



CITY COUNCIL AGENDA REPORT

MEETING DATE: JULY 20, 2021

ITEM NUMBER: CC-7

SUBJECT: SECOND READING AND ADOPTION OF AN ORDINANCE TO APPROVE REZONE R-20-01 TO REZONE A 15.23-ACRE SITE TO PLANNED DEVELOPMENT RESIDENTIAL-HIGH DENSITY (PDR-HD) AND ESTABLISH A SITE-SPECIFIC DENSITY OF 80 DWELLING UNITS PER ACRE, AN ORDINANCE TO APPROVE SPECIFIC PLAN SP-20-01, AND AN ORDINANCE TO APPROVE DEVELOPMENT AGREEMENT DA-20-02 BETWEEN THE CITY OF COSTA MESA AND INTERNATIONAL ASSET MANAGEMENT HOLDING GROUP, LLC FOR A MIXED-USE PROJECT LOCATED AT 1683 SUNFLOWER AVENUE (ONE METRO WEST)

DATE: JULY 12, 2021

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

PRESENTATION BY: NANCY HUYNH, SENIOR PLANNER

**FOR FURTHER INFORMATION CONTACT: NANCY HUYNH, (714) 754-5609
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RECOMMENDATION:

Staff recommends that the City Council give second reading to and adopt the following for the property located at 1683 Sunflower Avenue:

- Ordinance No. 2021-12 to approve Rezone R-20-01 to rezone the subject property from Industrial Park (MP) to Planned Development Residential-High Density (PDR-HD) and establish a site-specific density of 80 dwelling units per acre and maximum of 1,057 units;
- Ordinance No. 2021-13 to approve Specific Plan SP-20-01 to apply zoning standards for the subject property; and
- Ordinance No. 2021-11 to approve Development Agreement DA-20-02 between the City of Costa Mesa and International Asset Management, LLC for the development terms, affordable housing, and off-site improvements at the subject property.

ANALYSIS:

At its regular meeting of June 15, 2021, the City Council conducted a public hearing and received public comments for the One Metro West project. Written public comments

submitted for the June 15, 2021 meeting can be found here: <http://ftp.costamesaca.gov/costamesaca/council/agenda/2021/2021-06-15/PH-3-PublicComments.pdf>. A total of 25 members of the public provided public comments at the meeting in person or via Zoom.

The City Council approved by a 5-1 vote (Councilmember Harper voting no and Councilmember Harlan recusing) the following: General Plan Amendment GP-20-01, Master Plan PA-19-19, Tentative Tract Map No. 19015 (T-19-01), and language of the Development Agreement (DA-20-02) as presented in Attachment 1 to the June 15, 2021 staff report and as modified at the June 15, 2021 City Council meeting. The City Council also certified the project's Final Environmental Impact Report (SCH. No. 2019050014) and adopted a Statement of Overriding Consideration for the significant unavoidable environmental impacts to air quality and traffic. In addition to the above project approvals, the City Council gave first reading to and introduced Ordinance Nos. 2021-11, 2021-12, and 2021-13.

As part of the motion, Section 4.1.1 of the Development Agreement was modified to note that the dedication of a public access easement to the City for use of the 1.5-acre open space is "perpetual" and modified the other approvals as needed to conform to that change. This change is reflected in Exhibit A to Attachment 3, the Development Agreement, and is further clarified on the Tentative Tract Map for the project, provided for reference purposes as Attachment 4. In addition, as part of their motion to approve the project, City Council requested the project applicant explore possible design options for a shared common driveway with the adjacent commercial development to the east (South Coast Collection) – which the applicant agreed to study further.

The agenda report and video for the June 15, 2021 City Council meeting can be found at the following links:

June 15, 2021 Agenda Report:

<http://ftp.costamesaca.gov/costamesaca/council/agenda/2021/2021-06-15/PH-3.pdf>

June 15, 2021 Meeting Video:

https://costamesa.granicus.com/player/clip/3735?view_id=10&redirect=true

The proposed Ordinances are included as Attachments 1 through 3 to this agenda report. If adopted by City Council, the Ordinances would become effective if and when the One Metro West project has been approved by the voters pursuant to Measure Y at either the next general election or at a special election funded by the project applicant. Should the project not be approved by the voters pursuant to Measure Y, the proposed Ordinances, Development Agreement and other project approvals will have no force and effect.

