



PLANNING COMMISSION

AGENDA REPORT

MEETING DATE: MARCH 25, 2024

ITEM NUMBER: NB-1

SUBJECT: FAIRVIEW DEVELOPMENTAL CENTER PROJECT UPDATE

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

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**FOR FURTHER
INFORMATION
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RECOMMENDATION:

Staff recommends the Planning Commission receive the presentation, provide feedback, and file this report.

BACKGROUND:

Originally developed as a hospital serving persons with developmental disabilities in 1959, the Fairview Developmental Center (FDC) encompassed 750 acres and was intended to house up to 4,125 residents. However, the passage of the Lanterman Act in 1969 introduced a more individualized approach to providing care for persons with developmental disabilities, and this approach resulted in a greater emphasis on providing care in the least restrictive environment appropriate for each person. As a result of the change for providing care to persons with development disabilities, more community-based facilities were established and populations in larger developmental facilities declined, including the FDC.

Below is a timeline of actions related to the evolution of the FDC site:

1979 - The State reduced the number of acres allocated to the FDC to 114 and transferred the remaining acres to the City of Costa Mesa. The City developed these properties as the Costa Mesa Golf Course and Fairview Park.

2012 - A State law imposed a moratorium on new admissions to developmental centers and by January 1, 2016, the FDC housed only 252 persons.

2016 - The State adopted a plan to close the FDC on April 1, 2016. Most on-site operations have ceased except that FDC maintains licenses to operate ten beds in Building S (located directly behind the auditorium), and ten crisis beds located within two single-family homes.

2020 - The City Council created an Ad Hoc Committee to advise staff on matters related to the FDC and present recommendations to the City Council as needed. The Council endorsed a concept for the FDC that included 1,500 mixed-use/mixed-income housing units at the site, including workforce, veterans, and permanent supportive housing. The Council directed staff to continue to coordinate with the State with the goal of maintaining local input of future development options and the final disposition of the site.

February 1, 2022 - The City's adopted Housing Element identified FDC as a housing opportunity site and estimated approximately 2,300 housing units could be accommodated at the location. It also included a "program" or future action calling for the City to continue to coordinate with the State to define future uses including establishment of a Specific Plan to allow for residential development at the site consistent with the Housing Element (Housing Element Program 3B). The Housing Element assumes 40% of the units on this site will be affordable to low- and very-low income households.

October 4, 2022 - The City Council approved a scope of work for an agreement with the State to fund planning for the reuse of the FDC, authorizing the City Manager to sign said agreement (Attachment 1).

December 29, 2022 - The City Manager and the Department of General Services of the State of California (DGS) entered into an agreement authorizing the City of Costa Mesa to create a Specific Plan and prepare an Environmental Impact Report (EIR) for the redevelopment of the FDC (Attachment 2). The agreement required the State to provide \$3.5 million in funding. The agreement states that housing shall be a priority in the planning process; that affordable housing shall be included; and that priority shall be given to projects that provide housing for individuals with developmental disabilities. The agreement requires the City to complete the Specific Plan and certify the EIR by September 2025. The City is currently working with DGS to extend the timeframe to allow for greater participation by the public and the Planning Commission. The State is responsible for selecting the developer(s) to implement the Specific Plan.

August 1, 2023 - The City Council authorized an agreement with PlaceWorks (a local planning consulting firm) to prepare a General Plan Amendment, Specific Plan, and EIR to guide the redevelopment of the Fairview Developmental Center (FDC) property.

