



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: August 10, 2026

ITEM NUMBER: PH-1

SUBJECT: FAIRVIEW DEVELOPMENTAL CENTER SPECIFIC PLAN (PCTY-25-0003)

FROM: COMMUNITY DEVELOPMENT DEPARTMENT/ PLANNING DIVISION

PRESENTATION BY: MELINDA DACEY, PRINCIPAL PLANNER, ANNA MCGILL, PLANNING MANAGER AND KAREN GULLEY / MOLLY MENDOZA, PLACEWORKS

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INFORMATION
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RECOMMENDATION:

Staff recommends the Planning Commission:

1. Adopt a resolution recommending that the City Council take the following actions, including:
 - a. CEQA: Certify the Final Environmental Impact Report (FEIR), and adopt the Findings of Fact, Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program (MMRP);
 - b. General Plan Amendment: Adopt a Resolution to amend the General Plan Land Use Element to change the Land Use Designation of the project site from "Multi-use Center" to "FDCSP" and other updates to implement the Fairview Developmental Center Specific Plan (FDCSP); and
 - c. Zoning Code Amendments: Adopt an Ordinance amending Title 13 of the Costa Mesa Municipal Code (Zoning Code) to adopt the Fairview Development Center Specific Plan (FDCSP), update the Zoning Map to change the zoning designation of the 95 acres of the 110-acre site located at 2501 Harbor Boulevard from "Institutional and Recreational Multi-use (I&R-MLT)" to "FDCSP" and change the remaining 15 acres to "Institutional and Recreational" zoning designation, and make other associated updates to the Zoning Code to implement the FDCSP.

APPLICANT OR AUTHORIZED AGENT:

The City of Costa Mesa.

BACKGROUND:

The Fairview Developmental Center (FDC) is a 110-acre State-owned property located at 2501 Harbor Boulevard in the City of Costa Mesa. The site was historically developed and operated as a residential care facility for individuals with developmental disabilities. Through extended negotiations, the State will retain ownership of 15 acres for the Southern Regional Emergency Operations Center (SREOC), which is not included in the FDCSP area. The FDCSP boundary encompasses approximately 95 acres. Of this, the California Department of Developmental Services (DDS) will retain 15 acres for housing similar to Harbor Village Apartments, leaving approximately 80 acres available for future development. Prior staff reports noted different acreage for the FDC site and the acres identified within this report are reflective of the final available land for the FDCSP and supersede all previously identified acres.

Legislative Intent

The FDC Specific Plan effort commenced in 2022, after Senate Bill (SB) 188 was enacted by the State legislature and *inter alia* added Section 14670.31 to the Government Code. SB 188 provides a framework for the reuse of the FDC property and codifies a partnership between the Department of General Services (DGS), DDS, and the City of Costa Mesa, including defined roles for each entity. This bill also stated that the State did not intend to follow the traditional state surplus property process. 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 for the redevelopment of the FDC site is to prioritize affordable housing and 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, and the City will create a Specific Plan for the FDC site that implements the provisions of Government Code Section 14670.31.

To that effect, Government Code Section 14670.31(c)(4) includes reference that a "development plan shall provide for housing and affordable housing at a level **consistent with** the January 2020 council-adopted strategy of 1,500 units and the housing assessment in the Department of General Services' 2021 Infrastructure Assessment of up to 2,500 units for the site (**emphasis added**).” DGS prepared their May 27, 2021, Infrastructure Assessment as a part of their due diligence since the FDC site was identified as surplus and their need to understand what will affect the State's disposition of the site. The 2021 study evaluated likely constraints for redevelopment

with a specific set of assumptions such as the total 110-acre site being available, the existing roadway configuration remaining unchanged and a financial feasibility component that included 500 affordable housing units. At the time the legislation was drafted, these were known factors for the FDC site. However, subsequent actions affecting these predefined unit counts identified within the legislation have occurred, which include:

- The City's adoption of its Sixth Cycle (2021-2029) Housing Element¹ in November 2022 (amended in 2023), increasing the affordable units for the site;
- The Southern Regional Emergency Operations Center (SREOC) utilizing 15-acres of the 110-acre site, thereby reducing available land for redevelopment; and
- The financial feasibility analysis conducted as a part of the planning process for the FDCSP found that development of housing less than 3,450 is not feasible (discussed in further detail below).