Timeline for Final Approval of the Project Under Measure Y

Unless the Applicant elects to pay for a special election, pursuant to Measure Y, the Project would be submitted to the voters at the next regularly scheduled municipal election on

November 8, 2022. Because the Registrar of Voters (ROV) has not yet published the calendar for the November 2022 general election, the following is a tentative proposed timeline that is subject to change:

- June 15, 2021: City Council approved General Plan Amendment GP-20-01, Master Plan PA-19-19, Tentative Tract Map No. 19015 (T-19-01), and certified the Final EIR for the Project, and introduced ordinances approving the Development Agreement, Specific Plan and Rezone for the Project
- July 20, 2021: City Council considers adopting the ordinances approving the Development Agreement, Specific Plan and Rezone for the Project
- June 7, 2022: City Council meeting to call for the election and approve the ballot title and summary for the Project
- June 17, 2022: Last date to file direct arguments and impartial analysis with the City Clerk
- June 27, 2022: Last date to file rebuttal arguments with the City Clerk
- August 12, 2022: Last date for City Clerk to submit the ballot title and summary, and impartial analysis to, and last day for filing of direct arguments with, the ROV
- August 22, 2022: Last date for filing of rebuttal arguments with the ROV
- November 8, 2022: Election Day
- December 6, 2022: City Council accepts certification of the election results by the ROV
- December 16, 2022: If approved by 51-percent of the electorate, the Project approvals subject to Measure Y become effective

PUBLIC NOTICE:

Pursuant to Government Code 36933, a summary of the proposed Ordinances was published once in the newspaper no less than 5 days prior to the July 20, 2021 second reading. A summary of the adopted Ordinances will be published within 15 days after the adoption.

As of this report, no additional written public comments have been received. Any additional written comments received will be forwarded under separate cover.

ALTERNATIVES CONSIDERED:

The City Council may give second reading and adopt the Ordinances as proposed, modify the Ordinances, or not adopt the Ordinances. If the City Council chooses to make substantive modifications to one or more of the Ordinances after introduction, the modified Ordinance(s) would need to be brought back at a future meeting for second reading and adoption.

FISCAL REVIEW:

The project is estimated to generate an annual net fiscal deficit of approximately \$5,000 to the City's General Fund, as discussed in the May 4, 2021 City Council Agenda Report. A Fiscal Impact Study is provided as Attachment 10 to the May 4, 2021 Agenda Report.

LEGAL REVIEW:

The City Attorney's Office has reviewed this report, Ordinance Nos. 2021-11, 2021-12, 2021-13 as well as the Development Agreement and approves them as to form.

CITY COUNCIL GOALS & PRIORITIES:

Diversify, stabilize, and increase housing to reflect community needs.

CONCLUSION:

Staff recommends that the City Council give second reading to and adopt Ordinance Nos. 2021-11, 2021-12, and 2021-13. The adoption of the proposed Ordinances would rezone the property located at 1683 Sunflower Avenue to PDR-HD and establish a site-specific maximum density, apply zoning standards through the Specific Plan, and enter into a Development Agreement between the City and the project applicant.

NANCY HUYNH
Senior Planner

JENNIFER LE
Director of Economic and Development
Services

CAROL MOLINA
Finance Director

KIMBERLY HALL BARLOW
City Attorney

- Attachments: 1. [Ordinance No. 2021-12 \(Rezone R-20-01\)](#)
- [Exhibit A, Amendments to Zoning Map and Zoning Code](#)
2. [Ordinance No. 2021-13 \(Specific Plan SP-20-01\)](#)
- [Exhibit A, One Metro West Specific Plan](#)
3. [Ordinance No. 2021-11 \(Development Agreement DA-20-02\)](#)
- [Exhibit A, Development Agreement](#)
4. [Tentative Tract Map No. 19015](#)