



# **PLANNING COMMISSION AGENDA REPORT**

MEETING DATE: April 8, 2024

ITEM NUMBER: NB-1

**SUBJECT: 2023 ANNUAL REVIEW OF THE COSTA MESA 2015-2035 GENERAL PLAN**

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

**PRESENTATION BY: PHAYVANH NANTHAVONGDOUANGSY, PRINCIPAL  
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## **RECOMMENDATION:**

Staff recommends that the Planning Commission review the 2023 Annual Progress Report for the 2015-2035 Costa Mesa General Plan, and recommend City Council approve the requisite documentation for submittal to the State Office of Planning and Research (OPR) and the State Department of Housing and Community Development (HCD).

## **BACKGROUND / ANALYSIS:**

The General Plan "Annual Progress Report" (APR) provides an overview of the actions taken by the City during the 2023 calendar years to implement the City's General Plan programs and policies, including the City's Housing Element.

State Land Use and Zoning Law, Government Code section 65000 et seq., requires that an APR from the City's legislative body be submitted to the State each year for review. The State uses the General Plan APR to identify statewide trends in land use decision-making, and how local planning and development activities relate to statewide planning goals and policies. A Housing Element APR is also required and is used by HCD to track the progress of the implementation of a jurisdiction's Housing Element, and requires its submission as a threshold for several State Housing Funding Programs.

The attached APRs address implementation of the City's 2015-2035 General Plan, which was adopted in July 2016. The City's current APR submittal also addresses the City's adopted General Plan Housing Element and includes a 2023 APR for the 6<sup>th</sup> Cycle Housing Element, which was adopted November 2022 and covers the RHNA planning period between October 2021 and 2029.

Pursuant to State Law, the Annual Progress Reports include the following elements:

- An overview of the City's General Plan implementation status and its consistency with State general plan guidelines; and
- A review of the City's progress in meeting the Regional Housing Needs Allocation (RHNA) objectives and a summary of local efforts towards development, preservation and rehabilitation of housing.

As summarized in the attached 2023 APR, the City continues to implement General Plan programs and is progressing towards meeting its 6<sup>th</sup> Cycle RHNA obligation. As required by the State, the APR specifically addresses the following topics.

- **General Plan Implementation:** The degree to which the General Plan complies with the General Plan guidelines developed and adopted by the State Office of Planning and Research pursuant to section 65040.2. This information is included in Table 1 of the General Plan Annual Review.
- **Housing Element APR Form:** The 2023 Housing Element APR is attached to the General Plan Annual Review as Attachment 1. The form is formatted by State HCD and requires the City to report the following information:
  - a. The City's progress in meeting its share of the RHNA allocation;
  - b. The number of housing development applications received over the prior year and the number of housing units included in these applications;
  - c. The number of housing units approved and disapproved in the prior year;
  - d. A listing of sites rezoned to accommodate the City's share of regional housing need; and
  - e. The number of net new housing units provided thus far in the housing element cycle.

### **City's General Plan Consistency with the State OPR General Plan Guidelines**

The City of Costa Mesa's General Plan consists of seven elements that are required by State statutes and three optional elements. The seven required elements include: Land Use, Circulation, Housing, Conservation, Open Space and Recreation, Noise, and Safety. The City's General Plan provides goals and policies that addresses these categories consistent with the State General Plan statutes. The optional elements address additional topics that are of particular local significance and include: Growth Management, Community Design, and Historic and Cultural Resources.

As shown through various City actions and approved projects that are summarized in the General Plan APR, the City's General Plan serves as an effective guide for orderly growth and development, preservation and conservation of open space and natural resources, and efficient expenditure of public funds.

Note that to implement the 6<sup>th</sup> Cycle Housing Element and specifically to accommodate the City's RHNA allocation, future General Plan updates will be necessary to ensure that the City's General Plan will remain internally consistent and remain an effective guiding document for orderly growth. The future updates will also address other topics that are prompted by various State statutes, including incorporating "Environmental Justice" policies and incorporating reference to the recently adopted Local Hazard Mitigation Plan, in accordance with the State OPR General Plan Guidelines.

Below are a list of 2023 City actions and project examples that help achieve the goals and objectives of the General Plan. The list below is not exhaustive and the attached annual report notes further specific projects, efforts, and details.