Due to the factors described, and acknowledging the predefined unit count in the legislation, City staff requested clarification from the State regarding the legislative intent and inclusion of the predefined unit counts. In addition, the community and Planning Commission have also inquired about this topic. Accordingly, DGS provided a letter to the City, dated July 2, 2026, that reiterates the intent of Government Code Section 14670.31, and provide overall support for a specific plan that can accommodate up to 4,000 units. DGS further notes in their letter that when they drafted the requirements of the planning process, they specifically used the phrasing **consistent with** in the legislation instead of "between" or "not less than, and not more than" or other limiting language. DGS also reiterated that the "legislation required that the planning process address "economic feasibility of future development" (subsection (c)(1)), "maximize interested third-party potential purchases" (subsection (c)(2)), and have as an explicit intent to "provide certainty for the community and a potential developer" (subsection (c)(2)). As is clear from these requirements, the City's task under the statute is to advance the land use process such that the Specific Plan is reasonably certain to be financially viable to implement." Link to DGS Letter: <https://costamesa.legistar.com/View.ashx?M=F&ID=15709361&GUID=7019DFA6-4238-4BA1-A05D-0858848AEBE5>

City and State Agreement

The City and DGS executed State Standard Agreement No. HD229063 in December 2022, consistent with SB 188, which Agreement was later amended on September 22, 2025 (collectively, the Agreement). As outlined in the Agreement, the final

¹ The FDC site is a Housing Element Site with a minimum of 2,300 residential units (920 lower-income units, 690 moderate-income units, and 690 above moderate-income units).

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. The Agreement envisions that the City's planning work for FDC would 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.

In accordance with the Agreement, the planning process has progressed to the final stages which include:

1. Public Review Draft Specific Plan;
2. Draft Environmental Impact Report (DEIR);
3. Public Hearing Draft Specific Plan;
4. Public Hearings with the Planning Commission and City Council; and
5. Adoption of the Final Specific Plan, and associated amendments for consistency, and certification of the Final Environmental Impact Report (FEIR).

The Planning Commission is conducting a public hearing on the draft FDCSP and its components, associated Zoning Code and General Plan amendments for consistency, and the FEIR for recommendation to City Council.

Financial Feasibility Analysis

The City's project team prepared a financial feasibility analysis that was presented to the Planning Commission and City Council in 2025. (Available here: <https://costamesa.legistar.com/View.ashx?M=F&ID=15709362&GUID=D5AF92F2-BFE5-4D6D-93E7-7F691E7B80A5>). As required by the Agreement with the State, and reiterated in the July 2, 2026, DGS letter, 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 Concept 1/2,300 units, Concept 2/3,450 units, and Concept 3/4,000 units, along with land use

components identified during community 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, such as 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.

Financial feasibility analyses are prepared and analyzed from the perspective of potential developers and ask the question: do the concepts provide enough 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 a future 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%). Table 1 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

The financial feasibility analysis found that Concept 2 and Concept 3 were financially feasible; however, Concept 2 has a financing shortfall, commonly referred to as a "gap" in project financing. Based on the financial feasibility analysis, staff initially recommended a residential unit mix of 3,600 to 3,800 units for the preferred land use plan as a reasonably expected development range at the FDC site but studied up to 4,000 units as directed by City Council.

Community Outreach

The community outreach and engagement process for the FDCSP began in 2023, with the first of five workshops. Each of the five workshops consisted of three separate sessions and dates at various locations throughout the community, for a total of 15 public engagement sessions. These workshops were advertised through various efforts, including mailers to 46,000 households, social media posts, newspaper advertisements, and electronic notifications through the interested parties list and City newsletters. The workshops focused on various topics to garner community input throughout the planning process for the specific plan.

- Workshop No. 1 - November 2, 3, and 6, 2023 - Topics included the introduction of the project, FDC site context, requirements under State statute, and Housing Element requirements of the site. Community engagement included asking community members components of a great neighborhood as the beginning of the visioning process.
- Workshop No. 2 - January 23, 25, and 29, 2024 - Topics included background information for the project, project timeline and a summary of Workshop No. 1. Community engagement focused on the draft Vision and Guiding Principles, and feedback around mobility and open space concepts.
- Workshop No. 3 - February 29, March 4 and 6, 2024 - Topics included Refined Vision Statement, Housing, Mobility and Traffic, Parks and Open Space, and Infrastructure. Community engagement activities included stations of these topics with sticker dot exercises to learn more about the community's preferences to further identify the details of the specific plan.
- Workshop No. 4 - July 24, 25, and 31, 2024 - Topics included three land use concepts, key features, and analysis for each concept. This led into a land use concept survey that was available online from July 24 through August 30, 2024.
- Workshop No. 5 - March 24, 26, and 30, 2026 - The topic introduced the community to the Public Review Draft Specific Plan and all of its components based on prior community engagement efforts.

In addition to the above community engagement meetings, City staff held a focus group meeting with various golf course clubs on July 15, 2026, to discuss the secondary access road contemplated in the FDCSP and outline the future process. City staff coordinated the meeting with golf course club members after the March 2026 workshops, where staff determined that additional discussions with these groups were needed. The purpose of the stakeholder meeting was for the City to connect with representatives of the various golf course clubs at the Costa Mesa Country Club, to provide an overview of the project, share information about the secondary access road,

the fact sheet (https://fdcplan.com/wp-content/uploads/Fact-Sheet_FDC-Secondary-Access-Road-Golf-Course_Final.pdf), and related impacts to golf course holes of the Mesa Linda Golf Course holes with respect to the secondary access road. The City's golf course architect, Origins Golf Designs, also attended the stakeholder meeting. The Specific Plan includes an implementation action (Section 8.2.6.A.15) for the City and the Master Developer to continue coordinating additional outreach with the master developer as and when a detailed project application is submitted to the City for review.

