



CITY OF COSTA MESA

REGULAR CITY COUNCIL AND HOUSING AUTHORITY*

Agenda

Tuesday, September 24, 2024

5:00 PM

City Council Chambers
77 Fair Drive

***Note: All agency memberships are reflected in the title "Council Member"**
SPECIAL STUDY SESSION

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[pwd=_XoNBT2uciL7zrDsfj4A9Q9srLgExg.bQEU-le6VvXjPDeL](https://us06web.zoom.us/j/81879579049?pwd=_XoNBT2uciL7zrDsfj4A9Q9srLgExg.bQEU-le6VvXjPDeL)

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**SPECIAL STUDY SESSION MEETING OF THE CITY COUNCIL AND
HOUSING AUTHORITY**

SEPTEMBER 24, 2024 – 5:00 P.M.

JOHN STEPHENS
Mayor

JEFFREY HARLAN
Mayor Pro Tem - District 6

ANDREA MARR
Council Member - District 3

MANUEL CHAVEZ
Council Member - District 4

LOREN GAMEROS
Council Member - District 2

ARLIS REYNOLDS
Council Member - District 5

DON HARPER
Council Member - District 1

KIMBERLY HALL BARLOW
City Attorney

LORI ANN FARRELL HARRISON
City Manager

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS – ONLY MATTERS LISTED ON THE AGENDA
Comments are limited to 2 minutes, or as otherwise directed.

NEW BUSINESS:

**[STUDY SESSION PROVIDING A HOUSING ELEMENT UPDATE & 24-344
DEVELOPMENT SERVICES PROCESS IMPROVEMENTS TO
FACILITATE HOUSING DEVELOPMENT](#)**

RECOMMENDATION:

Staff recommends the City Council receive the staff presentation regarding Housing Element implementation progress, and development services resource enhancements, and provide feedback.

Attachments: [Agenda Report](#)

[1. Housing Element Implementation Timeline 2024](#)

[2. Housing Plan Programs](#)

ADJOURNMENT



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 24-344

Meeting Date: 9/24/2024

TITLE:

STUDY SESSION PROVIDING A HOUSING ELEMENT UPDATE & DEVELOPMENT SERVICES PROCESS IMPROVEMENTS TO FACILITATE HOUSING DEVELOPMENT

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT

PRESENTED BY: ANNA MCGILL, PLANNING & SUSTAINABILITY DEVELOPMENT MANAGER

CONTACT INFORMATION: ANNA MCGILL, LONG TERM PLANNING & SUSTAINABILITY DEVELOPMENT MANAGER, (714) 754-5609

RECOMMENDATION:

Staff recommends the City Council receive the staff presentation regarding Housing Element implementation progress, and development services resource enhancements, and provide feedback.



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

Item #: 24-344

Meeting Date: 09/24/2024

TITLE: STUDY SESSION PROVIDING A HOUSING ELEMENT UPDATE & DEVELOPMENT SERVICES PROCESS IMPROVEMENTS TO FACILITATE HOUSING DEVELOPMENT

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION

PRESENTED BY: ANNA MCGILL, PLANNING & SUSTAINABILITY DEVELOPMENT MANAGER

CONTACT INFORMATION: ANNA MCGILL, PLANNING & SUSTAINABILITY DEVELOPMENT MANAGER, (714) 754-5609

RECOMMENDATION:

Staff recommends the City Council receive the staff presentation regarding Housing Element implementation progress, and development services resource enhancements, and provide feedback.

BACKGROUND:

On May 9, 2023, the California Department of Housing and Community Development (HCD) confirmed by letter that the City's approved 6th Cycle (2021-2029) Housing Element meets the statutory requirements of State Housing Element Law and is complete. The letter also affirmed the State's expectation that the City would "continue timely and effective implementation of all programs".

- State HCD May 9, 2023 letter approving the Housing Element:
<https://www.costamesaca.gov/home/showpublisheddocument/54373/63819851178530000>

The Housing Element, Chapter 4 Housing Plan, identifies specific programs aimed at providing additional housing opportunities, removing governmental constraints to affordable housing, improving the condition of existing housing, and providing equal housing opportunities for all residents. There are 47 programs identified in the Housing Element Chapter 4 (Housing Plan) slated for completion within the eight-year Housing Element planning period, most of which are slated for completion within three years from adoption (in 2026). Many of the approved programs are required by State law and each program is required to include a specific completion timeline.

- Housing Element, Chapter 4, Housing Plan:
<https://www.costamesaca.gov/home/showpublisheddocument/52834/638133568853530000>

On December 12, 2023, staff provided the City Council a comprehensive overview of the Housing Element and its 47 programs, as well as applicable timelines and staffing for the phased implementation of these programs. A summary of the 47 programs with required timelines is attached to the December 12, 2023, Agenda Report (linked below).

