



# City of Costa Mesa

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

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**File #:** 21-526

**Meeting Date:** 1/18/2022

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**TITLE:**

**URBAN MASTER PLAN SCREENING REQUEST (UMP-21-005) FOR A NINE-UNIT LIVE/WORK DEVELOPMENT LOCATED AT 1540 SUPERIOR AVENUE**

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

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

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**RECOMMENDATION:**

Staff recommends that the City Council review and provide feedback on the proposed nine-unit live/work project at 1540 Superior Avenue, located in the 19 West Urban Plan area.

**BACKGROUND:**

Pursuant to the Costa Mesa Municipal Code (CMMC) Section 13-28 (g)(4), applicants for residential or mixed-use development projects in a mixed-use overlay district shall submit a screening application for consideration by City Council at a public meeting. No other concurrent application for development may be submitted for processing until City Council comments have been received. The purpose of the screening application is to receive City Council comments on the merits and appropriateness of the proposed development, before the applicant submits a formal project application.

***19 West Urban Plan***

The property is located within the 19 West Urban Plan. On April 4, 2006, City Council adopted the Urban Plan to provide incentives for mixed use development. The 19 West Urban Plan allows for horizontal and vertical mixed use development, including live/work units and refers to the live/work standards in the Mesa West Bluffs Urban Plan. The intent of the Urban Plan is to provide development and economic incentives for private property owners to reinvest and redevelop their properties. The objectives of the plan include the following:

- Identify development regulations to realize the vision of the Urban Plan. These regulations address mixed-use development standards as well as public streetscapes and urban design improvement and amenities;
- Provide a Land Use Matrix of allowable uses that recognize the development potential of the plan area and need to sensitively integrate new development with the surrounding areas, and therefore, promote both resident and business community confidence in the long term;
- Encourage commercial and residential mixed use development that combines residential and

nonresidential uses in a single building (vertical mixed-use development) or in proximity on the same site (horizontal mixed-use development). This type of development includes office, retail, business services, personal services, public spaces and uses, and other community amenities to revitalize the area without exceeding the development capacity of the General Plan transportation system.

- Attract more residents and merchants by allowing mixed-use development in a single-use zoning area - specifically, vertical or horizontal mixed-use development offering first floor retail/office and upper story residential condominium units;
- Encourage adaptive reuse of existing industrial or commercial structures, which would result in rehabilitated buildings with unique architecture and a wider array of complementary uses;
- Stimulate improvement in the 19 West Urban Plan area through well designed and integrated urban residential development that is nontraditional in form and design with flexible open floor plans and which complements the surrounding existing development;
- Meet demand of a new housing type to satisfy a diverse residential population comprised of artists, designers, craftspeople, professionals and small-business entrepreneurs;
- Promote a new type of urban housing that would be target-marketed to people seeking alternative housing choices in an industrial area. An urban loft would be an alternative to a traditional single-family residence, tract home, or small-lot subdivision; and
- Encourage the design and development of urban residential structures reflecting the urban character of the surrounding industrial context both in the interior and exterior areas.

### ***Development Deviations***

The Urban Plan allows design flexibility in exchange for quality projects that meet the Urban Plan vision. Such flexibility may come in the form of deviations from required development standards, if approved through a Master Plan. In this case, the applicant is proposing nine condominium live/work-units for homeownership consistent with the goals of the Urban Plan, along with a requested deviation from the minimum lot size.

Table A of the Urban Master Plan provides that the minimum lot size must be one-acre. Pursuant to the Development Standards, developments proposed with lots less than one-acre may be allowed as a deviation provided that all other development standards are met.