## **2023 General Plan Implementation Highlights**

### ***Land Use Element***

- **Adoption of Ordinance No. 2023-03**, an ordinance that amends various sections of the Zoning Code to modify existing accessory dwelling unit (ADU) provisions and modify standards to be consistent with State ADU laws, specifically Assembly Bill 2221 and Senate Bill 897. (Implements Land Use Element Goal LU-1 – *"A Balanced Community with a Mix of Land Uses to Meet Resident and Business Needs"*).

The update to the zoning code modified definitions, ADU maximum size standards, setback requirements, and height requirements primarily to implement State development standards for ADU. The amendment satisfies Housing Element Program 3E which specifies that the City will review and revise the ADU provisions as necessary to comply with State law. The amendment also clarifies provisions to improve permitting processing.

- **Zoning Code Amendment PCTY- 23-0002**, the City reviewed and proposed revisions to various sections of Costa Mesa Municipal Code (CMMC) to allow temporary outdoor dining areas that were approved during the pandemic to become permanent. The outdoor dining areas are subject to compliance with development standards and a streamlined approval process for the installation of new outdoor dining areas. (Implements Land Use Element Goal LU-1 – *"A Balanced Community with a Mix of Land Uses to Meet Resident and Business Needs"*).
- In the 2023/2024 City Budget, the financing Director appropriated 2.4 million dollars to implement a City rezoning effort in compliance with the City's required RHNA. An additional 2.6 million dollars is anticipated to be appropriated in the 2024/2025 City Budget. During 2023, staff began preparing a request for proposal (RFP) to contract with a planning consultant to prepare objective design standards, a rezone plan to increase density generally along the City's commercial corridors, update the City's General

Plan (including the Land Use Element) and to prepare the necessary environmental documentation to plan for the development 11,760 housing units. The RFP is expected to be distributed in 2024.

### ***Circulation Element***

- **Bicycle Wayfinding Signage** – With input from the community and the Active Transportation Committee, the City has approved designs for the Bicycle Wayfinding Signage Program. Installation of the signs are anticipated to be installed in 2024. (Circulation Element Goal C-1 – *“Implement “Complete Streets” Policies on Roadways in Costa Mesa”* and Circulation Element Goal C-7: *“Promote a Friendly Active Transportation System in Costa Mesa”*).
- **Placentia Avenue, West 19th street and east 17th Street Pavement Rehabilitation** – The City approved plans, specifications, and working details for the Placentia Avenue, West 19th street and east 17th Street Pavement Rehabilitation, Bicycle Facility and Striping Improvement Project. Improvements are consistent with City’s Active Transportation Plan in achieving bicycle connectivity and expanding the City’s continuing expansion of bicycle networks. Street rehabilitation will include removal and reconstruction of damaged pavement section, milling and overlaying with new asphalt; slurry sealing; adjustment of utility and manhole covers to grade; and implementation of traffic control. (Circulation Element Goal C-1 – *“Implement “Complete Streets” Policies on Roadways in Costa Mesa”* and Circulation Element Goal C-7: *“Promote a Friendly Active Transportation System in Costa Mesa”*).
- **Traffic signal located at West 19th Street and Wallace Avenue and HAWK Signal installations at Lions Park and Wilson Creek** – The City approved plans, specifications, and working details for the traffic signal located at West 19th Street and Wallace Avenue and HAWK Signal installations at Lions Park and Wilson Creek. New traffic signal at west 19th Street and Wallace Avenue will help alleviate congestion, improve mobility, promote safe pedestrian traffic crossing, and facilitate the efficient flow of travel along West 19th Street. New concrete curb bulb-outs will be installed to enhance visibility, shorten crossing distances, and encourage motorists to drive at slower speeds. The new HAWK signal installation at Lions Park and Wilson Park will improve walk and bike access to adjacent parks. (Circulation Element Goal C-1 – *“Implement “Complete Streets” Policies on Roadways in Costa Mesa”* and Circulation Element Goal C-7: *“Promote a Friendly Active Transportation System in Costa Mesa”*).
- **The Fairview Road Active Transportation Improvements** – The City contracted TDG Engineering, Inc. for professional engineering design