- December 12, 2023, Study Session Agenda Report: <https://costamesa.legistar.com/LegislationDetail.aspx?ID=6447567&GUID=63280D11-8166-44E4-90A1-0F691DA8BF0F>

ANALYSIS:

This study session is intended to build from the prior study session and provide a status update on the programs and their ongoing rollout, including timelines and required resources associated with their completion.

REGIONAL HOUSING NEEDS ASSESSMENT (RHNA)/HOUSING PRODUCTION UPDATE

The City has a Regional Housing Needs Assessment (RHNA) allocation of 11,760 housing units to meet its portion of the projected regional housing needs (Table 1). The City is not required to construct housing to meet its RHNA obligation; however, the City is required to have in place the land use provisions (i.e. zoning and other regulatory frameworks) and programs to facilitate housing.

Table 1: 2021 - 2029 City of Costa Mesa RHNA Housing Needs Allocation

Income Category	% of Median Family Income	Income Range		RHNA Allocation (Housing Units)	Pipeline (Housing Units)
		Min.	Max.		
Very Low Income	0 – 50%	--	\$51,500	2,919 units	392
Low Income	51 – 80%	\$51,501	\$82,400	1,794 units	238
Moderate Income	81 – 120%	\$82,401	\$123,600	2,088 units	35
Above Moderate Income	> 120%	\$123,601	> \$123,601	4,959 units	2,395
Total:				11,760 units	3,060

Throughout the 2021-2019 Housing Element planning period, the City continues to monitor and track the number of housing units in the “pipeline” (constituting projects within entitlement review, entitled, under construction and recently constructed). These units officially count towards the RHNA when a building permit is pulled. As of the release of the staff report, the City has 3,060 housing units in the pipeline, comprised of the following 14 distinct projects. These pipeline projects constitute approximately 26% of the total RHNA allocation and are categorized as larger scale projects (Table 2) and smaller scale projects, such as Accessory Dwelling Units (Table 3).

Table 2: City of Costa Mesa Pipeline Projects

Project Address	Project Status	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total Units
1683 Sunflower Avenue (One Metro West)	Entitled	67	39	-	951	1,057
1711-1719 Pomona Avenue	Entitled	-	-	-	8	8
1540 Superior Avenue	Entitled	-	-	-	9	9
3333 Susan Street (Hive Live)	Entitlement review in process	45	-	-	1,005	1,050
3150 Bear Street	Entitlement review in process	8	-	-	138	146
960 West 16 th Street	Entitlement review in process	-	-	-	38 (live work)	38
2020 Victoria Place	Entitlement review in process	-	-	-	40	40
215-223 Mesa Drive	Entitlement review in process	-	-	1	5	6
2205 Harbor Boulevard	Entitlement review in process	46	-	-	-	46
695 19 th Street (Jamboree Senior Housing)	Entitlement review in process	35	34	-	1	70
2193 Pacific Avenue	Entitlement review in process	-	-	-	10	10
2274 Newport (Homekey Phase 1)	Construction to start end of 2024	80	-	-	-	80
1400 Bristol Street (Homekey Phase 2)	Construction to start 2025	76	-	-	2	78
2039 Pomona Avenue (Bungalows Project)	Constructed	8	-	-	-	8
Total:						2,646

In addition, 414 small scale pipeline residential units (single-family, duplex, accessory dwelling units, etc.) are summarized by reporting year for the Annual Housing Element Progress report (October 2021-2023), included in Table 3 below. These units will count towards the City’s RHNA for the current Housing Element planning period and have also been included in the totals for Table 1 above.

Table 3: Small Scale Pipeline Projects (Single Family-Duplex, Accessory Dwelling Units, etc.)

Annual Element Progress Reporting Year	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
October 2021-December 2022	14	78	16	24	132
2023	13	87	18	164	282
				Total:	414

Fairview Developmental Center

Lastly, the City, in conjunction with PlaceWorks, is preparing a Specific Plan, General Plan Amendment and Environmental Impact Report to guide the reuse of the 113-acre State-owned Fairview Development Center (FDC). An update to this effort is detailed later in this report. The three land use concepts shared with the public during recent outreach efforts accommodate between 2,300 and 4,000 housing units. Of these units, the land use concepts further identified the potential for 575 very low, 325-345 low, and 325-690 moderate-income housing units. Accounting for the units in pipeline projects and FDC would equate to 5,360-7,060 total units, almost 50% of the City’s RHNA.

HOUSING PROGRAMS ALREADY COMPLETED OR UNDERWAY

The December 12, 2023, City Council Study Session included a comprehensive overview of the City’s 47 housing programs committed to in the 2021-2029 planning period. The following information focuses on housing program updates, progress, and implementation since the last study session. Attachment 1 provides an overview of the 47 programs (grouped into categories for ease of reference) and associated timelines for completion.

