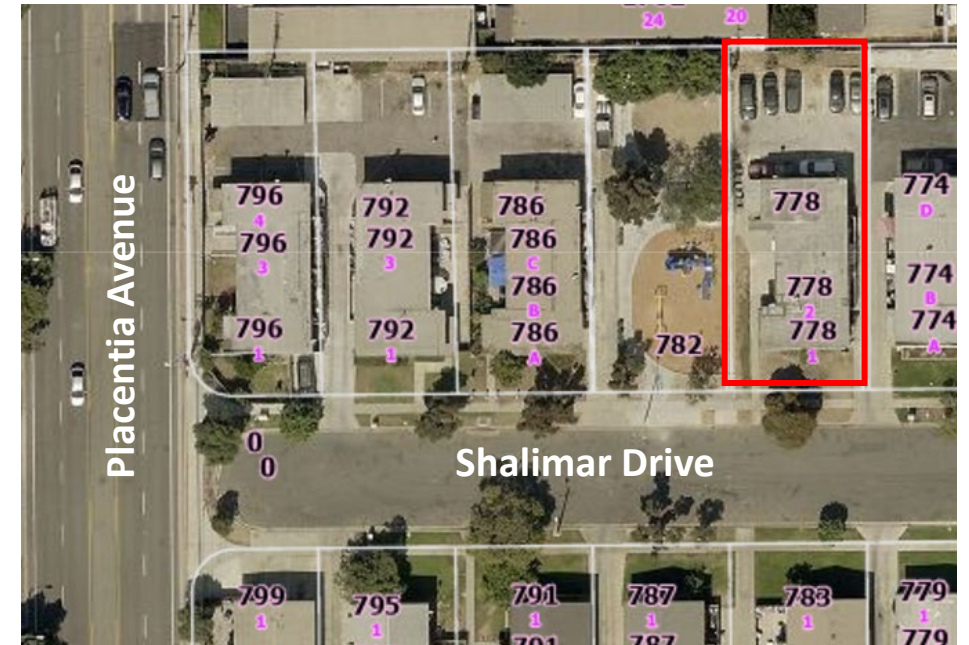
<b>Location</b>	778 Shalimar Drive Adjacent to Shalimar Park
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<b>Year Built</b>	1961
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<b>Property Type</b>	Multi-Family Property
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<b>Size</b>	Lot: 6,970 S.F. Building: 3,390 S.F. Number of units: 4
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<b>Occupancy</b>	Three occupied units and one vacant unit Number of tenants – 19 total
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# Existing Property Conditions



**778 Shalimar Drive**



# Existing Property Conditions



**778 Shalimar Drive**

# Real Property Purchase Agreement

- The proposed Real Property Purchase Agreement, includes the following key operative provisions:
  - The total purchase price for the property at \$1,725,000;
  - The City shall deposit \$100,000 for escrow within 30 days of approval of the Real Property Purchase Agreement;
  - Escrow shall be open for a period of 180 days following the execution of the Real Property Purchase Agreement to allow for tenant relocation.
  - Environmental assessment of any hazardous conditions of the property including lead, asbestos, and soil contamination.



# Property's Potential Uses

- City staff will evaluate the property for the following community-serving uses:
  - Expansion of Shalimar Park
  - Creation of a community center
  - Enhanced affordable housing
  - Other possible community uses