On July 23, 2026, a community Q&A was held at the Norma Hertzog Community Center where City staff presented the FDC Specific Plan, covering the site's history, planning process, housing goals, conceptual land use plan, environmental review, and upcoming next steps. The meeting concluded with a moderated public question-and-answer session. The primary topics raised by attendees included: housing density (2,300-4,000 units), affordable housing levels and feasibility, traffic and circulation, school capacity, emergency access, impacts to the Costa Mesa Country Club and open space, commercial uses, public amenities, infrastructure funding, and the City's role versus the State's in redevelopment. Staff explained that the Draft EIR evaluated all of these topics (traffic, schools, public safety, infrastructure, and other impacts), and includes mitigation measures that are required to be complied with.

Staff emphasized that the land use plan is conceptual, and the future master developer must submit detailed application materials that include: plans, public amenities, phasing, and development agreements being reviewed during later approval stages. The proposed secondary access road was described as a fire safety requirement, although construction may not occur for many years. Staff also clarified that developers would fund onsite infrastructure and pay impact fees, while ongoing public services would be supported through property taxes and City revenues.

Prior FDC Project Updates at City Council, Planning Commission, and Parks and Community Services Commission

On December 12, 2023, the City Council received an overview of the planning process, the historic background of the FDC site, potential housing types (including both market-rate and affordable options), and considerations for future development. The staff report and attachments are available online at: <https://costamesa.legistar.com/MeetingDetail.aspx?ID=1141509&GUID=345AA40A-863E-4705-8AC0-6F703488A2F9>

On March 25, 2024, the Planning Commission received a presentation that included a summary of the public workshops and outlined the upcoming steps in the planning process. The staff report and attachments are available online at: <https://costamesa.legistar.com/LegislationDetail.aspx?ID=6600445&GUID=BE5C5BFB-7FF3-4EC5-B6A4-16240D272894>

At both of these meetings, the project team also presented detailed information on the economic and market considerations for affordable housing development. Topics included financing strategies, eligibility requirements, and the trade-offs needed to achieve feasibility. As part of the research and analysis, PlaceWorks conducted interviews with affordable and market-rate housing developers, advocacy groups, and industry experts familiar with Orange County housing trends. These interviews explored preferences related to housing types, supportive services, private and public open space amenities, and neighborhood design. Insights gathered have directly informed the market demand and market feasibility analysis, the outcomes of which are included in this report to guide the development of a preferred land use plan.

The Planning Commission conducted three meetings on the Preferred Land Use Plan Framework on May 27, 2025, June 23, 2025, and August 25, 2025. Over the course of these three meetings, staff presented a comprehensive background on the City and State roles of the FDCSP, the findings of the Financial Feasibility Study (discussed above), community outreach summary, three different land use alternatives (balanced land use components that support affordable housing that is financially feasible with long-term flexibility), components of a Specific Plan, development realities of State housing laws, and environmental review. At the August 25, 2025, meeting, the Planning Commission adopted PC Resolution No. 2025-17 recommending a draft preferred land use plan for the FDCSP to the City Council for purposes of environmental review pursuant to the California Environmental Quality Act.

Link to May 27, 2025 Meeting Agenda, staff reports and associated attachments:
<https://costamesa.legistar.com/LegislationDetail.aspx?ID=7408827&GUID=E7162FB0-6F1B-49C8-8A10-A2B71A59E397>

Link to June 23, 2025 Meeting Agenda, staff reports and associated attachments:
<https://costamesa.legistar.com/LegislationDetail.aspx?ID=7443281&GUID=794883F8-79F0-429F-89AA-27A1037F3206>

Link to August 25, 2025 Meeting Agenda, staff reports and associated attachments:
<https://costamesa.legistar.com/LegislationDetail.aspx?ID=7523283&GUID=C8358D22-1767-42E4-9683-A0A0A9E45E27&Options=&Search=>

On October 9, 2025, City staff presented the FDCSP to the Parks and Community Services (PACS) Commission that included an overview of the project, timeline, and the Planning Commission's Open Space recommendations. The purpose of the meeting was to obtain PACS feedback regarding park amenities for consideration and inclusion in the FDCSP. At this meeting, the PACS Commission and wider community emphasized the need for a minimum amount of open space within the specific plan, particularly neighborhood sports fields for local sports programs.

Link to October 9, 2025 Meeting Agenda, staff reports and associated attachments:
<https://costamesa.legistar.com/LegislationDetail.aspx?ID=7693105&GUID=A38BE8F7-2C3F-4912-8FEC-E46C6A295BCB&Options=&Search=>

On October 21, 2025, the City Council considered the Planning Commission recommendation of the preferred land use plan for the FDCSP. After public comment concluded, the City Council deliberated the plan and ultimately directed staff to move forward with the Planning Commission's recommendation (which included a scope of environmental study in the form of the Draft Preferred Land Use Plan, up to 4,000 units, without committing the City to a specific course of action on the Specific Plan) and additionally increased the minimum open space by two acres resulting in the following change to the total open space acres: 12 acres increased to 14 acres. Table 2 depicts the Land Use categories that were utilized for the CEQA environmental review and preparation of the Public Review Draft Specific Plan.