Monitoring and Preservation of At-Risk Housing Units [Program 1C]

The City has 1,144 total housing units with affordability covenants. Of these units, 75 very-low income are located at 1844 Park Avenue (Casa Bella Apartments) and were identified as at-risk of converting to market rate during the 2021-2029 Housing Element planning period. The City has reached out to the property management company (Moss Management Services, Inc.) and confirmed that they hold an agreement with the United States Department of Housing and Urban Development (HUD), which renews every five-years, and mandates restricting the units under an affordability covenant for the life of the project. As these units are no longer at risk of converting to market rate, this Housing Element program is considered complete.

Promote Development of Accessory Dwelling Units (ADUs) [Program 3E]

In compliance with the Accessory Dwelling Units: Preapproved Plans Act ([AB 1332](#)), the City is developing a program for access to preapproved accessory dwelling unit plans, which will be available on the City's website by January 1, 2025. This program will allow architects, contractors, and ADU construction companies to submit for review and approval preapproved ADU plans/designs. Costa Mesa residents would then be able to pick any of the preapproved ADU plans on the City's website and submit for an expedited review process. Applicants will still need to provide certain property-specific information such as a site plan, Title 24 (energy code) analysis, roof truss calculations, etc. The program is intended to facilitate development of ADUs for Costa Mesa residential property owners who will benefit from a pre-vetted list of ADU designs that can be reviewed and approved expeditiously by the Economic and Development Services Department.

Bridge Homeless Shelter [Program 4F]

In April 2021, the City of Costa Mesa completed the construction of its permanent Bridge Shelter containing 72 beds. On June 6, 2023, the City Council approved a capacity increase to 85 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 yet another 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, and the Shelter's total capacity has now increased to 100 beds. With the Shelter in full operation, the City is able to assist up to 100 residents at one time and connect them with services and potential permanent housing solutions.

In addition, 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 people. The Street Medicine at the Bridge Shelter launched on August 12, 2024, and services are being provided to the public.

Regional Assessment of Fair Housing/Five-Year Consolidated Plan [Program 4A]

The City is participating in a Regional Assessment of Fair Housing in accordance with current U.S. Department of Housing and Urban Development (HUD) guidelines for 2025-2029, along with 33 other participating jurisdictions in Orange County. Community meetings throughout the fall/winter will be held across the county to obtain input on fair housing issues that affect residents in Orange County. Additionally, the City is updating its Five-Year Consolidated Plan, which identifies the City's housing and community needs and outlines a strategy to address identified needs utilizing HUD funds (CDBG and HOME). City staff are preparing to release a survey and schedule community meetings in October to solicit local resident input regarding housing and community development needs. More information on the Regional Assessment of Fair Housing and Five-Year Consolidated Plan can be found on the City's website below, under the "Five-Year Consolidated Plan" tab.

- Housing and Community Development:
<https://www.costamesaca.gov/government/departments-and-divisions/economic-and-development-services/housing-and-community-development>

The Bungalows Project (2039 Pomona Avenue) [Program 4A]

This project included remodeling six existing dwelling units and constructing two additional detached accessory dwelling units. The site is now managed by “Families Forward” and provides housing for families experiencing homelessness. The project was completed in early 2023. Families Forward partnered with HomeAid Orange County, a Tustin nonprofit that coordinates with building professionals willing to offer material discounts, labor, and in-kind donations to reduce the costs of building projects for those at risk of homelessness. Occupants of the “The Bungalows” are selected through an application process, with preference given to those with residential, professional, or educational ties to Costa Mesa currently experiencing homelessness, living in a shelter or in temporary accommodations. Under the living arrangement, residents of “The Bungalows” will pay an affordable monthly rent, ranging from approximately \$1,150 to \$1,350 per month, while receiving ongoing assistance, education and services designed to help them regain financial self-sufficiency. With in-kind donations reducing costs by more than \$500,000, the total cost of the project was approximately \$4 million dollars. To help bridge the financial gap, the Costa Mesa City Council in November 2022 granted \$975,000 in Federal American Rescue Plan Act funding to Families Forward to complete the work. This project is now complete, and the units are fully occupied.

Project Homekey (2274 Newport Boulevard) [Programs 3F and 4A]

The Motel 6 property located at 2274 Newport Blvd involves the acquisition and two-phase adaptive reuse of an 88-unit motel into permanent housing. All motel rooms will be converted to 300-square-foot studio apartments with new kitchenettes, countertops, flooring, paint, fixtures, appliances, and furniture. Additional common areas for residents will include a new outdoor patio, smoking area, dog run, and community garden to encourage social interaction among residents. Pedestrian access at Newport Blvd. will be enhanced, encouraging residents to walk to nearby community and commercial amenities. Aesthetic improvements will include building façade enhancements, public art, and substantial upgrades to existing landscaped areas. This project will be developed in two phases.