services for Fairview Road Active Transportation Improvements. The project will improve bicycle and pedestrian access and mobility along Fairview Road and Fair Drive to Newport Boulevard. The Fairview Road Active Transportation Improvements project will design a Class IV bicycle facility on Fairview Road by reducing the number of vehicle lanes from six lanes to four lanes from Fair Drive to Wilson Street. From Wilson Street to Newport Boulevard, the project will design bicycle facility improvements including buffered bike lanes. The pedestrian design improvements will include high-visibility crosswalks, a midblock pedestrian hybrid beacon between Wilson Street and Fair Drive with a pedestrian refuge island, and bus boarding islands to improve pedestrian connectivity and safety. (Circulation Element Goal C-1 – *“Implement “Complete Streets” Policies on Roadways in Costa Mesa”* and Circulation Element Goal C-7: *“Promote a Friendly Active Transportation System in Costa Mesa”*).

- **Adams/Pinecreek Intersection Improvements** – This project will design intersection improvements to provide improve pedestrian and bicycle access to Orange Coast College. The design plans are now completed and Caltrans issued Authorization to Proceed. Construction will start in 2024. (Circulation Element Goal C-1 – *“Implement “Complete Streets” Policies on Roadways in Costa Mesa”* and Circulation Element Goal C-7: *“Promote a Friendly Active Transportation System in Costa Mesa”*).
- **Adams Avenue Multipurpose Trail** – This project will improve vehicular, bicycle, and pedestrian improvements with a raised center median and Class I multi-use path with landscaped buffer from the Santa Ana River to Royal Palm Drive. The City is coordinating efforts with Southern California Edison to underground utilities. A street rehabilitation project that will precede the utility undergrounding project is currently underway. The resurfacing project will include restriping the roadway with improved bicycle facilities and green conflict striping. (Circulation Element Goal C-7: *“Promote a Friendly Active Transportation System in Costa Mesa”*).
- **Installation of New Pedestrian Signals** – The City completed constructions of new pedestrian signals located at West 18<sup>th</sup> Street at Lions Park Playground HAWK Signal, West 19<sup>th</sup> Street at Wallace, and Wilson Street at Wilson Park to facilitate pedestrian crossings. (Circulation Element Goal C-8: *“Create a Safer Place to Walk and Ride a Bicycle”*).
- **Transit Stop Improvements** – The City improved transit stops and constructed new transit shade structures located at: Fairview Road north of Arlington Drive, Harbor Boulevard north of Wilson Street, and Placentia Avenue south of West 19<sup>th</sup> Street. (Circulation Element Goal C-4 – *“Promote Transportation Demand Management, Transit, and Efficiency”*).

- **Pedestrian Master Plan (PMP)** – The City initiated General Plan Amendment to the Circulation Element (PGPA-23-0001) in 2023. The draft PMP complements the City’s 2018 Active Transportation Plan (ATP) by providing pedestrian programs, pedestrian infrastructure toolbox, and policy recommendations to improve the pedestrian experience in the City. The proposed project will update the Circulation Element to incorporate the PMP by reference and will include policies to ensure that future projects will consider and include street design elements to enhance pedestrian mobility. The proposed General Plan Amendment and Draft Pedestrian Master Plan has been reviewed by the Planning Commission and will be reviewed and considered by City Council in 2024. (Circulation Element Goal C-7: *“Promote a Friendly Active Transportation System in Costa Mesa”*).

### **Housing Element**

Below is a summary of the 2023 Housing Element APR.

#### **a. The City’s progress in meeting its share of the RHNA allocation:**

Staff completed, released for public review, and submitted the City’s 6<sup>th</sup> Cycle draft Housing Element to the State in 2021. The City Council adopted the Housing Element on February 1, 2022. Following revisions that were made to respond to State comments, the City Council re-adopted the 6<sup>th</sup> Cycle Housing Element on November 15, 2022; and on May 9, 2023, HCD issued a letter acknowledging that the City’s Housing Element is completed and meets the statutory requirements of State Housing Element Law. The 6<sup>th</sup> Cycle Housing Element planning period is between October 15, 2021 through October 15, 2029. The City’s 6<sup>th</sup> Cycle RHNA allocation is 11,760 total units including 6,801 lower income units (2,919 very-low, 1,794 low and 2,088 moderate-income units) and 4,959 above moderate-income units.