December 12, 2023 - The City Council held a study session on affordable housing and discussed the FDC. City Councilmembers expressed a desire to explore increasing the number of housing units on the site beyond the 2,300 units identified in the Housing Element. Materials for the study session, including the staff report, presentation, and

video, are available online at:

<https://costamesa.legistar.com/MeetingDetail.aspx?ID=1141509&GUID=345AA40A-863E-4705-8AC0-6F703488A2F9&Options=info|&Search=>

December 19, 2023 - The State Department of Emergency Services (CalEOS) approved plans to develop a regional emergency operations center (EOC) on 15 acres at the FDC. Because the State owns the property and is using it for a State function, the State retains absolute control over the site and the City cannot impose standards on the EOC through the Specific Plan. The State EOC will serve as a regional coordination point in the event of a significant disaster or emergency. It will not be a staging area for emergency vehicles or resources, and will function like an office use during normal operations. During the public review period for the EIR for the EOC, the City objected to the inclusion of a helipad at the EOC, finding it incompatible with the planned residential development at the FDC and the neighboring community. CalEOS have since confirmed that they will not build the helipad, even though it was included in the certified EIR. Additionally, funding for the helipad has been removed from the State budget.

DESCRIPTION:

The boundary of the FDC Specific Plan area is depicted in Attachment 3. The site includes approximately 121 acres. The EOC will be addressed by the Specific Plan in case the State decides to dispose of the site in the future.

FDC Existing Site Conditions

There are currently 39 buildings on the FDC site which were built between 1953 and 1974 (refer to Attachment 4). In general, most of the existing buildings suffer from deferred maintenance. A report prepared for the State in 2020 to comply with Sections 5024 and 5024.5 of the Public Resources Code determined that the FDC does not meet any of the criteria to be designated as a California Historical Landmark in that none of the buildings or landscape features are individually eligible for listing in the National Register and California Register. The site itself is eligible as a local historic district because of the important role it played in the California state mental health system from when it began receiving patients in 1959 through to 1969. The City Council has expressed an interest in developing the site with residential uses vs. adopting a local historic district and retaining the existing vacant buildings. However, some sort of plaque or homage will be identified during the planning process to acknowledge the site's former use.

The facility has a central power plant and utilities are distributed via covered walkways that connect the buildings. Preliminary investigations indicate some soil contamination has occurred in the past and has been remediated. Future grading activities in the vicinity of these sites will include testing to ensure soils continue to meet all applicable standards. However, leakage of chemicals in some areas cannot be examined until the buildings are demolished. Because of the activities that have taken place on the site (storage of fuel and

other hazardous chemicals, maintenance of heavy equipment) and the installation and use of transformers and other electrical equipment known to have contained PCBs in aboveground and subsurface vaults throughout the site, it is likely that additional issues will be discovered. Because of their age and construction methods in use during that time, asbestos is likely to also be found in most or all of the buildings. The existing buildings and utilities do not lend themselves to reuse for residential or commercial purposes.

The City currently has a ground lease for an athletic field with the State to utilize approximately five acres of land located adjacent to North Shelley Circle within the FDC site. The City has utilized the athletic field for youth soccer playing fields.

Surrounding Land Uses Within State Owned Properties

There are existing single- and multi-family development within State owned properties located north of the project site. The neighboring Harbor Village Apartment is developed with 522 apartments. The property is owned by the State and is leased to the operator of the Harbor Village Apartments. The apartments provide transitional housing opportunities for former residents of the FDC. Approximately ten percent of the units are leased to people with developmental disabilities and a portion of the units have been modified to specifically accommodate persons with special needs. There are approximately 30 single-family homes and duplexes on Mark Lane, Christopher Lane and N. Shelley Circle located near the entrance to the FDC. These homes are included within the Harbor Village lease, all are occupied and many are leased to group homes providing services to persons with developmental disabilities. Two of these homes are licensed to provide five beds each on a crisis basis. The State plans to retain ownership of all of these properties.

Surrounding Land Uses within the Project Vicinity

The existing land uses varies outside of the State properties and include several single- and multi-family residential neighborhoods (including Cornerstone Townhomes), the Costa Mesa Golf Course and Country Club, and the various commercial uses located along Harbor Blvd.

