



# PLANNING COMMISSION AGENDA REPORT

MEETING DATE: August 25, 2025

ITEM NUMBER: PH-2

**SUBJECT: FAIRVIEW DEVELOPMENTAL CENTER SPECIFIC PLAN LAND USE PLAN - REVIEW AND RECOMMENDATION**

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

**PRESENTATION BY: CARRIE TAI, ECONOMIC AND DEVELOPMENT SERVICES DIRECTOR AND KAREN GULLEY / SUZANNE SCHWAB, PLACEWORKS**

**FOR FURTHER INFORMATION CONTACT: MELINDA DACEY  
(714) 754-5611  
MELINDA.DACEY@COSTAMESACA.GOV**

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## **RECOMMENDATION:**

Staff recommends that the Planning Commission adopt a resolution to recommend to the City Council a scope of environmental study in the form of the Draft Preferred Land Use Plan for the Fairview Developmental Center Specific Plan, without committing the City to a specific course of action on the Specific Plan. Planning Commission comments on the Draft Preferred Land Use Plan will be forwarded to City Council for consideration.

## **APPLICANT OR AUTHORIZED AGENT:**

City of Costa Mesa

## **BACKGROUND:**

The Fairview Developmental Center (FDC) is a 115-acre property located at 2501 Harbor Boulevard in the City of Costa Mesa. Owned by the State of California, the site was historically developed and operated as a residential care facility for individuals with developmental disabilities. Through extended negotiations, the State will retain ownership of 20 acres for the Emergency Operations Center (EOC) and Department of Developmental Services (DDS) complex needs housing, which will not be included in the Specific Plan area. The proposed Specific Plan boundary encompasses

approximately 95 acres. Of this, DDS will retain 15 acres for housing similar to Harbor Village Apartments, leaving approximately 80 acres available for future development.

To prepare a viable Specific Plan and conduct environmental review under the California Environmental Quality Act, the City is responsible for evaluating a land use concept that is both physically and financially viable and reasonably expected. The City can then ensure a Specific Plan that achieves a balance of community desires and key public benefits-such as affordable housing, open space, and community amenities- as well as plan elements that are reasonably expected to be seen as part of a future project proposal based on feasibility.

In accordance with the FDC project agreement with the State, the process has now progressed to the Preferred Plan Framework and environmental review. This process entails Planning Commission input on components to include on a Preferred Plan. The purpose is to commence the environmental review step anticipated in the City-State agreement, and for which the City approved a contract with an consultant to prepare. The purpose of environmental review is to evaluate a project description and identify significant impacts and corresponding mitigation measures to inform the decision-making for the eventual Specific Plan.

### **Planning Commission Discussion: Prior Study Sessions**

The Planning Commission conducted two meetings on the Preferred Plan Framework on May 27, 2025 and June 23, 2025, with the following summaries of both Planning Commission and public input. The May 27, 2025, FDC Study Session Staff Report and materials are included as Attachment 1 to this report. The June 23, 2025 FDC Study Session Staff Report and Materials are included as Attachment 2 to this report.

At its June 23, 2025 meeting, staff also presented and the Planning Commission discussed a comprehensive background on the City and State roles in the Fairview Development Center (FDC) Specific Plan process to date, the findings of the Financial Feasibility Study, components of a Specific Plan, development realities of State housing laws, and environmental review.

Below is a summary of comments and input received from Planning Commissioners at both meetings:

#### a. Residential Development Range and Affordability Targets

May 27, 2025: Input was received on target residential development ranges for the Specific Plan, with some acknowledgement that the community voiced support to stay closer to the Housing Element target (2,300 units), some input to increase the target to what is financially feasible but not go beyond this point and some input to study the maximum density for the purposes of the EIR (4,000 units) and provide a

target range that is financially feasible in the Specific Plan. There seemed to be consensus amongst the Commission to encourage meeting the Housing Element's target of 40% affordable units for the FDC site.

June 23, 2025: Commissioners discussed the challenge of meeting the 40% affordability targets, requested clarification on the types of affordable housing, and acknowledged that financial feasibility affected the development range.