#### **Building Permits Issued during the 6<sup>th</sup> Cycle Housing Element (thus far) and Building Permits Issued during 2023:**

From October 15, 2021 (start of the 6<sup>th</sup> Housing Element Cycle) to December 31, 2023, the City issued building permits for a total of 209 residential units, including 183 affordable units and 26 above moderate-income units. (See General Plan APR Attachment 1 - Table B). All 183 affordable units were accessory dwelling units (ADU’s) with 34 ADU’s in the very low-income category, 117 ADU’s in the low-income category and 32 ADU’s in the moderate-income category. These permitted housing units are all within existing residential neighborhoods.

Specifically, for calendar year 2023, the City issued 91 housing unit building permits, and 81 of the building permits were issued for ADUs (28 ADUs completed construction in 2023). No building permits were issued in 2023 for

single-family attached (SFA) units; however, one SFA completed construction (these housing unit applications were submitted during previous years). Seven building permits were issued for single-family detached (SFD) units in 2023 and five completed construction.

***6<sup>th</sup> Cycle Planning Applications for Housing Development with Five or More Residential Units:***

Thus far for the 6<sup>th</sup> Cycle Housing Element, the City approved two new housing development with five or more residential units. Both projects are located within an urban plan area that allows live/work development. The combined number of residential units is 17.

The City processed a General Plan Amendment Screening application to convert an existing office space campus located at 3333 Susan Street into a mixed-use residential development in August 2023. The site is known as the Hive and a portion of the 14.25-acre project site is identified as a Housing Opportunity Site. The project applicant is proposing to demolish the existing office complex and develop 1,050 residential units, 2,500 square feet of retail space, and 5.05 acres of open space in three phases. The planning applications for the land use entitlements was submitted in December 2023. Affordable housing is being contemplated as a component of the project.

The City also processed an Urban Master Plan Screening application for a 60-unit senior housing project located at 695 West 19th Street. Jamboree Housing Corporation is proposing to develop a 60-unit senior housing development on approximately 0.90-acre portion of the parking lot at the Senior Center. The screening was presented to City Council in February 2024 and the applicant anticipates submitting land use entitlement applications in the following months.

**b. The number of housing development applications received over the prior year and the number of units included in these applications:**

For calendar year 2023, the City received a total of 152 housing applications for a total of 1,222 housing units. The 2023 HCD Housing Element APR Form is attached to the General Plan APR as Attachment 1.

Since the adoption of Urgency Ordinance No. 2021-21 that implements Senate Bill (SB) 9 in 2021, the City received five (5) SB 9 applications and approved four. SB 9 projects are approved ministerially and provides additional opportunities for housing. A single SB 9 project can include either a parcel map or proposed residential units, or it can include both a parcel map and residential units. The residential units are tracked in the APR Table A. For calendar 2023, the City received three SB 9 applications and approved four SB 9 applications. The approved SB 9 applications included one application for the creation of one

new parcel, one application that allowed an additional residential unit, and two applications that created two new parcels with a residential unit on each parcel.

**c. The number of units approved and disapproved in the prior year:**

For the calendar year 2023, the City approved 91 residential units and no housing units were denied.

**d. A listing of sites rezoned to accommodate the City's share of regional housing need:**

The City's 6<sup>th</sup> Cycle Housing Element includes several housing programs that require updating zoning for specific areas in the City to accommodate housing on housing opportunity sites ("candidate sites") based on the City's share of the "regional housing need". At this time, the City has not yet completed its rezoning of candidate sites that were identified in the 6<sup>th</sup> Cycle Housing Element; however, the City has assembled a staff team to work on the effort, secured project funding, and will be initiating the community visioning and rezoning effort in Summer of 2024.

In addition, on August 1, 2023, the City Council authorized an agreement with a planning consultant (PlaceWorks) to prepare a Specific Plan, General Plan Amendment and Environmental Impact Report to guide the reuse of the Fairview Developmental Center (FDC). The planning process is being funded through a \$3.5 million grant from the State pursuant to Senate Bill 188. The FDC is designated as a Housing Opportunity Site in the City's Housing Element. The Housing Element envisions 2,300 units on this site, with 40% of the units affordable to low- and very-low income households.