Link to October 21, 2025 Meeting Agenda, staff report and associated attachments:
<https://costamesa.legistar.com/LegislationDetail.aspx?ID=7702666&GUID=68E67F0E-2180-4D5E-BF92-87ED2CB439DB&Options=&Search=>

Table 2 - Preferred Land Use Plan Designations and Affordable Housing

Land Use	Development Minimum	Development Maximum
Total Residential Units ^{1,4}	2,300 units minimum	4,000 units maximum
• Very Low Income	575 units ²	-
• Low Income	345 units	-
• Moderate Income	690 units	-
• Above Moderate Income	690 units	-
Commercial	10,000 sf minimum	35,000 sf maximum
Public Open Space ³	14 acres minimum	No maximum

Notes for Table 2:

1. The Very Low, Low, Moderate, and Above Moderate-income categories is defined in the City's Housing Element.
2. The very low-income units shall include 200 Permanent Supportive Housing Units in accordance with State Code Section 14670.31. Housing developed on-site by DDS may count towards meeting this requirement.
3. Public Open Space includes areas planned for possible use of the following, including but not limited to: public parks, trails, plazas, and other types of open spaces available to the general public. It does not include private and common open space that is considered an on-site amenity for housing and is primarily accessible by the residents of the housing development.

4. Total units include the residential development within the 15-acres of land retained by DDS.
5. The Plan also contemplates a secondary access at the southeast corner of the site through the golf course, requiring the reconfiguration of up to six holes.

With this information known, the project team was able to move the FDCSP project into the next stages of the planning process which are discussed in detail below.

March 2026 Public Review Draft Specific Plan

The City released the public review draft specific plan for a 30-day public comment period that began on March 16, 2026, and concluded on April 15, 2026. The public comments received during this process resulted in refinements to the Draft FDCSP that include further text refinements to the vision and guiding principles, purpose statements, and addressing project phasing details and specific plan implementation processes. Other edits made to the document by staff align with new terminology for uses that were presented to the Planning Commission on April 13, 2026, at a study session as part of zoning code updates to Land Use Classifications for various nonresidential uses, which returned for recommendations to City Council at the Planning Commission's July 13, 2026, hearing. In addition, the residential parking minimums were removed to be consistent with City Council's direction for Housing Element sites rezoning at their March 17, 2026, hearing. This change was made for consistency due to the FDC site being a Housing Element site. Prior to this change, there were no parking minimums for affordable housing units and the market rate units included a 1.25 parking ratio for each one-bedroom unit and a 2.25 parking ratio for each two- or more bedroom unit. The 0.25 for each of these ratios were inclusive of guest parking.

The more substantial edits occurred in Chapter 8, Administration & Implementation. The edits include:

- Further refinements to the planning application process with some slight reorganization;
- Development impact fees were added to section 8.3.3;
- New Transportation Demand Management section 8.3.4;
- New Funding and Financing subsection 8.3.5.A;
- Further refinements to Table 8-3, Implementation and Conceptual Phasing, were made; and
- New Table 8-4, Ongoing Ownership, Maintenance and Funding.

A new planning application implementation action was added requiring the future Master Developer to conduct outreach and community engagement once the final secondary access road through the golf course—and any necessary redesign—is

determined. This is included in the FDC Development Review Application requirements in Section 8.2.6.A as item number 15.

On July 27, 2026, the Planning Commission held a study session on the FDCSP and its associated Zoning Code and General Plan amendments, and the Draft EIR. At the study session the Planning Commission received public comments, asked questions of staff, and provided feedback related to the draft specific plan. Public comments raised concerns about the scale of development and concerns that traffic will increase on Harbor Boulevard and within the existing College Park neighborhood. Other comments related to the availability of sports fields, and petitioning the State to make Merrimac Way a public road so a new secondary road is not needed through the Mesa Linda Municipal Golf Course, were also voiced. The Planning Commission provided varying feedback on the FDCSP, including proposed edits to the plan itself regarding appropriate referencing throughout the plan and updates to the permitted uses table. Additionally, the Commission asked clarifying questions regarding the secondary access road and other alternative routes considered, the financial feasibility and its impact on the number of units studied under the FDCSP, and the status of the State's disposition process. Further discussion on traffic, updates made to the FDCSP, and financial feasibility considerations are included in the analysis section below.