Phase I includes making 40 housing units available to individuals earning 30% or less than the Area Median Income, 30 of which are permanent supportive housing units serving homeless veterans, and 10 of which are for homeless individuals who meet the Mental Health Services Act eligibility criteria. Funding resources for construction of Phase II have been secured and building permit plans are in review. Construction is expected to commence by the end of the year. To help finance the project, the Costa Mesa City Council approved a \$3.5 million ARPA funded grant, a \$1.5 million HOME funded loan and an \$850,000 Low and Moderate Income Housing Fund loan to help finance the project.

Project Homekey (1400 Bristol Street) [Programs 3F and 4A]

A second Homekey Project has been approved at the former Travelodge Inn at 1400 Bristol Street. American Family Housing, Inc. and the County of Orange have secured a \$29.0 million dollar grant to acquire the site and convert existing rooms into 76 income/deed-restricted and two manager’s units. Construction is anticipated to begin in 2025. For this project, the City Council approved a \$1.5 million ARPA funded grant and a \$2.5 million Low and Moderate Income Housing Fund loan to help bridge the remaining funding gap.

Jamboree Senior Housing Project (Senior Center 695 West 19th Street) [Programs 2D and 4A]

In 2020, the City Council approved an Exclusive Negotiating Agreement (ENA) to partner with Jamboree Housing Corporation in determining the feasibility and potential terms for the right to acquire a long-term leasehold interest in an approximately 0.90-acre portion of the parking lot at the Senior Center to develop affordable housing for Costa Mesa's seniors.

The Urban Master Plan Screening for the project was presented to the City Council at its February 20, 2024, meeting and the project is in entitlement review. Since this meeting, the applicant has increased their unit count from 60 to 70 affordable housing units, (69 senior units plus one manager's unit). The units will be restricted to provide a combination of very low- and low-income units.

- February 20, 2024, Urban Master Plan Screening City Council Agenda Report:
<https://costamesa.legistar.com/LegislationDetail.aspx?ID=6504116&GUID=ADB4CE5A-CCEE-4094-9DA6-10D826406BD9>

Affordable Housing (Inclusionary) Ordinance [Program 2A]

The City initiated the affordable housing ordinance effort in 2021 by retaining Keyser Marston Associates (KMA). KMA and staff completed the required Financial Evaluation and held 17 stakeholder meetings, as well as numerous Planning Commission and City Council meetings to develop and finalize the draft Ordinance. On April 2, 2024, the City Council approved a motion to make changes to the Ordinance and bring back for a second reading. On August 6, 2024, after extensive discussion and deliberation, the City Council gave second reading and adopted the Ordinance and approved, by resolution, in-lieu fees. The Ordinance went into effect on September 6, 2024.

- August 6, 2024, Affordable Housing City Council Agenda Report and Minutes:
<https://costamesa.legistar.com/LegislationDetail.aspx?ID=6816039&GUID=25853D49-9834-48F6-AA12-8841A927FF9A>
<https://costamesa.legistar.com/View.ashx?M=M&ID=1203536&GUID=D883DE47-39CF-45F9-AF61-28A9240F3B2D>

Housing Trust Fund

To further support affordable housing efforts, a \$2.5 million contribution was made during the budget making process for Fiscal Year 2024-25, from the City's General Fund for a new Housing Trust Fund including a first-time homebuyer's program. Staff will be bringing the item back to the City Council to further elaborate on and finalize the housing activities eligible for the Funds. Please note this fund is separate and apart from the Housing Authority Fund that contains funding for the Citywide rezoning and visioning efforts financed by year-end General Fund savings in previous years. It is also separate and apart from the In-Lieu-Fee Fund that will potentially receive affordable housing in-lieu payments from developers pursuant to the City's adopted Affordable Housing Ordinance.

Fairview Developmental Center Specific Plan [Program 3B]

Staff initiated the Fairview Developmental Center (FDC) Specific Plan project in 2023, retaining "Placeworks" and advance planning staff to manage the \$3.5 million-dollar, two-year project. The

current phase of the project generally includes the preparation of a specific plan and associated environmental review for the re-use of the site with a range of affordable and market rate housing. Since the last study session with City Council, technical studies have been completed and the City continues to hold bi-weekly coordination meetings with the State Department of General Services (DGS) and Department of Development Services (DDS). In addition, staff/Placeworks have coordinated/hosted 18 community outreach events on the visioning and land use framework, as well as land use concepts, mobility, and urban design.