**e. The number of net new housing units provided thus far in the housing element cycle:**

For the calendar year 2023, 34 total housing units completed construction and received building permit final. These units include one single family attached (SFA) unit, five single-family detached (SFD) units, and 28 ADUs.

**The City has also progressed towards completing the following Housing Element Programs:**

**Affordable Housing (Inclusionary) Ordinance [Program 2A]**

The City initiated the affordable housing ordinance effort in 2021, retaining Keyser Marston Associates (KMA). Since then, KMA have completed the required Financial Evaluation and the City has conducted 17 stakeholder meetings, two joint Council/Planning Commission Study Sessions and completed the draft Ordinance. The Ordinance was presented to the Planning Commission on November 13, 2023 with a second discussion



occurring on December 11, 2023. The Affordable Housing Ordinance (Ordinance No. 2024-02) was approved for first reading by City Council on April 2, 2024.

The Affordable Housing Ordinance will require residential developments with 50 units or more to include an affordable housing component. The residential development must set aside a portion of the residential units as affordable, or provide a land dedication, or construct off-site affordable units, or pay in-lieu fees. To implement the Affordable Housing Program, the City would rezone non-residentially zoned properties located along major corridors to allow for higher density housing with reduced parking requirements and the allowance of affordable rents for low income units to be calculated based on 80% of the area median income (AMI) where 60% is required under state density bonus law. Adding residential development as an allowed use at higher densities creates land value and incentivizes housing production overall.

#### *Parking Standards for Residential Development [Program 2M]*

The City has retained LSA to review and analyze the residential parking provisions of the zoning code. The project will revise the zoning code's requirement for residential off-street parking for multi-family projects to facilitate the development of multi-family housing, specifically affordable housing. The proposed revision is anticipated to be completed by Fall 2024.

#### *Senior Housing Development at the Senior Center [Program 2D]*

Senior residents, generally defined as those over 65 years of age, make up approximately 10.7 percent of the population in Costa Mesa. As part of the candidate housing sites analysis, the City has identified the City's Senior Center parking lot as a candidate housing site. In 2023, City staff continued to work with an affordable housing developer (Jamboree Housing) to submit an application for development of the site with 60 low-income age restricted (55+) apartment units (with one onsite manager's unit). The application was reviewed in concept ("masterplan screening") by the City Council in February of 2024 with a determination for the application to continue as proposed through the application process. The proposed building would be four-story (approximately 57 feet) in height and include parking at the ground level under the new building. Each apartment unit would be one bedroom and one bathroom with sizes ranging between 566 and 614 square feet and would include access to a private patio or deck. A portion of the housing units will be dedicated to supportive housing.

#### *Fairview Developmental Center [Program 3B]*

The City initiated the Fairview Developmental Center (FDC) Project in December of 2022. The FDC site is one of the City's housing opportunity sites. The City executed an agreement with the State of California, providing for \$3.5 million in State funds to the City for community outreach and land use planning efforts for the re-use of the Fairview Developmental Center for mixed use/mixed income housing. The City has contracted PlaceWorks to assist in the planning and environmental review process. The City is currently in the community outreach phase of the project that was launched in October

2023. The Housing Element envisions 2,300 units on this site, with 40% of the units affordable to low- and very-low income households.

*Promote the Development of Accessory Dwelling Unit [Program 3E]*

In February 2023, City Council considered and adopted Ordinance No. 23-03 an amendment to various sections of the Zoning Code to streamline the development of Accessory Dwelling Units (ADUs) in compliance with State Housing Law. The City has a dedicated webpage to assist property owners in the ADU permitting process: The webpage includes a development standard table and FAQ document. It will be updated as needed to highlight grant funding opportunities, when available.