# Tenant Relocation Plan Preparation & Process

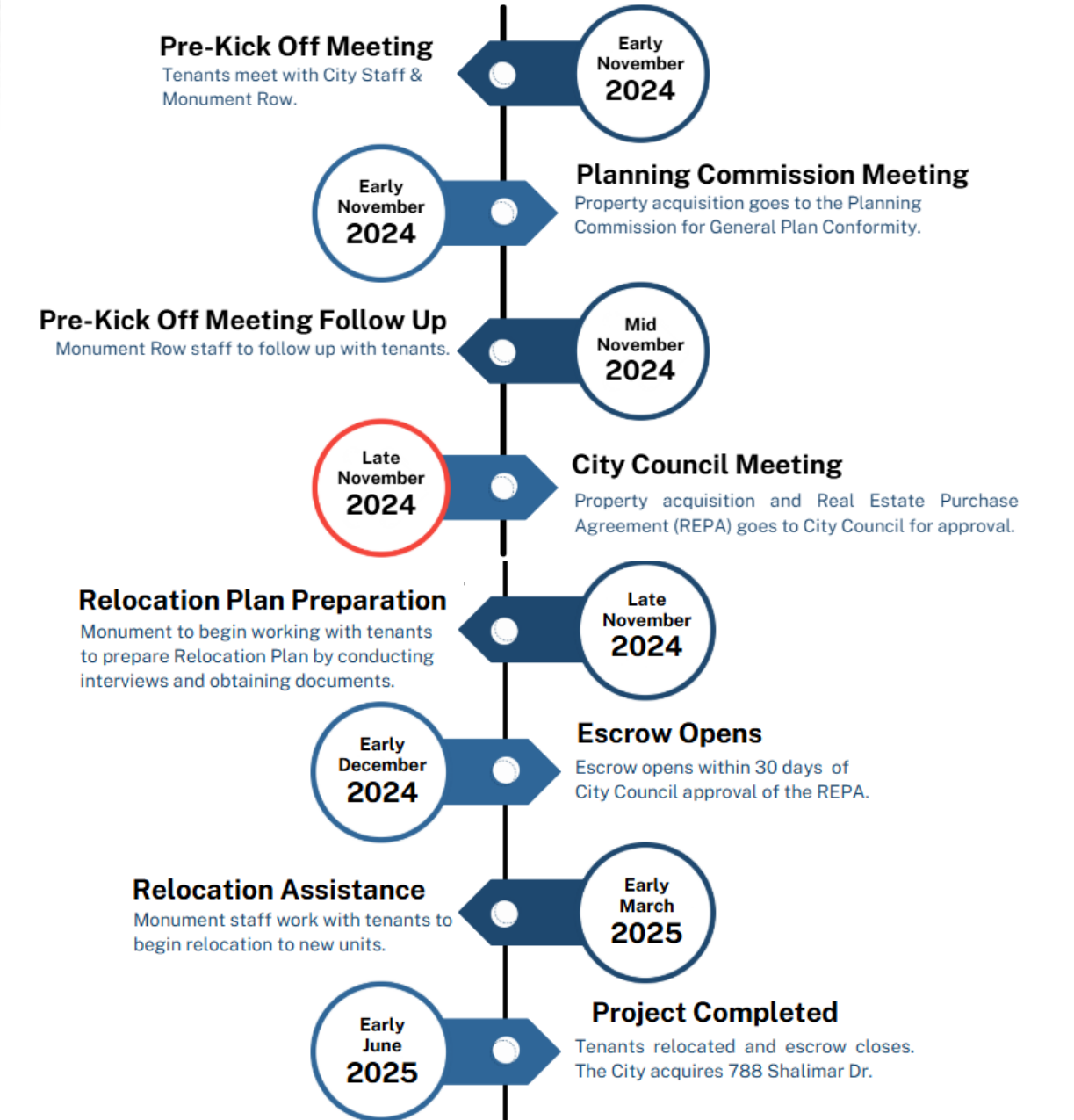
- The City entered into a Professional Service Agreement with Monument Inc. to assist the City with the Relocation Plan Preparation and Process in connection with the tenants at 778 Shalimar Dr.

Relocation Plan Preparation	Relocation Process
<ul style="list-style-type: none"><li>• Interview occupants of impacted units.</li><li>• Research the rental market for available replacement locations.</li><li>• Prepare a Relocation Plan<ul style="list-style-type: none"><li>• Undergo a 30-Day Public Plan Review for comments</li><li>• Present draft Relocation Plan to the City Council for review &amp; approval</li></ul></li><li>• Meet with all tenants to present their relocation benefits<ul style="list-style-type: none"><li>• Inform them of available services and benefits</li><li>• Determine eligibility amounts for placement of tenants into comparable units</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Assist tenants in locating replacement sites and provide written referrals.</li><li>• Provide on-going advisory assistance to tenants.</li><li>• Coordinate and conduct an inspection of the replacement site.</li><li>• Monitor the move to the replacement site.</li><li>• Prepare all benefit claim forms and submit to the City for processing and payment.</li></ul>

- Altogether, the duration of the relocation preparation and process is anticipated to be six<sup>9</sup> months, coinciding with the six-month escrow period.