Link to Agenda:

<https://costamesa.legistar.com/LegislationDetail.aspx?ID=8144200&GUID=13F93617-431F-4E0E-BAED-FB1ACBB62095&Options=&Search=>

Link to written public comments (See items marked as NB-2):

<https://costamesa.legistar.com/View.ashx?M=E3&ID=1429415&GUID=D14C456A-C716-444D-B92A-5460E080F1C8>

DISCUSSION AND ANALYSIS:

FDC Specific Plan

The FDCSP was developed based on extensive community outreach and input from the public. The FDCSP is a planning tool that provides a regulatory framework acting as a zoning document to guide future redevelopment, and improvements for the FDC site which includes specific land use regulations and development standards to carry out the community's vision. The FDCSP is comprised a total of eight chapters including:

1. **Chapter 1, History & Disposition Process**, documents the location, history of the FDC property and state law pertaining to operations and reuse of the site.
2. **Chapter 2, Introduction**, provides existing conditions, and the purpose, authority, and intent of the Specific Plan and summarizes the planning process, including community outreach.

3. **Chapter 3, Vision & Guiding Principles**, establishes the vision and guiding principles which serve as a guide for this Specific Plan and future development.
4. **Chapter 4, Land Use & Urban Design**, provides the conceptual land use plan, statistical summary, and objectives for housing developments and overall urban design on the Specific Plan site. It includes objective development and design standards.
5. **Chapter 5, Mobility**, describes the roadway network, including the different types of roadways and their requirements, bicycle and pedestrian connections, and intersections improvements.
6. **Chapter 6, Open Space, Landscaping & Public Art**, identifies the kinds of open space that will be incorporated within the Specific Plan area, and those that can be implemented as part of future development.
7. **Chapter 7, Infrastructure & Public Services**, provides information on the facilities and infrastructure needed to support future development, including electricity and natural gas, water and sewer, waste management, and nearby public services.
8. **Chapter 8, Administration & Implementation**, outlines the processes and procedures for development approvals as well as implementation of the Specific Plan, including conceptual phasing.

These chapters establish the regulatory framework for the future redevelopment of the FDC site and include development and design standards to achieve the community's vision. The Specific Plan requires the Master Developer and subsequent developers to file applications with the City on proposed phasing plans, and development projects. The Specific Plan also requires meeting development standards such as open space requirements, infrastructure (roadway, utilities, etc), and contributions to public services (parks, public safety, etc).

At the July study session, the Planning Commission reviewed the Public Hearing Draft Specific Plan and provided comments related to internal consistency in the document. Accordingly, non-substantive amendments have been made to the draft which are depicted as ~~striketrough~~ text which denotes text being removed, and underline text for text being added. These edits can be found in Chapter 4, Chapter 5, and Chapter 8, and are available at the following webpage: <https://www.costamesaca.gov/home/showpublisheddocument/64123/639215145597715649>. In addition, map figures were updated to address misspelled words, and existing bus stops were added to Figure 5-16.

Maximum Units Allowed by Specific Plan

Another topic of discussion raised by Planning Commission includes the financial feasibility analysis that was completed as a part of the planning process. This study is required under statute, specifically, the planning process must address the "economic feasibility of future development" (14670.31(c)(1)), "maximize interested

third-party potential purchases" (14670.31(c)(2)) and an explicit intent to "provide certainty for the community and a potential developer" (14670.31(c)(2)) as indicated in the DGS letter from July 2, 2026. Accordingly, Concept No. 2 (3,450 units) and Concept No. 3 (4,000 units) from the financial feasibility analysis (<https://costamesa.legistar.com/View.ashx?M=F&ID=15709362&GUID=D5AF92F2-BFE5-4D6D-93E7-7F691E7B80A5>) indicates that the likely feasible development threshold is between 3,500 and 4,000 residential units. Although staff were directed to study up to 4,000 residential units, the Planning Commission could recommend approval of an alternative that is less than 4,000 but must be equal to or greater than 3,500 units.² This is required because of the City's affordable housing goals identified in the Housing Element for the FDC site, which is also required under statute to be provided to the greatest extent feasible. However, as the Planning Commission and City Council directed studying up to 4,000 units for the purpose of identifying and understanding the potential environmental impacts and ensuring mitigation and appropriate standards within the FDCSP. With that said, staff are also identifying other unit count alternatives below that are still financially viable and could potentially provide additional open space, as identified as a need and priority through community input.

3,500 Unit Alternative

Assuming 3,500 units, which is approximately 44 dwelling units (rounded up) per gross acre (80 acres), an estimated additional 5 acres of ground level open space could potentially be provided in the FDCSP. For relevant comparison, in terms of existing projects located within the Costa Mesa community, the Baker Block project located at 125 Baker Street East, Costa Mesa, is 58 dwelling units per acre (du/ac) and Halcyon House, located at 585 Anton Boulevard, Costa Mesa, is 81 du/ac. At 4,000 units, the development density would be 50 du/ac.

3,800 Unit Alternative

During the PC discussions in 2025, City staff recommended a 3,800-unit alternative. Assuming 3,800 units, which is 48 dwelling units (rounded up) per gross acre (80 acres), an estimated additional of 2 acres of ground level open space could be provided in the FDCSP.