It is anticipated that in November/December 2024, the Planning Commission will hold a Study Session to obtain input on the land use concepts that were presented to the community, as well as financial information which will be used to create a preferred land use plan for the FDC Specific Plan. Soon after the Study Session, staff anticipates returning to the Planning Commission for a recommendation to the City Council on the preferred plan for final direction. Following these hearings, staff will proceed with preparation of the specific plan and environmental review. More information on this process can be found on the project webpage: fdcplan.com.

General Plan Amendments (Specific Plan Amendments/Land Use), Rezoning of Corridors and Urban Plans and Objective Design Standards (“Citywide Rezone Program”) [Programs 3C, 3D, 3H, 3I, 3J, 3N, 3R]

In addition to the pipeline housing projects mentioned above that are currently underway, and the future redevelopment of the Fairview Developmental Center, which combined total approximately 5,360 units, or 46 percent of the City’s RHNA allocation, the separate “citywide rezone program” will create the framework for additional future development of new housing in compliance with the City’s Housing Element. These programs are complex multi-year efforts that will require policy and process modifications to facilitate new development while preserving existing residential neighborhoods. These major programs will involve community visioning and engagement, as well as environmental review to comply with the California Environmental Quality Act.

1. *Community Visioning and Objective Residential Design Guidelines for properties within Urban Plan Areas and along the City’s Commercial and Industrial Corridors:*

Various state laws, such as the State Housing Accountability Act (SB 167), Streamlined Affordable Housing Act (SB35/SB423), Housing Crisis Act (SB 330), Housing and High Road Jobs Act (AB 2011), and Affordable Housing on Faith Lands Act (SB 4), require a streamlined review and approval process for qualifying residential projects that meet objective standards.

Objective design standards as defined under State law are “standards that involve no personal or subjective judgement by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal” (California Government Code Section 65913.4).

Through the community visioning process, the community will help refine design requirements that create high-quality neighborhoods but can also accommodate the range of densities necessary for Housing Element compliance. The design standards and guidelines will be crafted to provide more certainty in the housing permitting process and to ensure quality developments at a variety of scales.

2. *General Plan, Specific Plan and Urban Plan Amendments [Programs 3C, 3D, 3H, 3I, 3J, 3N, 3R] focusing on Creating Housing and Revitalization Opportunities along the City's Commercial and Industrial Corridors:*

The Housing Element identified 97 "housing opportunity sites" to accommodate projected housing needs, primarily along commercial and industrial corridors. Only three of these sites are vacant. Presently, residential, and mixed-use development on 79 of the opportunity sites are guided by Specific Plans and Urban Plans that were approved many years ago.

Building upon the completion of residential design guidelines and objective design standards described above, the City will update and incorporate those community visions and standards into the City's General Plan, North Costa Mesa Specific Plan, and Urban Plans. The following updates are anticipated and may be phased for efficiency of resources:

- Incorporate objective design standards into the General Plan
- Update the North Costa Mesa Specific Plan
- Update or replace the City's Urban Plans (19 West Urban Plan, SoBECA Urban Plan, Mesa West Bluff Urban Plan, and Harbor Mixed-Use Overlay)
- Create Corridor Plans or applicable Mixed-Use Zoning Districts
 - Harbor Boulevard
 - 17th Street Corridor Area
 - Bristol Street
- Update the Newport Boulevard Specific Plan
- Evaluate the potential for residential opportunities in airport industrial areas

3. Zoning Ordinance Updates

- a. Definitions [Programs 2F (persons with disabilities), 2H, 2J, 2O, and 4E]
- b. Development Standards [Programs 2E, 2M, 4G, and 4E]
- c. Planning Application Fees (2K)

These programs require analysis, and where necessary, updates to residential parking standards, certain housing definitions and terminologies, and changes to the City's development review process and findings to help streamline project approvals. It is anticipated that these updates will be included in the citywide rezone program update. However, certain minor amendments to comply with State law or correct inconsistencies will be incorporated in the City's annual code clean-up effort, anticipated to be brought to hearing in winter 2024/25. The objective of Program 2K is to review application fees, with a special focus on the density bonus fee, and update the fee(s) to avoid creating a constraint to the development of affordable housing. Additionally, the citywide rezone program will necessitate further review of the local development review process for new housing application types and planning application fees.

The City is preparing to release a Request for Proposals (RFP) for a qualified, innovative, and dependable multidisciplinary consultant to work with the Economic and Development Services Department to implement the identified Housing Element programs that will involve re-zoning portions of the City, and updating, and/or creating new policies, procedures, and development standards to

encourage and facilitate housing development. Staff anticipates at minimum a two (2) year time frame, or longer, for completion of this project, which will include the zoning code, General Plan, and other adopted plans to be amended, primarily due to the City's current extensive and varied land use regulations. The RFP is anticipated to be released in October/November 2024 with a final contract returning to the City Council for approval in early 2025.

