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Title:	SCOPE OF WORK FOR AN AGREEMENT BETWEEN THE STATE OF CALIFORNIA AND THE CITY OF COSTA MESA, PROVIDING FOR \$3.5 MILLION IN STATE FUNDS TO THE CITY FOR COMMUNITY OUTREACH AND LAND USE PLANNING EFFORTS FOR THE FAIRVIEW DEVELOPMENTAL CENTER SITE		
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TITLE:

SCOPE OF WORK FOR AN AGREEMENT BETWEEN THE STATE OF CALIFORNIA AND THE CITY OF COSTA MESA, PROVIDING FOR \$3.5 MILLION IN STATE FUNDS TO THE CITY FOR COMMUNITY OUTREACH AND LAND USE PLANNING EFFORTS FOR THE FAIRVIEW DEVELOPMENTAL CENTER SITE

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION

PRESENTED BY: JENNIFER LE, DIRECTOR OF ECONOMIC AND DEVELOPMENT SERVICES

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RECOMMENDATION:

Staff recommends the City Council:

1. Approve the scope of work and related exhibits for an Agreement with the State of California to fund planning services relating to the Fairview Developmental Center, in a form of standard agreement to be approved by the City Attorney.
2. Authorize the City Manager and the City Clerk to execute any and all documents necessary for this Agreement.

3. Authorize revenue and expense appropriations in the amount of \$3.5 million respectively, for the Agreement between the City of Costa Mesa and the State of California.

BACKGROUND:

The Fairview Developmental Center (FDC) site is a 109-acre property owned by the State of California located at 2501 Harbor in the City of Costa Mesa. The site was developed and previously operated by the State as a residence for developmentally disabled persons, but is now largely vacant. The site has been the subject of discussion between various agencies over the years as to its future potential use and disposition.

In 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. In 2020, the Council identified a vision statement for FDC that included support for 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 into future development options and the final disposition of the site.

The City's Housing Element as adopted on February 1, 2022 lists 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.

In June 2022, the State approved Government Code Section 14670.31, which outlines the general terms under which the State of California, through the Department of General Services and the Department of Developmental Services, will collaborate with the City to determine the future of the FDC site. This Section sets forth the State's goals and requirements for the disposition of the property and a land use planning process to be conducted by the City for the future use of the property and allocates \$3.5 million in funding for that intended purpose. The subject Agreement between the City and the State memorializes the funding allocation and its intended use.

ANALYSIS:

The subject Agreement is between the City of Costa Mesa and the State of California (State). It stipulates that the State will provide up to \$3.5 million in funds to the City to support an up to three-year agreement for a City-led local outreach and land planning effort for the FDC site. The funds will be provided to the City within 30 days of the date of the Agreement to pay for costs associated with planning for future land uses at the FDC site, to include the following:

- Robust Community Engagement including but not limited to meetings, townhalls, and design charrettes and presentations;
- Comprehensive Conditions Report;
- Technical studies including economic market demand report, water supply assessment, and other infrastructure studies;
- Creation of site concepts, concept drawings, and exhibits;
- Conceptual Alternatives and a Preferred Plan Framework;
- Preparation of a Specific Plan and associated implementation strategies;

- Associated General Plan and Zoning amendments (as appropriate);
- Preparation of a draft and final Environmental Impact Report, associated technical studies, and a Mitigation Monitoring and Reporting Program pursuant to the California Environmental Quality Act (CEQA);
- Public Hearings; and
- City review of a State-prepared Request for Proposals to retain a consultant to construct the local vision as established by the City.

Funds may be used to retain consultants as well as for staff costs associated with the management, oversight, review, tracking, and reporting associated with the land use planning and site disposition process.

Consistent with the Government Code, the Agreement specifies that:

- Housing shall be a priority in the planning process;
- Any housing that is determined to be appropriate for the property shall include affordable housing; and
- Any housing opportunities on the property shall give priority to projects that include deed restricted housing for individuals with developmental disabilities.

The City must complete the final draft Specific Plan and associated documents within three years of the date of the Agreement and report to the State quarterly as to its progress and expenditures.

Should the Council approve the Agreement, staff will assemble a project team; release an RFP for consultant services; and begin preliminary planning efforts.

ALTERNATIVES:

The City Council could modify the specifications of this project (subject to concurrence by the State) or not approve staff's recommendation.

FISCAL REVIEW:

This action does not have a fiscal impact to the General Fund. Upon approval of the Agreement and acceptance of the funds from the State of California, revenue and expense appropriations in the amount of \$3.5 million respectively will be established for the FDC site.

LEGAL REVIEW:

This agenda report and the Contract have been reviewed and approved as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goal:

- Diversify, Stabilize, and Increase Housing To Reflect Community Needs

CONCLUSION:

Staff recommends that the City Council approve the scope of work and related exhibits for an Agreement with the State of California to fund planning services relating to the Fairview Developmental Center, in a form of standard agreement to be approved by the City Attorney, and authorize the City Manager and City Clerk to execute any and all documents necessary for the Agreement, and to approve related revenue and expense appropriations.