Current Status: As previously mentioned, not accounting for a reasonably expected level of development would risk the City potentially inadequately planning for the infrastructure and public service requirements to support future development. Staff recommends setting a minimum residential development of 2,300 units and a maximum residential development of 3,800 units (i.e., the Planning Commission would recommend a number within this range to be set as the maximum). The minimum residential development is to ensure that the FDC Specific Plan meets the affordability goals that were outlined in the City's adopted Housing Element. The maximum range is to ensure that reasonable expected development "pays its way" if the Specific Plan ultimately allows for the maximum and it indeed occurs.

#### b. Development Pattern / Connectivity / and Uses

May 27, 2025: The Commission requested additional information on the development patterns considered within the Specific plan, including permitted use types under each land use designation and some additional clarity about density, height, and other potential objective standards. Some Commissioners voiced support for including other community amenity type uses, such as a library or a community room. Some commented that the land use plan doesn't feel "unique" or like a neighborhood at this stage and would like some additional information to help visualize what the Specific Plan will entail.

June 23, 2025: Commissioners expressed concerns about the relative isolation of the FDC site, leading to mention of connectivity of the site to Harbor Boulevard.

Current Status: A range of community amenity uses will be included as allowable uses in planning areas within the Specific Plan.

#### c. Circulation Network

May 27, 2025: The Planning Commission requested more detail on the components within the grand promenade, including size and look of sidewalks, planting areas and the adjacent development patterns (i.e. mixed-use development, housing or any commercial component). The Planning Commission acknowledged that while the promenade was supported during public outreach, further refinement was needed to

enhance its connectivity, reinforce sense of place and promote walkability across the development.

June 23, 2025: Several Commissioners discussed the secondary access road and proposed alternate secondary access points. Commissioners also discussed concerns about planning for public transit. In addition to requesting refinement on the grand promenade, Commissioners also mentioned pedestrian connectivity and paseos were desired.

Current Status: Staff and the consultant team has refined the promenade concept for review (discussed further below). Staff and the consultant team recounted prior discussions explaining the infeasibility of the alternate suggestions of secondary access points.

#### d. Open Space and Community Amenities

May 27, 2025: Planning Commission supported open space overall and questioned how the Specific Plan would incorporate the City's General Plan open space goals citywide and for the FDC site.

June 23, 2025: Planning Commission received significant input from members of the public pertaining to the importance of retaining the golf course and the allocation of open space to accommodate for youth sports. Commissioners stressed the importance of open space, including providing required General Plan standards at 4.26 acres per 1,000 people, and supporting field space (including increasing housing density into other planning areas). Discussions ranged from the demographics of golf course users and percentage of golf course users that are City residents, and implications for population underserved by public open space amenities.

Current Status: Staff will incorporate input about open space into the Specific Plan provisions to ensure a minimum of 12 acres of publicly accessible open space, but incorporate levers to increase open space amounts unless public amenities or affordable housing features are included. Furthermore, the City's Public Works and Parks and Recreation Department have been continually engaged in potential impacts to the golf course from the secondary access road. Preliminary indications are that six holes would need to be configured, however City staff continue to evaluate to ensure that any greater impacts are also mitigated through requirements in the Specific Plan. Since the secondary access road is located on City-owned land, staff will include a requirement in the Specific Plan that a negotiation process occur should the secondary access be desired by a future developer.

#### e. Commercial Development

May 27, 2025: Staff received input regarding the commercial components of the plan and heard support for distribution of commercial space within the Specific Plan, as well as options for both mixed use configurations and standalone retail configurations.

June 23, 2025: Commissioners continued to express preference for commercial development to be in more flexible locations, including in mixed-use configurations.

Current Status: The drafted working Preferred Land Use Plan reflects commercial planning areas distributed into the planning areas.

#### f. Harbor Frontage (portion of golf course between Harbor Boulevard and FDC site)

May 27, 2025: Some commissioners queried the DDS letter dated June 28, 2024, included in the staff materials, and asked if there was still an opportunity to explore a land swap concept as part of the project. At the meeting, staff explained that this concept had previously been discussed with the Department of General Services (DGS), who did not express interest at the time in pursuing the concept.