The above alternatives are the City's best estimates at trade-offs with reducing the residential unit count and increasing the amount of potential ground level open space, based on estimated acreage of planning area shown in Figure 1. The alternative options are still based on prior analyses, and fall within the studied range. As such, the Planning Commission may choose to recommend a lower residential unit count.

² The reduction in units does not result in changes to the Draft EIR.

Figure 1: FDC Planning Areas and Acreage



Traffic Analysis

The City includes Level of Service (LOS) standards within the General Plan and has adopted Transportation Impact Analysis Guidelines for the City. LOS is a transportation performance measure to determine how efficiently traffic moves through the roadway network and intersections within a City. LOS utilizes various "grades" that include the summary:

- LOS A: Free-flow conditions. Little to no delay. Drivers move freely.

- LOS B: Stable flow with slight delays. Minor restrictions noticeable.
- LOS C: Still stable, but operations become more restricted. Speeds may drop.
- LOS D: Approaching unstable. Significant delay and reduced speeds.
- LOS E: Near capacity. Heavy congestion. Very low speeds. Reliable flow is no longer guaranteed.
- LOS F: Breakdown. Stop-and-go conditions. Demand exceeds capacity.

LOS helps planners and engineers understand how much congestion exists, or will exist, when compared to existing and future conditions to evaluate a project and determine whether improvements are needed. The City's LOS standards for all intersections are to retain an LOS D, or better. Appendix J.2 of the Draft EIR includes the transportation study that discusses LOS based on the project's current 4,000 residential unit mix, non-residential uses, and 14 acres of open space.

The study looked at 26 intersections (15 of which are located on Harbor Boulevard) surrounding the project site, and utilized a traffic modeling tool as a standard best practice. The traffic model incorporated current traffic patterns, traffic patterns with the project, and cumulative traffic patterns which also include the Housing Element sites. The results of the analysis during peak traffic conditions indicate that the intersections at Placentia Avenue and Victoria Street, and Harbor Boulevard and Fair Drive would operate at an LOS E, without intersection improvements. With the intersection improvements included in the FDCSP (Figure 5-14, Intersection Improvements), the LOS level will become D or better at Harbor Boulevard and Fair Drive, which meets the City's minimum acceptable LOS standard. The following table has been included in the response to comments in the DEIR, which shows the intersection LOS improvements.

ID	Intersection	Control Type	Analysis Method	Period	No Improvements				With Improvements			
					No Project		With Project		No Project		With Project	
					V/C	LOS	V/C	LOS	V/C	LOS	V/C	LOS
14	Harbor Boulevard and Fair Drive	Signalized	ICU	AM	0.449	A	0.756	C	0.438	A	0.631	B
				PM	0.663	B	0.967	E	0.651	B	0.885	D

General Plan and Municipal Code Consistency

Government Code Section 65300.5 mandates that General Plan elements, and parts thereof, be integrated, internally consistent, and include a compatible statement of policies for the adopting agency. Staff has confirmed that the proposed FDCSP is consistent with the goals and policies of the Land Use, Circulation, Housing, Noise,

Safety and Open Space and Recreation Elements of the City's General Plan. The Land Use Element is proposed to be amended to be consistent with the FDCSP by removing the existing general plan designation of Multi-use Center (MUC) throughout the Land Use Element and referring to the FDCSP. This change is proposed because the FDCSP establishes its own site-specific land use regulations. In addition, a new "Specific Plan" section is being added to the Land Use Element. Since the Southern Regional Emergency Operations Center (SREOC) is adjacent to the FDCSP, and per the City and State agreement, the SREOC's land use designation is proposed to change from MUC to Public and Institutional. The Land Use Element amendments are included as Link 2 below, where ~~striketrough~~ text denotes text being removed, and underline text denotes text being added. Exhibits depicting the existing and proposed land use map designations for the FDCSP, and the SREOC, are included in Link 3 below.

Since the MUC land use designation is being removed from the Land Use Element, the complimentary zoning designation for this land use designation must also be removed from the Zoning Code (Title 13 of the Costa Mesa Municipal Code). Targeted amendments to the Zoning Code remove all references to the "Institutional and Recreational Multi-use" (I&R-MLT) Designation. In addition, a new chapter titled "Specific Plans" is proposed to be added to the Zoning Code and refers to the FDCSP, but it will also list Costa Mesa's other adopted specific plans. This Zoning Code amendment allows the FDCSP to be implemented and supersede other zoning code requirements where there may be inconsistencies. This is due to the FDCSP incorporating its own site-specific zoning regulations (setbacks, heights, open space standards, etc.). Since the SREOC has a zoning designation of I&R-MLT, the site will be rezoned to "Institutional Recreational," which is a zoning designation that is consistent with the SREOC operations. The Zoning Code amendments are included in Link 4 below, where ~~striketrough~~ text denotes text being removed, and underline text denotes text being added. Exhibits depicting the existing and proposed zoning map designations for the FDCSP, and the SREOC, are included in Link 5 below.