FDC PROJECT PROGRESSION:

Public Outreach

The City Council directed staff to include an extensive outreach plan and community involvement program to develop a vision and land use plan for this site. To provide opportunities for community involvement, the outreach plan envisions a minimum of four community workshops, a City Council and Planning Commission study session, several “pop up” events, stakeholder meetings, and public hearings. The first two community workshops have occurred and were held in early November and January. Additionally, three FDC open houses were held in late February and early March. A project website has also been established to provide easy access to project information and status: www.fdchousingplan.com. A project email address has been established to allow

interested persons to sign up for the interest list, submit comments or ask questions: fdchousingplan@costamesaca.gov.

Advertising the Workshops and Open Houses

Staff from several City departments collaborated to advertise the first round of workshops/open houses and make them community accessible. The City's Constituent Services team reached out to various community organizations, and the City's Communications and Marketing team employed social media and other tools to spread the word. During the workshops/open houses, the Parks and Community Services Department provided activities for children so that parents could attend knowing their children would be safe and engaged. The following steps were taken to advertise the workshops:

- Flyers were mailed to persons living or owning property within 1,000 feet of the FDC in November;
- Flyers were emailed to all students in the Newport Mesa Unified School District in November;
- Flyers were mailed to all residential households in December (45,000 addresses);
- Information was posted on the project website and the City's website;
- Flyers were emailed to interest lists maintained by the City;
- Workshops were featured in the City Hall Snapshot;
- Flyers were posted on Nextdoor (45,000 subscribers);
- Workshops were featured on the City's social media pages (Instagram, Facebook, Twitter/X);
- Workshops were advertised on CMTV between show carousels, city council pre- and during meeting carousel, and at City Hall Concierge monitors;
- Workshops were announced at City Council meetings;
- Flyers were emailed to more than 70 community group contacts (such as larger apartment complexes and churches);
- Information was sent to subscribers to the City's Nixle service; and
- Flyers were posted at the library and various city facilities and businesses in the community.

To facilitate community participation, each workshop has been held in three different formats: English, Spanish and virtual. The virtual workshop featured a breakout room for those who preferred to hear the presentation in Spanish. The Open House format included translators at each station for those who prefer to speak Spanish and a breakout room in the virtual meeting for Spanish speakers.

A summary of the workshops and open houses are included as Attachments 5, 6, and 7 to the staff report. The aforementioned summaries provide more detailed information including photos, compilations of comments, and copies of the group documents. Copies of the comment cards submitted at the meetings and all other comments

submitted via email and social media are posted on the project website (names and other identifying information have been redacted).

Workshop 1

- Workshop 1 series was hosted at the Costa Mesa Senior Center on November 2nd, 3rd, and 6th of 2023 with a total of 114 participants.
- A presentation was provided that outlined the history, existing uses, surrounding uses, and potential opportunities of the site, including a variety of housing types as designated by the City's Housing Element.
- The presentation also summarized the agreement between the City and State to plan for the redevelopment of the site.
- A question/answer ("Q and A") period was provided.
- Participants were invited to engage in small groups to collectively answer the question, "What are the ingredients of a great neighborhood?".
- Each group reported their conclusions during the presentation.
- All attendees had an opportunity to place stickers by group ideas they thought most important.
- Everyone also had the opportunity to leave a comment card with additional input.

The input gathered will be used to inform the draft vision statement and guiding principles for the Specific Plan. The vision statement and guiding principles will be reviewed at the next round of community workshops.

The virtual presentations were recorded in Spanish and English and are available on the City's YouTube Channel and the project website. The PowerPoint presentations and other materials are also available on the project website.

Public Input on Specific Plan Priority Areas - Workshop 1 Series invited participants to place stickers next to the issues/comments that they believed were most important. Afterwards, all participant comments/issues were categorized as shown on the activity sheets in Attachment 5. The stickers revealed that housing and civic/community uses were most important to the participants, closely followed by transportation/mobility/parking and open space/recreation issues.