4. Safety Element Update and Environmental Justice Policies [2G]

In conjunction with the Climate Action Adaption Plan process, intended to commence before the end of the year, with a contract being presented to the City Council for approval in October, a working draft of the Safety Element has been prepared that incorporates references to the City's Local Hazard Mitigation Plan, as well as to address other applicable State laws (SB 1035-Flood and Hazards and AB 747/SB 99-Evacuation Routes).

As part of this process, staff will also be evaluating other General Plan Elements to incorporate environmental justice policies pursuant to the Planning for Healthy Communities Act (SB 1000). This law requires the City to develop and incorporate General Plan policies for lower income areas of the community that are disproportionately burdened by pollution and other hazards that can lead to negative health outcomes. Part of this effort will be to identify existing General Plan policies that address environmental justice issues. The specific purpose of SB 1000 is to "address unique or compounded health risks in disadvantaged communities by decreasing pollution exposure, increasing community assets, and improving overall health" (Office of Planning and Research, General Plan Guidelines June 2020).

ORGANIZATIONAL RESOURCE ENHANCEMENTS

Implementation of the ambitious programs in the Housing Element has necessitated review and reconsideration of the organizational structure of the Development Services Department, staffing levels, and citywide resources. Additionally, the City continues to refine and enhance development permit processes in order to deliver more efficient, swift and comprehensive customer service. Further information regarding current and future improvements to the City's development processes, including an update on the implementation of the City's Totally Electronic Self Service Application (TESSA), and other upcoming process enhancements, will be provided to the City Council in October.

Organizational Structure

A significant organizational change within the Economic and Development Services Department was the creation of a dedicated advance planning team focused on the development and implementation of the City's long-range planning programs, including but not limited to the following tasks:

- Housing Element Implementation: FDC Specific Plan, intensive zoning code amendments, re-zoning and General Plan amendments required to implement Measure K, development of objective design standards, and other programs identified in the approved Housing Element.
- Inclusionary/Affordable Housing Ordinance: implement, monitor, manage and enforce the adopted inclusionary ordinance. These tasks include but are not limited to assisting developers with the City's new inclusionary housing program, the collection and management of in-lieu fees, preparation of requests for proposals for housing projects funded by in-lieu fees, agenda reports for allocation of in-lieu housing funds, creation of community development

partnerships, preparation and monitoring of affordable housing agreements for inclusionary projects, annual rent certifications to ensure required units are rented to households at the appropriate income levels, and appropriate tracking and reporting of units to the State annually.

- Climate Action Adaption Plan: manage the City's Climate Action Adaption Plan process in conjunction with other City departments, including updates to the General Plan Safety Element and identification/creation of Environmental Justice policies.
- Monitor/Implement State Legislation: monitor state legislation and identify any zoning code updates for compliance with state law.
- Grants: monitor grant opportunities for advance planning projects, applying for applicable grants, and process grant reimbursement for awarded grants.

Staffing

The dedicated advance planning team consists of one (1) Assistant Planner, one (1) Senior Planner, and one (1) Principal Planner. City staff also requested one (1) additional full-time Planning and Sustainable Development Manager as part of the mid-year budget amendments in FY23-24 to oversee and lead the team focused on these efforts. This position was filled in June 2024.

In addition, a new full-time Building Permit Technician position was added to the budget in order to better streamline and expedite permit processing for all types of projects. Future staffing enhancements, if any, will be recommended in future years' budget making processes.

Next Steps

This report provides an update on the City's housing element implementation to date, and the status of achieving the goals outlined in the 47 programs contained therein. Due to the City Council's outstanding leadership and focus on this crucial area, the City has been able to achieve completion status for some of the plan's programs and is well underway on many others. Project entitlements have already been granted, or are currently under review/in process, for about 26 percent of the City's 11,760 housing units RHNA allocation. Moreover, the City's extensive efforts and progress with the State Department of General Services on the redevelopment of Fairview Developmental Center is a significant accomplishment, bringing the total number of housing units for which there has been significant preparation and work done to essentially 50 percent of the City's RHNA allocation.

That said, there is still more work to be done. In the coming weeks, the other major programs in the housing element's implementation will get further underway, most notably the visioning process that will set the groundwork for extensive rezoning efforts to facilitate housing development along the City's major commercial corridors moving forward; while Staff continues to implement the largest single housing development project on surplus land currently underway with the State.

ALTERNATIVES:

This is an informational item only.