June 23, 2025: Four Commissioners expressed interest in pursuing the Harbor Frontage concept for a variety of reasons, including open space, commercial, and housing. Several Commissioners also discussed the effects to the golf course as a result of the proposed secondary access.

Current status: Staff will forward Planning Commission's sentiment to the City Council for discussion. The Harbor Frontage land is City-owned and the City Council is the decision-maker on efforts involving City-owned land. However, if City Council elects to continue to explore this option, staff will continue to engage in discussions with the State about its viability and the potential steps (including the current deed restrictions on the use of the golf course land and potential legislation needed) to consider a land swap option. One additional consideration is that the golf course areas outside the FDC site were not included as part of the City's Measure K process, which means a major land use designation change would require a vote of the people.

#### g. Community Engagement

May 27, 2025: Several Commissioners expressed concerns over the results of the community survey conducted when compared to the viable land use options under the financial feasibility analysis and suggested slowing down the process and conducting additional community outreach.

June 23, 2025: Commissioners discussed additional outreach opportunities with different segments of the community and stressed coordination with public agencies like the school district, water district, and Orange County Transportation Authority.

Current Status: Staff reaffirmed that there would be additional opportunities for public engagement on the Specific Plan as well as the environmental review.

### **DISCUSSION AND ANALYSIS:**

Following community input and financial feasibility analysis, the City's planning effort progressed to the development of land use alternatives and from those alternatives, a preferred land use plan. At the May 27, 2025 and June 23, 2025 meetings, the Planning Commission provided guidance about various components in the preferred land use plan.

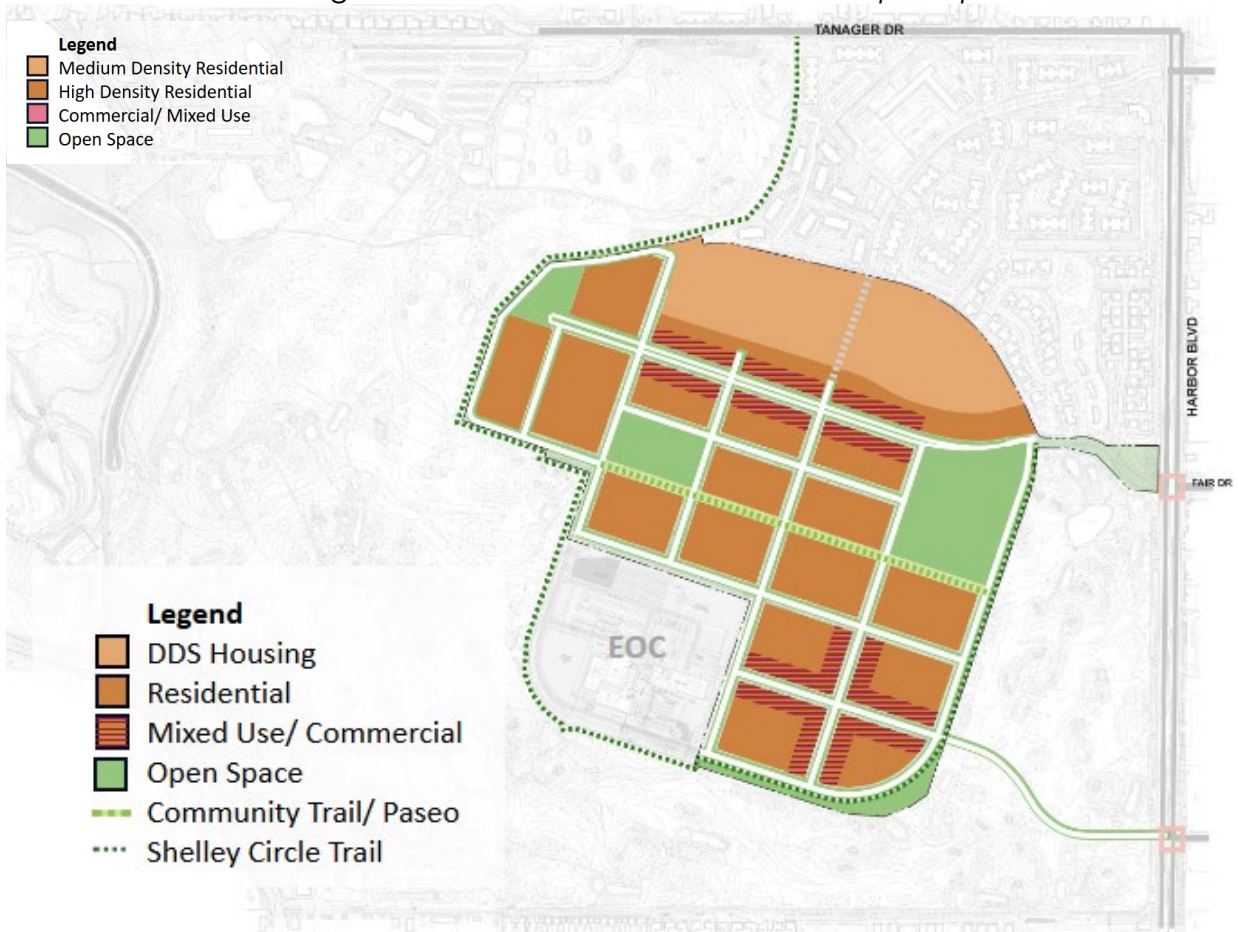
### **Working Draft FDC Preferred Land Use Concept Map**