The proposed amendments to the Land Use Element and Zoning Code bring these documents into internal consistency and are therefore consistent with the purposes of the General Plan and Municipal Code. The General Plan and Zoning Code amendments associated with the FDCSP were made available for review on July 17, 2026.

ENVIRONMENTAL CONSIDERATIONS:

The City issued a Notice of Preparation (NOP) on October 29, 2025, which started the environmental review process for the FDCSP. The NOP was available from October 29, 2025, through December 5, 2025. A public scoping meeting was also held on November 17, 2025. The purpose of the NOP is to notify potential Responsible Agencies (Agencies) that the City, as Lead Agency, plans to prepare an EIR for the

project and to solicit comments and suggestions regarding (1) the scope and content of the EIR and (2) the environmental issues and alternatives to be considered in the EIR, pursuant to the California Environmental Quality Act Guidelines (CEQA Guidelines) (Title 14 of the California Code of Regulations) Section 15082. The NOP also provides agencies, organizations, tribes, and interested parties of the preparation of the EIR and requests for comments on the scope and contents of the environmental document. The NOP was submitted to the State Clearinghouse per statute, and the following project number was assigned: SCH No. 2025101405. All subsequent project related environmental documents can be accessed on the State Clearinghouse webpage utilizing this project number.

A Notice of Availability (NOA) of the Draft Environmental Impact Report (DEIR) was issued on May 14, 2026, which began a 48-day public review and comment period that began on May 14, 2026, and concluded on July 1, 2026, pursuant to Public Resources Code Section 21092 and CEQA Guidelines Section 15087. The DEIR was prepared to analyze potential impacts of the project and identify measures to mitigate the environmental effects. The DEIR determined that the proposed project would result in potentially significant impacts related to the following environmental topics: air quality, biological resources, cultural resources, geology and soils, greenhouse gas emissions, hazards and hazardous materials, noise, transportation, and tribal cultural resources. In addition, the DEIR describes and evaluates project alternatives that may reduce or avoid any identified significant adverse impacts of the project. Topics that could not be mitigated to less than significant include air quality, biological resources, cultural resources, and greenhouse gas emissions.

Responses to public comments on the DEIR are included in the Final EIR (FEIR). The FEIR incorporates text edits made to the DEIR that are shown in double underlined text. In addition, the public comments do not warrant recirculation of the EIR and response to public comments are included. Those who submitted comments were notified that the FEIR was available according to statutory requirements and the FEIR is included for Planning Commission recommendation to City Council to certify the FEIR and adopt the statement of overriding considerations.

The DEIR identified that the FDCSP project would result in the following:

No Impact or Less than Significant Impact	Significant Impacts that can be Mitigated to Less than Significant Impact	Significant and Unavoidable Impacts
Aesthetics	Geology and Soils	Air Quality
Energy	Hazards and Hazardous Materials	Biological Resources
Hydrology and Water Quality	Noise	Cultural Resources

No Impact or Less than Significant Impact	Significant Impacts that can be Mitigated to Less than Significant Impact	Significant and Unavoidable Impacts
Land Use and Planning	Transportation	Greenhouse Gas Emissions
Population and Housing	Tribal Cultural Resources	
Public Services		
Recreation		
Utilities and Service Systems		

Significant and Unavoidable Impacts

The DEIR includes an Executive Summary that contains *Table ES-2, Summary of Significant Environmental Impacts and Mitigation Measures*, which identifies all of the potentially significant and significant impacts that can be mitigated to a level that is less than significant with mitigation measures incorporated, and significant and unavoidable impacts that cannot be mitigated to a level that is less than significant with mitigation measures incorporated. A summary of the significant and unavoidable impacts are discussed below.

Air Quality: The DEIR found that the FDCSP would cumulatively contribute to air quality impacts with all new future development (residential and non-residential) that results in cumulative construction and operational criteria pollutant emissions. This is due to nonattainment designations in the South Coast Air Basin (SoCAB) and inconsistency with the South Coast Air Quality Management District's (South Coast AQMD's) Air Quality Management Plan (AQMP) (Impact AIR-1), short-term emissions that exceed the South Coast AQMD's thresholds during construction (Impact AIR-2), long-term emissions exceed South Coast AQMD's thresholds and cumulative contribution to the SoCAB's nonattainment designations (Impact AIR-3), sensitive receptors being exposed to pollutant concentrations (Impact AIR-4), and cumulative impacts would be cumulatively considerable (Impact AIR-5). Each of these identified impacts include mitigation measures that reduce the overall impact, but not to a level that is less than significant.

Biological Resources: The DEIR found that the FDCSP may impact an aquatic resource (potential wetland) if the off-site improvements that may be needed in relation to the secondary access road at the Costa Mesa Country Club affect the man-made pond on the Mesa Linda Golf Course (Impact BIO-2). The biological report notes that the man-made pond may be a wetland and would need to go through an aquatic resource delineation process with appropriate state and federal agencies. The other biological resource impacts (Impact BIO-1 and Impact BIO-3) indicate that the impacts would be reduced to a level that is less than significant with mitigation incorporated. Impact

BIO-1 requires on-site surveys to be completed prior to construction activities commence for specific flora and fauna due to presence of suitable habitat on the FDC site. Impact BIO-3 requires compliance with Migratory Bird Treaty Act and pre-construction surveys are required to be conducted during the bird nesting season prior to commencement of construction activities, or avoidance during the bird nesting season.