FISCAL REVIEW:

The item is informational in nature and has no impact on the City's budget. The Housing Authority Fund 222 budget includes \$2.4 million towards the Housing and Visioning Plan implementation.

LEGAL REVIEW:

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

CITY COUNCIL GOALS AND PRIORITIES:

- Diversify, stabilize, and increase housing to reflect community needs.
- Advance environmental sustainability and climate resiliency.
- Achieve long term fiscal sustainability.

CONCLUSION:

This is an informational item regarding Housing Element implementation progress, organizational resources, and staffing updates related to housing development. Staff recommends that the City Council receive and file this report and provide feedback as appropriate.

ATTACHMENT 1																											
	Earlier Start Date	2024				2025				2026				2027				2028				Progress	Housing Element Program				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4						
Residential Assistance Programs																											
Residential Units Rehabilitation Programs	2021																								100%	1A, 1B, 3F	
Supportive Services for: - Persons with Special Needs - Homeless Shelter	2021																									100%	2C, 4D, 4F
Monitoring and Preservation of At-Risk Units																										100%	1C
Information Distribution																											
Update Housing Element webpage to highlight Housing Programs	2023																									20%	3A, 3L, 3M, 3O, 3Q, 4A, 4B, 4C, 4H
Identify Partnerships for Housing	2023																									70%	2B, 2D, 3K, 4I
Develop user-friendly guidelines to implement existing housing provisions	2023																									50%	2I, 2L, 3E, 3P
Zoning Ordinance Updates (Clean Up)																											
Residential Parking																										50%	2M, 2E, 4G
Update Zoning Standards for compliance with State requirements																										30%	2F, 2H, 2J, 2N, 2O, 2P, 3F, 3S, 4E
Review of Housing Fees																											
Review Planning Application Fees																										25%	2K

	Earlier Start Date	2024				2025				2026				2027				2028				Progress	Staffing				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4						
Advance Planning																											
Affordable Housing Ordinance & In-Lieu Fees	2023																									100%	2A
Visioning and Design																											
Community Visioning and Objective Design Guidelines																										10%	3C, 3D, 3H, 3I, 3J, 3N, 3R
General Plan Update, Specific Plan, Rezoning and Program EIR																											
Fairview Developmental Center (FDC) - Specific Plan	2023																									40%	3B
General Plan Amendments: Specific Plan Amendments - Land Use/Circulation/Community Design				RFP/Consultant Selection								Finalize Project Description	CEQA													10%	3C, 3D, 3H, 3I, 3J, 3R
Rezoning of Corridors and Urban Plans				RFP/Consultant Selection								Finalize Project Description	CEQA													10%	3C, 3D, 3H, 3I, 3J, 3R, 3N
General Plan Amendments: Safety Element, Environmental Justice and Climate Action Adaptation Plan				Contract Approval						CEQA																30%	2G

Legend:
Indicates programs that are in progress or identified for future progress
Indicates programs that require ongoing monitoring and action throughout planning period
Environmental Review under California Environmental Quality Act (CEQA)

ATTACHMENT 1: HOUSING PLAN		
PROGRAMS		TIMEFRAME NOTED IN HOUSING ELEMENT
CATEGORY I: Building Upon Existing Programs		
1: Residential Assistance Programs		
1A	Owner-Occupied Housing Rehabilitation	Annual Review/ Modifications by December 2023
1B	Mobile Home Rehabilitation	Annually market assistance available and grant funding on a case-by-case basis.
1C	Monitoring and Preservation of At-Risk Housing Units	Coordinate with property owners of at-risk units through the end of financial agreements. Annually market tenant education information and available assistance.
2C	Supportive Services for Persons with Special Needs	Annually outreach to local organizations and provide information online regarding the Annual Action Plan findings regarding special needs populations and availability and allocation of CDBG funds.
4D	Fair Housing Assistance (contract throughout planning period)	Contract with the Fair Housing Foundation throughout the planning period and promote updated information on available services online by Winter 2025.
4F	Homeless Shelter	Annually review and, if necessary, revise services and assistance programs available based on funding availability. Annually meet with homeless services providers to respond to the needs of persons experiencing homelessness and identify potential opportunities.
2: Information Distribution		
2B	Affordable Housing Development	Establish incentives and instructional materials by December 2023. Pursue funding and partnership annually. Meet with organizations annually
2D	Facilitate Development of Senior Housing Options	Annually meet with senior housing developers to receive feedback, market housing sites adequate for the development of senior housing and pursue other opportunities for senior housing development
2I	Promote State Density Bonus Incentives	To be completed by December 2024.
2L	Development of Housing for Extremely Low and Lower-Income Households	Complete by December 2024
3A	Adequate Sites	Publish by December 2023
3E	Promote the Development of Accessory Dwelling Units	Program components analyzed within by December 2023., with implementation by December 2024. Review and revise the ADU ordinance within one year.
3K	Explore Potential Future Housing Opportunities on Church Sites	Develop online materials on the development process by December 2023 and update, as necessary
3L	Annual Progress Reports	Annually complete and submit an Annual Progress Report to HCD.
3M	ADU and JADU Monitoring Program	Monitoring program created by Winter 2025. Reviews conducted every two years throughout the planning period, and potential adjustments made within six months.
3O	Deliver a copy of the adopted Housing Element to Water and Sewer Providers	To be completed by July 2023