The revised working draft preferred plan incorporates the input from the Planning Commission from the past two meetings. The draft plan shown below could accommodate the following:

- 2,300 housing units minimum; 3,800 housing units maximum
- Up to 35,000 square feet of commercial use (can be mixed-use configuration with a flexible location)
- a grand promenade
- 12 acres minimum publicly-accessible open space
- pedestrian trails and a street network that can accommodate all modes of transportation (vehicles, bicycle lanes and pedestrian routes),
- secondary access route from Harbor Boulevard.

In response to Planning Commission comments, staff also revised the working draft of the preferred plan to identify integration and additional locations for potential commercial and mixed-use development, along the grand promenade and dispersed throughout the plan. The draft plan also maintains flexibility to be memorialized into the Specific Plan to accommodate changing market conditions, evolving housing products and a range of potential housing developers depending on the State's disposition process.

### Working Draft FDC Preferred Land Use Concept Map



#### *Circulation Network: Grand Promenade and Secondary Access Road*

The revised land use concept map still includes a Grand Promenade or grand entryway to create an identity for this project. This idea has received strong community support. Staff has provided some additional illustrations to further identify the types of uses that would be encouraged and allowed along the promenade including commercial uses, housing, mixed use development, open space, widened sidewalks and bicycle lanes (including in the illustrations provided within Attachment 3). Additionally, Attachment 5 provides a recommended street cross section for the potential Grand Promenade, as well as other internal roadway configurations being considered for the Specific Plan. The promenade is intended to serve as the site's primary spine, enhancing connectivity, reinforcing a sense of place, and promoting walkability across the development.

#### *Open Space: 12 acres (minimum) of Publicly Accessible Open Space*

Staff proposes a minimum of 12 acres based on input from the Planning Commission and the community. While this minimum does not meet the current General Plan policies for the City and FDC site, the developer would provide a combination of land, improvements to the parks and trails, and park impact fees consistent with the City's Local Park Ordinance. A defined minimum amount of publicly accessible open space sets the minimum parameter to meet local and State parkland standards and provide accessible recreational opportunities for future residents and visitors. In addition, staff will include incentives in the Specific Plan that will further encourage the provision of publicly accessible open space beyond the minimum requirement.

In response to the discussion pertaining to the relationship between open space and the need to accommodate housing on the site, staff proposes incorporating requirements into the Specific Plan to require the State and General Plan amounts of open space, and providing incentives to reduce the amounts if increased affordability or public amenities are incorporated. However, for purposes of environmental review, staff would assume the minimum amount of open space as that represents the most conservative approach for evaluating environmental impacts.