Should the project move forward, a Master Plan would be required, subject to review and approval by the Planning Commission. The Planning Commission will consider screening comments provided by the City Council. Pursuant to CMMC Section 13-83.53(d), a deviation from mixed-use development standards may be approved through the master plan process provided that the following findings be made:

1. The strict interpretation and application of the mixed-use overlay district's development standards would result in practical difficulty inconsistent with the purpose and intent of the General Plan and Urban Plan, while the deviation to the regulation allows for a development that better achieves the purpose and the intent of the General Plan and Urban Plan.
2. The granting of the deviation results in a mixed-use development which exhibits excellence in design, site planning, integration of uses and structures and compatibility standards for residential development.
3. The granting of a deviation will not be detrimental to the public health, safety, or welfare, or

materially injurious to properties or improvements in the vicinity.

Pursuant to the Urban Plan's "Required Findings for Deviation from Development Standards for Live/Work Units," additional on-site and off-site amenities contributing to the project's overall design excellence may enable approval of the requested deviation. In exchange for any deviation, the project must provide quality environments and substantial amenities. Example onsite and offsite amenities are listed in the Urban Plan and described in greater detail in Attachment 1 (Project Summary Sheet).

In addition to on-site and off-site amenities, the Urban Plan requires a finding in support of the requested deviation from the development standards for live/work units. Specifically, a finding must be made that granting the requested deviation will not make the live/work units more suitable for a use that is primarily residential.

The 19 West Urban Plan can be found at the following link:

[<https://www.costamesaca.gov/home/showpublisheddocument/315/636490563866670000>](https://www.costamesaca.gov/home/showpublisheddocument/315/636490563866670000)

### ***Previous Urban Master Plan Screening***

On December 7, 2021, City Council heard a similar live/work application for an urban master plan screening by the same applicant located at 1711 and 1719 Pomona Avenue. Overall the project proposed was supported by the Council with the following feedback being provided:

- The City Council commented that re-design should be considered for the units proposed with primary access from internal areas of the site to be instead oriented toward the street;
- The City Council encouraged the applicant to include pedestrians and bicyclists active transportation opportunities in the site development;
- The City Council encouraged the applicant to provide community space and on-site amenities; and
- The City Council commented that additional site landscaping should be considered.

Staff reviewed the current screening proposal with the applicants based on the feedback provided by the Pomona Avenue City Council comments. In response, the applicants have indicated that the current application will provide bicycle racks, an onsite barbeque and seating area, and additional landscaping along Industrial Way.

### **ANALYSIS:**

#### **Project Concept**

The proposed development site area totals 0.44-acre and is located on the northeast corner of the intersection of Superior Avenue and Industrial Way. The site is zoned General Industrial (MG) and has a General Plan land use designation of Light Industrial. The proposed development abuts Share our Shelves (a local nonprofit) to the north and an automotive service to the east. Additional industrial uses are located across Superior Avenue and Industrial Way. Currently, 1540 Superior Avenue is developed with a single-tenant, one-story light industrial facility which was most recently occupied by Share our Shelves and is now vacant. The site is approximately 150 feet northwest of a similar

existing live/work ownership development ("Level 1") located at the northwest corner of Old Newport Boulevard and Industrial Way.

The project proposes nine 1,992-square-foot live/work units with a ground floor work space and restroom, a second floor living area, a third floor with three bedrooms, and a rooftop deck. The project will comply with the maximum height allowed in the Urban Plan of 60 feet and four stories. Pursuant to the Urban Plan, intensity in live/work development is measured by total floor area ratio (FAR), and not exclusively the number of dwelling units per acre. The proposed FAR for the project is 0.94 which is below the Urban Plan's 1.0 FAR maximum. The project includes 30 proposed parking spaces; 27 spaces are required. Six of the nine units contain a two-car garage while the other three units contain a one car garage and an open parking space. The site features 13 additional guest parking spaces and one bike rack (which is credited as one parking space) in a communal parking lot at the rear of the development. Additional details regarding project compliance with development standards are included in Attachment 1.

In order to facilitate the project, the applicant is proposing to subdivide the lot into a common interest development (condominium map for ownership units) pursuant to the requirements of the California Subdivision Map Act.