Workshop 2

- Workshop 2 was hosted at the Costa Mesa Senior Center on January 23rd, 25th and 29th of 2023 and had a total of 129 participants
- The presentation included an overview of the project and a recap of the first workshop
- There was time for questions and answers
- Participants shared feedback on the draft vision and guiding principles
- There was a presentation on three options for circulation and transportation preferences. Participants were then asked to provide individual feedback on

their preferences (except for virtual participants, who participated in breakout rooms).

- There was a presentation on three options for open space and preferred recreation amenities. Participants were then asked to provide individual feedback on their preferences (except for virtual participants, who participated in breakout rooms).
- Brian Ferguson from the State of California's Office of Emergency Services (CalEOS) gave a presentation regarding the emergency operations center (EOC), confirming that the current construction plans do not include a helipad.

Public Input on Elements of the Specific Plan - Public feedback was provided on open space preferences such as trails, recreational centers, playgrounds, soccer fields, and baseball fields. Input was also received on preferences for all modes of transportation, circulation and street layout options and parks/open space configuration. The FDC staff/consultant team is presently reviewing the participant input on the vision statement to produce a revised vision to guide the preparation of the Specific Plan. The working draft vision statement and guiding principles are provided as Attachment 8.

Open Houses

The third community involvement opportunity consisted of a series of open houses in February and March to allow residents to learn more about the FDC planning process, pose questions to staff and the consulting team and share feedback on the desired outcomes. The first open house was held at the Costa Mesa Country Club on Thursday, February 29th. The second open house was held at Iglesia Harbor Church on Monday, March 4th (this meeting attracted the greatest number of Spanish speaking participants yet to the outreach events). A virtual open house was also held on Wednesday, March 6th. The open houses had a total of 176 participants.

The format of the open houses included the following project information "topic" stations:

- Welcome and sign-in
- Project Information
- Vision
- Housing
- Mobility and Traffic
- Site Design and Open Space

City staff (from multiple City departments) and experts from the consulting team were at each station to answer questions. A variety of exhibits were displayed at each station to explain the process and the results of prior outreach or potential development scenarios. Opportunities to provide feedback on desired amenities or features were offered at several stations, and participants were encouraged to leave feedback on comment cards.

Public Input Received on Topic Areas – Participant comments received on the “FDC vision” focused on the community’s desire for the plan to include open space, housing and community programming. Comments on “housing” primarily expressed the need for low income and affordable housing. Comments regarding “circulation” focused on traffic and access to the site from Harbor Blvd. Comments on “open space” focused on active open space amenities (soccer and baseball fields) and integrating open space with housing. General comments suggested more outreach at Harbor Iglesia, referenced economic feasibility and enjoyment of the open house format. A complete summary of the comments is included in Attachment 7.

NEXT STEPS - PROJECT REVIEW AND ANALYSIS:

This project is in its initial stages and staff and the consultant team continue to obtain input from the community regarding the desired components of the land use plan and understanding public concerns. Staff also continues to work with State officials to integrate State plans to develop the EOC and supportive housing developments into the plans for the FDC. Addressing potential impacts to the City’s infrastructure and services also remains an important element of the project. The City’s Housing Element envisions 2,300 dwelling units on this site, of which 40% are to be allocated to low- and very-low income households. As a result, the impact of density bonuses will also be considered.

Market Study

A Draft Market Study has been prepared for the FDC project to analyze current and future market conditions. For residential use, the Study found that there is current and future demand for rental and for-sale units across all income levels. Demand is driven from households moving to Costa Mesa as well as from current residents who are living in high cost and/or overcrowded housing. The Market Study anticipates that there will be two future demographic shifts that will impact housing: (1) fewer new households with families, and (2) an increase in residents aged 65 and older. For non-residential use, the Study found that future residents in the Specific Plan area will generate demand for approximately 29,500 to 55,900 square feet of retail space. Another 76,500 gross square feet of non-residential space could support the neighborhood with uses such as a fitness center and medical and professional offices.

