



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 26-276

Meeting Date: 5/5/2026

TITLE:

CONTINUATION OF THE ADOPTION OF ORDINANCE AMENDING CHAPTER III OF TITLE 15 OF THE COSTA MESA MUNICIPAL CODE RELATING TO PUBLIC WORKS - DRAINAGE

DEPARTMENT: PUBLIC WORKS DEPARTMENT / ENGINEERING DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: SEUNG YANG, P.E., CITY ENGINEER, (714) 754-5335

RECOMMENDATION:

Staff recommends the City Council:

1. Adopt Ordinance No. 2026-XX, continued from the April 21, 2026 Council meeting, approving revisions to Chapter III of Title 15 of the Costa Mesa Municipal Code (Public Works-Drainage) to incorporate updated drainage impact fees, revise administrative provisions for fee collection, and align City code language with current state law and the City's adopted Storm Drainage Impact Fee Nexus Study.
2. Find that adoption of this ordinance is not a "project" under the California Environmental Quality Act, pursuant to CEQA Guidelines section 15378(b)(4) because it implements fiscal activities or administrative actions that do not involve any commitment to a specific project or physical development.

BACKGROUND:

On October 15, 2024, the City Council reviewed and accepted Phase 1 of the Storm Drain System Master Plan Update, which included an "Existing Conditions Assessment Report" (ECAR) and the "Proposed Drainage and Water Quality Improvements" report.

On March 17, 2026, the City Council opened a public hearing and continued an introduction and first reading, by title only, of an ordinance amending Chapter III of Title 15 of the Costa Mesa Municipal Code relating to drainage to the April 7, 2026, City Council meeting.

During its regularly scheduled City Council meeting on April 7, 2026, the Council, while approving the proposed staff recommendation, requested minor revisions to the proposed ordinance to clarify the appeal process for drainage fee adjustments in section §15-75. Specifically, the requested revisions establish that developer requests based on increased site permeability, including permeable surfaces, bioswales, or other stormwater infiltration features, shall be subject to final review and approval by the Public Works Director.

During its regularly scheduled City Council meeting on April 21, 2026, the Council had additional questions regarding how and when credits for low impact development design features like bioswales and permeable pavers would be allowed and who would have the authority to approve credits for low impact development. During review of the ordinance, the City Attorney determined that there was an error in the proposed ordinance and requested the City Council continue the item to the next upcoming meeting. At the City Attorney's request, the City Council continued the item to the next regularly scheduled Council meeting on May 5, 2026.

The requested revisions by the City Attorney are now incorporated into the ordinance, presented for adoption and explained in the ANALYSIS section below.

All information regarding the Storm Drain System Master Plan Update study can be found on the City's webpage at <https://www.costamesaca.gov/storm>.

ANALYSIS:

During its regularly scheduled City Council meeting on April 7, 2026, the City Council approved staff's recommendation to adopt the 2026 Storm Drainage Impact Fee Nexus Study as the final component of the 2024 Storm Drain System Master Plan Update with changes to the proposed ordinance section: §15-75 Appeals.

In addition, during the April 7, 2026 meeting, the City Council approved a motion to include a review of the Drainage Fees after three (3) years.

During the April 21, 2026 City Council meeting, a continuation to the May 5, 2026 Council meeting was approved to allow the City Attorney's office to make appropriate changes to the ordinance.

The City Attorney's office revised the ordinance to read as follows:

§15-74 Credits, Reimbursement & Reductions - *Revise & insert paragraph(s) C & D*

- C. A developer may be allowed a reduction of fees from the drainage fee requirements of this chapter provided that he is able to demonstrate a substantial showing of evidence of increased site permeability, using low impact design features such as permeable surfaces, bioswales, or other stormwater infiltration features, that will reduce stormwater runoff and impacts to the City's existing drainage system.

- D. Developer requests for a reduction of the drainage fee may be submitted through the permit application process and shall include a description of the low impact design features, an analysis to justify a reduced impervious coefficient for the developed site, and any other evidence that supports the request for a reduction of the drainage fee. A review of the request shall be completed within 60 calendar days after submittal by the applicant. The Public Works Director shall have authority to review, comment, adjust, and/or approve qualifying requests for a reduction of the storm drainage impact fee.

This revision allows developers the ability to request credits and drainage fee reductions for low impact development and provides the Public Works Director authority to approve warranted drainage fee reductions during the permitting process as part of Municipal Code section §15-74 Credits,

Reimbursement & Reductions in lieu of section §15-75 Appeals as was originally proposed.

Ordinance No. 2026-XX is included as Attachment 1 to this report. The ordinance is presented for approval and adoption. If adopted, the ordinance would become effective thirty (30) days after adoption with the Storm Drain Impact Fees scheduled to go into effect sixty (60) days after their April 7, 2026, approval.

ALTERNATIVES:

The City Council may choose to adopt, modify, or reject the ordinance as proposed. If the City Council chooses to make substantive modifications to the ordinance after introduction, the modified ordinance must be adopted by City Council in a future meeting.

FISCAL REVIEW:

The fiscal impact of updating the City's drainage fees will depend on the pace of future development throughout the City. All funds collected in the Drainage Fees Fund (Fund 209) will be utilized to fund eligible capital improvements identified in the nexus study and the 2024 Storm Drain System Master Plan Update.

LEGAL REVIEW:

The proposed ordinance and report have been prepared in conjunction with and reviewed by the City Attorney's Office.

PUBLIC NOTICE:

Pursuant to Government Code, section 66016.5(a)(7) and Assembly Bill (AB) 602, a notice was published in the City's local newspaper (i.e., Daily Pilot) on February 13, 2026 and on February 20, 2026. These publications provided more than the required (30) days' notice prior to the initial public hearing scheduled for March 17, 2026.

At the March 17, 2026 City Council meeting, the public hearing was opened and continued to April 7, 2026, allowing additional time for noticing, public review, and consideration.

On April 7, 2026, the City Council completed the public hearing, adopted the Storm Drainage Impact Fee Nexus Study, and introduced for first reading Ordinance No. 2026-XX related to drainage and the updated storm drainage impact fees.

On April 21, 2026, the City Council continued the second reading of Ordinance No. 2026-XX to the regularly scheduled Council meeting on May 5, 2026.

CITY COUNCIL GOALS AND PRIORITIES:

The Storm Drain System Master Plan Update and the corresponding ordinance to revise the City's Municipal Code work towards achieving the following City Council goals:

- Maintain and Enhance the City's Facilities, Equipment and Technology
- Strengthen the Public's Safety and Improve the Quality of Life
- Advance Environmental Sustainability and Climate Resiliency

CONCLUSION:

Staff recommends the City Council adopt Ordinance No. 2026-XX, continued from the April 21, 2026 Council meeting, approving revisions to Chapter III of Title 15 of the Costa Mesa Municipal Code (Public Works-Drainage) to incorporate updated drainage impact fees, revise administrative provisions for fee collection, and align City code language with current state law and the City's adopted Storm Drainage Impact Fee Nexus Study.