3P	Federal/State Housing Programs	Annually market available Federal and State housing programs and grants. Meet with qualified interested parties annually to provide technical assistance. Partner with the OC Housing Finance Trust throughout the planning period to identify additional potential funding sources
3Q	Lot Consolidation (Housing Opportunity sites that are smaller than half an acre)	To be completed by December 2023., outreach and promote lot consolidation to the development community/property owners, and publish and maintain updated information on the City's lot consolidation processes and fees online and at City Hall.
4A	Fair Housing	Annually outreach to local organizations and lower income communities to discuss fair housing issues and promote actions to mitigate local contributing factors. Promote available funds, ownership information, and details on affordable housing units on the City's webpage by Winter 2025.
4B	Rental Housing Assistance	Promote OCHA Housing Choice Voucher information and rental housing assistance programs, as available, on the City's website.
4C	Ownership Housing Assistance	Annually evaluate and, as funding is available, offer ownership housing assistance programs. Promote informational materials online and at City hall on potential paths to home ownership and on assistance and resources available by Winter 2025.
4H	Housing Education and Outreach Program	Develop program by December 2023 and distribute materials by December 2024.
4I	Partnership with local Orgnaizations and Community Groups	December 2024
3: Zoning Ordinance Updates		
2E	Encourage Development of Housing Options for Large-Family Households	Review development standards for larger units and, if necessary, amend the Zoning Code by Winter 2025. Annually meet with housing developers to encourage the development of larger units
2F	Persons with Physical and Development Disabilities	Review procedures to accommodate ADA retrofit efforts, ADA compliance and/or other measures where appropriate, and, if necessary, amend the Zoning Code by Winter 2025
2H	Farmworker Housing	To be completed by December 2023
2J	Transitional and Supportive Housing	To be completed by December 2024.
2M	Parking Standards for Residential Developments	Review by December 2024; revise Code by Winter 2025
2N	Reasonable Accomodation	Review and Revise Winter 2024
2O	Definition of Single Housekeeping Unit	Review and revise Code by December 2024
2P	Group Homes	Review and Revise Winter 2024
3F	Motel Conversions, Efficiency Units, and Co-Living Housing Types	To be completed by December 2024
3S	Review and Revise Findings	To be completed by December 2023.
4E	Low Barrier Navigation Centers	December 2024
4G	Assembly Bill 139 - parking provisions for emergency shelters	Winter 2025

4: REVIEW OF APPLICATION FEE		
2K	Planning Application Fees	To be completed by December 2024
CATEGORY II: Creating the Framework for New Housing and Revitalization		
1: Community Visioning and Objective Residential Design Guidelines for properties within Urban Plan Areas and along the City's Commercial and Industrial Corridors		
2: General Plan, Specific Plan and Urban Plan Amendments [Programs 3B, 3C, 3D, 3H, 3I, 3J, 3N, 3R] focusing on Creating Housing and Revitalization Opportunities along the City's Commercial and Industrial Corridors		
3B	Fairview Development Center -State Property	Negotiate agreement to develop housing at the Fairview Developmental Center site by Winter 2025 or as modified by the State. If unsuccessful, identify additional sites to accommodate shortfall
3C	Update the North Costa Mesa Specific Plan	To be completed by Winter 2025
3D	Update thje City's Urban Plans and Overlays	To be completed by Winter 2025
3H	Analyze the Potential of Establishing an Overlay to Permit Residential Use in the Airport	To be completed by Winter 2025
3I	Analyze the Potential of Establishing an Overlay to Permit Residential Uses in the 17th Street Corridor Area	To be completed by Winter 2025
3J	Analyze the Potential of Modifying the Newport Boulevard Specific Plan to Promote Residential Uses Along Newport Blvd	To be completed by Winter 2025
3N	Candidate Sites used in previous Housing Elements	To be completed by Winter 2025.
3R	Development of Large Sites	Direct outreach to property owners two times per year throughout the planning period. Review of development progress and potential identification of additional candidate housing sites following the schedule within the objectives
3. General Plan Amendments – Safety Element/Environmental Justice Policies [2G]		
2G	Safety Element Update and Adoption of Environmental Justice Policies	To be completed by December 2023