### **Screening of Project Concept**

This Urban Plan screening process is intended to address the following issues:

1. *Does the project meet the City Council's expectations for projects in the Urban Plan areas?*

The screening process is an opportunity to determine whether the project concept meets the City Council's expectations for new projects in the Urban Plan areas before the applicant submits a formal Master Plan application. A live/work project at this site is made possible by utilizing the standards referred to in the 19 West Urban Plan. The Urban Plan allows for live/work units and deviations from Urban Plan and other development standards when approved through a Master Plan in exchange for high quality projects that meet the objectives of the Urban Plan. In comparison to the Urban Plan objectives, the project would not exceed the General Plan Circulation Element's development capacity, would attract residents and merchants into live/work units, stimulate development within the Urban Plan, and provides live/work units that are compatible with the industrial neighborhood.

Although the conceptual live/work units generally comply with the Urban Plan and Municipal Code development standards, staff believes that the development design concept requires further consideration in regards to the Live/Work Urban Plan's Architectural Design Guidelines and previous direction provided by the Council. The Guidelines encourage emphasis on front elevations and street facing elevations to accomplish "high quality projects" with the following specific considerations:

1. Building elevations should feature stepping forms both horizontally and vertically to soften and provide appropriate transitions among second-story, three-story and four-story elevations;
2. Building elevations should incorporate enhanced detailing, which may include

articulation, projections and use of varied building materials;

3. Architectural projections are encouraged to provide visual focus and emphasize some aspect of design such as entryway and major windows;
4. Long, unbroken building facades should be avoided, and a variety should be accomplished through variations in building heights and forms; and
5. Distinct architectural treatment and varying surface materials/finishes among the different units of a proposed multi-story development should be provided.

If the Council concurs and prior to Planning commission consideration, staff will work further with the applicant to improve the live/work design by enhancing the development to be consistent with aforementioned suggested Design Guidelines.

2. *Does the City Council have comments regarding any requested deviations?*

The screening process highlights requested deviations from the Urban Plans so that the City Council can provide feedback. The proposed Master Plan would include a deviation request from the Urban Plan's live work standards including the minimum lot size (required is 1.0-acre; proposed is 0.44-acre). Pursuant to the Live/Work standards referred to in the Urban Plan, developments proposed with lots less than one acre may be allowed as a deviation provided that all other development standards are met. Because the minimum lot size deviation has been requested, no additional deviations are permitted or requested.

In exchange for the City considering the deviation to the minimum lot size, staff is recommending that City Council encourage the applicant to work further with staff to modify the project to incorporate the Urban Design suggestions that encourage "high quality projects", including additional on-site and off-site project amenities and additional front facing units where appropriate. (Please see Attachment 1, *Urban Plan Screening Summary Sheet - Table 1*, for a list of potential on-site and off-site amenities and additional specific project compliance analysis.

**ALTERNATIVES:**

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

**FISCAL REVIEW:**

There is no fiscal impact to the City associated with this item. However, approval of this request and the subsequent development of the nine-unit live/work project will generate property tax revenues in future years.

**LEGAL REVIEW:**

The City Attorney's Office has reviewed this report and approves it as to form.

**CITY COUNCIL GOALS AND PRIORITIES:**

Diversify, stabilize and increase housing to reflect community needs.

**CONCLUSION:**

The screening process enables the City Council to address the central question about the proposed development and specifically “Does the project concept meet Council’s expectations for new development in the 19 West Urban Plan area?”

The City Council’s comments do not set precedent for the Planning Commission’s future consideration of a formal Master Plan application, nor constitute final action on the development project. In addition, the applicant may expect the Planning Commission to have other comments/concerns on the proposed development concept that may not have been raised by the City Council. The screening process allows the applicant to consider Council’s initial comments and to refine the development concept based on their feedback.

Staff is recommending that City Council review and provide feedback on the proposed nine-unit live/work project, and encourage the applicant to work with staff, prior to Planning Commission review, to further incorporate the 19 West Urban Plan design suggestions that encourage “high quality projects.”