Development of Land Use Scenarios

The next step in the process will include development of three land use scenarios for review. The consultant team will prepare a high-level analysis of circulation and infrastructure impacts for each land use scenario. These land use scenarios will be presented to the community via workshops in May/June for input. An on-line survey will also be used to solicit feedback on the project website. Afterwards, staff anticipates holding a joint study session with the City Council and Planning Commission to review the three land use plans and the community input received. Following that meeting, the Council will be asked to select a preferred project land use plan to analyze in the Environmental Impact Report (EIR).

Specific Plan Development/General Plan Amendments/EIR

A Specific Plan is a land use planning tool used by jurisdictions to implement a general plan within a defined area. The required content of a specific plan is established by Sections 65450 – 65457 of the California Government Code and is intended to provide a wholistic view of larger development projects. A specific plan provides an additional layer of planning control, detailed standards and design direction that may supplement and/or differ from a City's traditional zoning regulations. In addition to establishing a land use plan and development regulations, a specific plan also provides conceptual plans for circulation and infrastructure improvements, among other matters, necessary to support the intended land uses. The Fairview Developmental Center Specific Plan will be the basis for all future development applications on the site. The developer(s) selected by the State will be required to comply with the adopted Specific Plan.

Based on the City Council's selected land use plan, the City will prepare a project draft Specific Plan and the necessary amendment(s) to the General Plan, which is expected to take five months. The draft Specific Plan and General Plan amendments will be analyzed in an EIR, which is anticipated to take eight months to prepare. The draft Specific Plan, General Plan amendments and EIR will be prepared concurrently. After a preferred project land use plan is decided, a Notice of Preparation (NOP) will be distributed, and a Scoping Session will be held to obtain public input on the scope of the Draft Environmental Impact Report (DEIR). The DEIR will then be prepared and circulated for public review. The DEIR will be considered by the Planning Commission and City Council when reviewing the Specific Plan and General Plan Amendment. Additional community meetings will be held when the draft Specific Plan is ready for public review to solicit input on the plan prior to commencement of public hearings before the Planning Commission and City Council.

GENERAL PLAN CONFORMANCE:

The General Plan designation for the site is "Multi Use Center" and is applicable only to the Fairview Developmental Center. The Land Use Element allows up to 582 dwelling units for the site at a floor area ratio (FAR) of 0.25, and a range of six to 40 units per acre. The "Multi Use Center" maximum allowed height is four stories. The General Plan stipulates that 25% of the site shall be reserved for open space.

The City's Housing Element designates the site as a Housing Opportunity Site and allocates 2,300 units to the site. The Housing Element also anticipates that 40% of these units will be affordable to low- and very-low income households. A General Plan Amendment will be processed as part of this project to implement the provision of the Housing Element for the project site. The Fairview Developmental Center Specific Plan will be the guiding planning document that will then implement the goals and policies of the General Plan.

PUBLIC NOTICE:

There is no public notice requirement for the Planning Commission Fairview Developmental Center project update. However, the City provided the following informal notice:

- The date and time of the FDC update were posted on the project website.
- Information regarding the FDC update session was posted on the City's social media sites and sent out to the project's email list.

CONCLUSION:

Development of the FDC provides a unique opportunity to redevelop an underutilize site with housing opportunities in Costa Mesa that will embrace the City's goals for sustainability, open space and active transportation. The Planning Commission's input into this process is an integral part of planning for the FDC site.

Attachments:

1. City Council staff report dated October 4, 2022, containing approved scope of work for an agreement with the State of California
2. Agreement between the California Department of Developmental Services and the City of Costa Mesa dated December 23, 2022
3. FDC Campus Map
4. Proposed Specific Plan Boundary
5. Workshop 1 Summary – November 2023
6. Workshop 2 Summary – January 2024
7. Open Houses Summary – February/March 2024
8. Draft Vision Statement and Guiding Principles