# Property Acquisition & Relocation Timeline



# Recommendations

## **Staff recommends the City Council:**

1. Determine the acquisition of the property is exempt from analysis under the California Environmental Quality Act (CEQA).
2. Approve the acquisition of real property located at 778 Shalimar Drive, Costa Mesa, CA 92627 for evaluation of use as expansion of Shalimar Park and other possible uses.
3. Authorize the release of all contingency items related to the Real Estate Purchase Agreement, including appraisal and inspections.
4. Authorize a budget appropriation in the amount of \$1.5 million from General Fund FY 2023-2024 fiscal year-end savings, if available, and unassigned fund balance for the acquisition of 778 Shalimar Drive, Costa Mesa, CA 92627.
5. Authorize the City Manager and City Clerk to execute all real estate purchase documents, disclosures, escrow paperwork and future authorized changes and amendments necessary.



Questions?







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**ADOPTION OF SALARY AND BENEFIT  
RESOLUTIONS FOR CMDMA, CONFIDENTIAL  
MANAGEMENT AND EXECUTIVE EMPLOYEES**

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**November 19, 2024**





# CMDMA Negotiations Background

- The previous side letters and resolutions covered years 2020 - 2024
- In February 2024, CMDMA requested to commence negotiations.
- Labor and key management negotiated in good faith and are proposing amendments to the salary and benefits resolution for your consideration and approval.
- The applicable negotiations provision for CMDMA also apply to the non-represented employees in the Confidential Management Unit (CMU) and Executive Employees.

# Key Provisions of CMDMA Resolution

Key provisions of the negotiated salary and benefits resolution for CMDMA include:

- **Term:** July 1, 2024 – June 30, 2027 (3 year term)
- **Salary and Wages:**
  - 3.75% increase effective July 2024
  - 3.75% increase effective July 2025
  - 3.50% increase effective July 2026
- **Market Analysis:** Agreement to conduct a market analysis for the following classifications:
  - Energy and Sustainability Services Manager
  - Recreation Manager
  - Public Affairs Manager
  - Neighborhood Improvement Manager





## Key Provisions of CMDMA Resolution

- **Professional Development Reimbursement:**
  - \$1,300 per fiscal year (increase of \$300 per year)
  - Include reimbursement for activities that support employee's
  - mental and physical health



# Non-Represented Confidential Management Unit and Executive Employees

Key provisions of the salary and benefits resolution for CMU and Executive employees include:

- **Term:** July 1, 2024 – June 30, 2027 (3 year term)
- **Salary and Wages: (CMU and Executive Employees)**
  - 3.75% increase effective July 2024
    - Additional 1.25% increase (total of 5%) for Deputy Police Chief and Assistant Fire Chief to address compaction and internal alignment
  - 3.75% increase effective July 2025
  - 3.50% increase effective July 2026



# Non-Represented Confidential Management Unit and Executive Employees

- **Salary and Wages: (City Manager)**
  - 3.75% increase effective January 2025
  - 3.75% increase effective January 2026
  - 3.50% increase effective January 2027
- **Professional Development Reimbursement:**
  - \$1,300 per fiscal year for Division Managers and \$2,300 per fiscal year for Department Directors (increase of \$300 per year)
  - Include reimbursement for activities that support employee's mental and physical health





## Fiscal Review

- Fiscal Impact Analyses were prepared, certified and posted pursuant to the City Council Policy 300-8 Transparency in Labor Negotiations

	FY 24/25	FY 25/26	FY 26/27	3 year Cumulative Impact
CMDMA / CMU Annual Fiscal Impact	197,645	196,198	189,985	583,828
Executive EEs Annual Fiscal Impact	142,750	136,658	132,331	411,739
<b>Total</b>	<b>340,395</b>	<b>332,856</b>	<b>322,316</b>	<b>995,567</b>





## Recommendations

- Approve and adopt the salary and benefits resolutions for CMDMA, CMU and Executive Employees
- Authorize the City Manager and City's Negotiation Team to execute resolutions and appropriate into the respective departmental budgets.
- The proposed salary and benefits updates support the City's Strategic Plan Goals to Recruit and Retain High Quality Staff and Strengthen the Public's Safety and Improve the Quality of Life.





QUESTIONS?