#### *Specific Plan Land Use Plan and Development Standards:*

The Specific Plan will ensure that infrastructure and public services associated with future development of the FDC site are provided. The Plan will also provide flexibility to accommodate evolving housing products, as the market conditions change over time while maintaining community input and certainty around the plan. This includes adaptable land use designations (including a minimum of 10,000 and a maximum of 35,000 square feet of commercial and/or retail space) and phasing strategies while maintaining the plan's core principles and community objectives.

### **FDC Specific Plan and its Components**

During the June 23, 2025 Study Session, the Planning Commission and public requested additional information on the Specific Plan process. Staff presented the outline and components of the Specific Plan would implement the land use plan by setting forth regulations and requirements to ensure that the FDC site has adequate infrastructure and community benefits to support buildout levels.

The land use plan itself is intended to be more high-level, with designated land use type and key components of the plan. The land use map identifies potential areas for housing development but does not describe the maximum density or height at these locations. The Specific Plan will then evolve this land use plan further with specific land use types, maximum densities, heights, and additional details, requirements, and timing considerations.



The FDC Specific Plan will serve as the land use regulatory (zoning) document for all future development applications on the site. Future developers will be required to comply with the adopted Specific Plan, but could utilize other permitted housing state legislation, including State Density Bonus Law (SDBL) provisions, as part of their project applications to the City.

The proposed FDC Specific Plan will include existing conditions, visions and guiding principles, the main components of the plan and administration and implementation requirements for how future projects under the project will be processed. Specific Plans typically include the following Chapters:

- Introduction
- Existing Conditions and History of the FDC Site
- Vision and Guiding Principles
- The Plan (*italics represents items to be included*).
  - Land Use Plan (including permitted land use categories such as housing/affordable housing, commercial, community amenities, etc.)
    - *Allow community amenity uses (library, school, etc.)*
  - Mobility and Circulation (including roadway and network layout, street sections, bicycle, and pedestrian path and access requirements, etc.)
    - *Secondary access acquisition process (City-owned land), including community engagement*
    - *Construction phasing of “backbone” paths and streets*
  - Open Space (including minimum required open space, types of open space permitted and possible locations for open space, recreational amenities, dedications, fees to be paid, construction and maintenance responsibilities)
    - *Require State/General Plan designated amount of open space*
    - *Use Open Space requirements as a lever to achieve additional affordability or publicly-available amenities*
    - *Accommodate active sports fields that are open to the public, with the uses to be determined by the City’s Park Master Plan*

- *Golf course reconfiguration and improvement requirements, including phasing*
  - *Pedestrian connection to Fairview Park*
- Infrastructure (including infrastructure requirements for the plan such as water, storm drain, sewer and drain utilities for both master development and individual project development)
  - *Construction phasing of “backbone” infrastructure*
- Public Services (including additional requirements for public services such as police and fire facilities, as well as storm drainage to accommodate the need of additional residents and services)
  - *Construction phasing to ensure public services are available to service future residents*
- Administration and Implementation
  - Review processes, including applications and decision bodies
    - Future development
    - Specific Plan amendments
  - Monitoring requirements
  - Development impact fee provisions

Public and Planning Commission/City Council input received over the course of the Specific Plan process, as well as input received on the draft preferred plan, will be used to shape and memorialize the requirements in the Specific Plan. The FDC Specific Plan will serve as the regulatory and policy document guiding the site’s development over time. Therefore, the overall goal of the project description is to set maximum development parameters that can be studied and can anticipate possible environmental impacts. This process ensures transparency for the public during future City project review processes.

### **Project Description Considerations for Environmental Review**

The project description described herein will serve as the basis for environmental review. The thresholds and parameters for the project description will be studied under the Environmental Impact Report (EIR) in accordance with the California Environmental Quality Act (CEQA). This project description will be included in the

Notice of Preparation (NOP) and used to initiate the environmental review, leading to the preparation of the Draft Environmental Impact Report (DEIR).