<https://www.costamesaca.gov/government/departments-and-divisions/economic-and-development-services/planning/accessory-dwelling-units-adu>

*Explore Opportunities to implement Motel Conversions Through Project Homekey [Housing Program 3F]*

Project Homekey - Motel Conversion to Permanent Supportive Housing - In 2022, the City of Costa Mesa and County of Orange were awarded over \$10 million in State “Homekey” funds to acquire and convert the Motel 6 located at 2274 Newport Boulevard into permanent supportive housing. The conversion of the motel will occur in two phases. Phase 1 includes converting 40 units to Homekey-assisted units with wraparound services for individuals earning 30% or less than Area Median Income (30 of which are permanent supportive housing units serving homeless veterans and 10 of which are set aside for homeless individuals who meet the Mental Health Services Act eligibility criteria). The leasing office and interior/exterior common area spaces will be updated, as well as performing necessary improvements as required by the Americans with Disabilities Act (ADA). A 2-bedroom manager unit will be added. Phase 1 was completed in December 2023. Phase 2 will convert the remaining 48 non-Homekey units into permanent supportive housing with wraparound services for seniors (62+) earning 50% or less of the Area Median Income. The courtyard at the south-end of the property will be updated and additional design elements will be added. Phase 2 will commence once additional funding resources are identified.

*Tenant Protection Program Fair Housing [Program 4A]*

The City approved a Tenant Protection Program that progresses the City’s Fair Housing goals adopted in the City’s Housing Element. The City’s Tenant Protection Program includes adoption of the Urgency Ordinance No. 2023-04 amending various section of CMMC, allocation of funds to support the program and create three full time staff positions to implement, monitor and enforce the Ordinance, and conduct outreach to landlords. Since adoption of the urgency Ordinance, staff has made specific changes to the City’s permitting process to require an applicant for a building permit to inform staff when a tenant eviction will occur. When staff is notified of a potential eviction, staff evaluates the building permit scope of work to determine the appropriate tenant

protection process. A similar process is also included when staff is notified by a tenant who is being evicted.

*Bridges Homeless Shelter [Program 4F]*

In April 2021, the City of Costa Mesa completed the construction of its permanent Bridge Shelter within the city. Construction of the Bridge Shelter, as well as the organization and operation of the temporary Bridge Shelter at Lighthouse Church, and the ongoing efforts of the City's Street Outreach Team represent Costa Mesa's commitment to assisting vulnerable residents currently experiencing homelessness. With the shelter in full operation, the City is able to assist up to 72 residents at one time and connect these residents with services and assistance toward permanent housing solutions.

On June 6, 2023, the City Council approved a capacity increase of 16 beds bringing the Shelter's total capacity to 88 beds. On August 1, 2023, the City Council approved the submission of a joint application with the Orange County Health Care Agency to the State Department of Health Care Services for funding to add 15 behavioral health beds and associated services at the Shelter. The City has since received an award of \$4.2 million dollars to implement the additional beds, which are anticipated to be available for occupancy by April 2024.

This increase will bring the Shelter's total capacity to 100 beds. On December 7, 2023, the CalOptima Board of Directors selected Costa Mesa as one of two cities to receive their innovative Street Medicine Program, which delivers primary and behavioral health care to both sheltered and unsheltered homeless people. Street Medicine is projected to launch at the Bridge Shelter in July 2024.

**ENVIRONMENTAL DETERMINATION:**

The 2023 Annual Progress Report for the 2015-2035 Costa Mesa General Plan and Housing Element is not subject to the provisions of the California Environmental Quality Act (CEQA) under CEQA Guidelines Section 15378(b)(2), as this report and review is not a project as defined by this section.

**ALTERNATIVES:**

1. Recommend City Council approval of the 2023 Annual Progress Reports for the 2015-2035 Costa Mesa General Plan and adopted Housing Element. Once approved by the City Council, staff will then forward to the State Office of Planning and Research and the State Department of Housing and Community Development for their review; or
2. Suggest modifications to the 2023 Annual Progress Reports for the 2015-2035 Costa Mesa General Plan and adopted Housing Element. The Planning Commission may recommend modifications to the Annual Progress Report for City Council consideration.

**LEGAL REVIEW:**

The report has been approved as to form by the City Attorney's Office.

**PUBLIC NOTICE:**

There is no public notice requirement for the Annual Report.

**CONCLUSION:**

As required by the Government Code, the Annual Progress Report for 2023 provides a status of the City's General Plan and the City's progress in its implementation for the calendar year (including progress toward meeting Housing Element goals and regional housing needs). Following City Council approval, the final annual report will be submitted to the State Office of Planning and Research and the State Department of Housing and Community Development, as required by State law.