Cultural Resources: The DEIR found that the FDCSP would result in the loss of a historic resource. The FDC site as a whole (buildings and internal walking paths) contribute cumulatively towards a historic district designation, even though the individual buildings themselves are not identified as a historic resource. The FDCSP envisions the complete redevelopment of the property that will result in the buildings being demolished, as well as the walking paths. This results in a significant and unavoidable impact. Mitigation measures include the completion of a Historic American Building Survey (HABS) with a scaled district map, detailed description of the site with historic narrative, and high-resolution digital photographs of the site. In addition, the FDCSP incorporates a requirement that at a minimum, three interpretive panels be placed on the site during redevelopment that explain the site's history (Impact CUL-1). Other cultural resource impacts (Impact CUL-2 and Impact CUL-3) indicate that the impacts would be reduced to a level that is less than significant with mitigation incorporated in relation to site grading and construction activities. The mitigation measures include archaeological monitoring and procedures for inadvertent discoveries that may arise during construction.

Greenhouse Gas Emissions: The DEIR found that the operation of the FDCSP project would cumulatively increase Greenhouse Gas (GHG) emissions that exceed the South Coast AQMD thresholds (Impact GHG-1 and Impact GHG-2) and mitigation measures will not reduce the impact to a level that is less than significant. Mitigation measures utilize the Air Quality mitigation measures because both of these topics overlap.

Alternatives

The DEIR evaluated the proposed project against three alternatives including a No Project Alternative, General Plan buildout with no specific plan (minimum 2,300 residential units from the Housing Element), and adaptive reuse of the Historic District. Chapter 4 of the DEIR includes a more detailed description of each alternative. The DEIR identified the adaptive reuse of the Historic District as the environmentally superior alternative, but it would not meet all of the City's goals and would not eliminate any of the significant and unavoidable impacts associated with the project, though it would likely reduce the severity. The DEIR notes that this alternative would still result in the demolition of buildings and alterations to walking paths to accommodate the redevelopment, but it does not improve connectivity and mobility and only partially enhances open space and recreation. As such, a statement of overriding considerations is included for justification for the City to continue to

move forward with the current project and opt not to pursue the Historic District alternative studied under the FEIR.

All applicable environmental documents referenced above (NOP, NOA, DEIR and FEIR) are available on the following City webpage:

<https://www.costamesaca.gov/government/departments-and-divisions/economic-and-development-services/planning/environmental-notice-and-reports>

PUBLIC NOTICE:

The Fairview Developmental Center Specific Plan included the following public notice requirements:

- Newspaper publication advertised in the Daily Pilot on July 22, 2026.
- On-site posting and mailed notification to property owners and occupants within 500 feet.
- The date and time of the public hearing were posted on the project website.
- Information about the public hearing 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 August 10, 2026, Planning Commission hearing will be forwarded separately to the Planning Commission.

NEXT STEPS:

Staff recommends that the Planning Commission adopt Resolution No. PC-2026-XX titled "A resolution of the Planning Commission of the City of Costa Mesa, California, recommending that the City Council of the City of Costa Mesa: Adopt an Ordinance Amending Title 13 of the Costa Mesa Municipal Code (Zoning Code) to add the Fairview Developmental Center Specific Plan (FDCSP), Revise Sections 13-20, 13-28, 13-30, Chapter V, Article 7, Add Chapter XVIII "Specific Plans", and update the Zoning Map; Adopt a Resolution Amending the Land Use Element of the General Plan for Consistency with the Fairview Developmental Center Specific Plan; and Certify the Final Environmental Impact Report and Adopt the Findings of Fact and Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program for the FDCSP."

LINKS:

1. Fairview Developmental Center Specific Plan (clean)
<https://www.costamesaca.gov/home/showpublisheddocument/64121/639215145586663795>

2. Land Use Element Amendments (tracked edits)
<https://www.costamesaca.gov/home/showpublisheddocument/64133/639215187799796268>
3. Land Use Map Amendment
<https://www.costamesaca.gov/home/showpublisheddocument/64103/639213497246610820>
4. Zoning Code Amendments
<https://www.costamesaca.gov/home/showpublisheddocument/64109/639213497253075353>
5. Zoning Map Amendment
<https://www.costamesaca.gov/home/showpublisheddocument/64105/639213497248375562>
6. Draft Environmental Impact Report (DEIR) and Final EIR
<https://www.costamesaca.gov/government/departments-and-divisions/economic-and-development-services/planning/environmental-notice-and-reports>

ATTACHMENTS:

1. Draft Planning Commission Resolution