It is commonplace for the project description, as studied under CEQA, to include maximum development capacity and thresholds, so that the City can accurately study and anticipate all possible environmental impacts. One example of this is studying up to 4,000 units as part of the EIR, even though the Specific Plan may set a maximum residential unit threshold lower than this number (e.g. 3,600-3,800 units). The higher threshold is chosen for CEQA purposes because it was shown in land use concepts and is therefore reasonably assumed that a future application may propose up to that threshold. Studying this maximum threshold also ensures that the City accurately studies all potential environmental impacts and discloses them to the public. Another example of this threshold would be to study a maximum height threshold within the EIR project description, even though the Specific Plan may set different height maximums for varying parcels within the plan. Additionally, CEQA alternatives are used as a tool to study other potential scenarios under CEQA. Typically, these consist of a project alternative that would be seen to provide reduced environmental impacts (e.g., a smaller-scale or lower intensity project).

### **GENERAL PLAN CONFORMANCE:**

The City's 2021-2029 Housing Element identifies the site as a Housing Opportunity Site and allocates 2,300 residential units, with 40% of those units expected to be affordable to very low- and low-income households. To implement this vision, a General Plan Amendment will be required to reconcile the current MUC land use designation with the housing capacity and policy direction in the Housing Element. The Fairview Developmental Center Specific Plan will serve as the guiding planning document to implement these goals and provide a comprehensive framework for future development.

### **PUBLIC NOTICE:**

There is no public notice requirement for the Planning Commission Fairview Developmental Center Specific Plan Study Session. However, to encourage public engagement, the City provided the following announcements:

- Newspaper publication ad.
- The date and time of the study session were posted on the project website.
- Information about the study session was shared via the City's social media channels and distributed to the project email list and citywide email lists (which includes over 8,000 email addresses).

As of the date of this report, no written public comments have been received. Any public comments received prior to August 25, 2025, Planning Commission meeting will be forwarded separately to the Planning Commission.

### **NEXT STEPS:**

Staff recommends that the Planning Commission adopt a resolution to recommend to the City Council a scope of environmental study for the Fairview Developmental Center Specific Plan, without committing the City to a specific course of action on the Specific Plan. Planning Commission comments on the Draft Preferred Land Use Plan will be forwarded to City Council for consideration.

Following this meeting, staff will pursue two separate but parallel tracks:

- 1) **Continued progress of the FDC Developmental Center Specific Plan.** The City Council will consider the aforementioned materials, along with the Planning Commission's recommendation, and provide direction on the Preferred Land Use Plan and project description at a future meeting (likely in September/October).

Following the City Council meeting, staff will proceed with the environmental review process. A Notice of Preparation (NOP) will be issued to initiate the environmental review, leading to the preparation of a Draft Environmental Impact Report (DEIR). During the DEIR public review period, the public will be able to evaluate and understand the environmental impacts and continue to provide input that will refine the preferred plan and the Specific Plan components.

Concurrently, staff will continue to refine proposed Specific Plan policies, development standards, and objective design guidelines. Community outreach will be conducted to present the study plan and DEIR to the community for feedback. A follow-up study session with the Planning Commission and City Council will also be held on the draft Specific Plan, with additional opportunity for discussion and refinement. Once input is received and refinements are made, the City would create a final draft Specific Plan and initiate the formal public hearing process to consider adoption of the Specific Plan and associated project approvals.

Concurrently, following completion of the DEIR public review period, DGS anticipates releasing a request for proposals to identify a Master Developer.

- 2) **Discussion about Harbor Frontage.** Four members of the Planning Commission indicated interest in discussing land use concepts for the City-owned land between Harbor Boulevard and the FDC east boundary, including a possible land swap. Since this City-owned area is currently occupied by a portion of the golf

course, staff will present this discussion to the City Council as a separate-but-related item and receive direction from the City Council.

**ATTACHMENTS:**

1. Draft Resolution (including Preferred Land Use Concept / Project Description)
2. May 27, 2025, FDC Study Session Staff Report
3. June 23, 2025, FDC Study Session Staff Report
4. FDC Specific Plan Revised Street Sections (under separate cover)