



Agenda Report

Item #: 24-255

Meeting Date: 6/18/2024

TITLE: URBAN MASTER PLAN SCREENING REQUEST (PSCR-24-0003) FOR A PROPOSED 38 UNIT LIVE/WORK DEVELOPMENT ON A 2.3 ACRE SITE WITHIN THE MESA WEST BLUFFS URBAN PLAN LOCATED AT 960 WEST 16TH STREET

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION

PRESENTED BY: CHRIS YEAGER, ASSOCIATE PLANNER

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RECOMMENDATION:

Staff recommends the City Council review and provide feedback on the proposed 38-unit new live/work development in the Mesa West Bluffs Urban Plan area, and to provide comment on the requested deviations.

BACKGROUND:

A preliminary plan has been submitted for an Urban Plan Screening application that includes 38 new live/work units to be located at 960 West 16th Street. Staff reviewed the preliminary plan which is the basis of the analysis and issues identified in this report.

Project Concept Screening

The screening process is an opportunity to determine whether a proposed project concept meets the City Council's expectations for new projects in the Urban Plan areas before an applicant proceeds further into the development process and prepares for a comprehensive Master Plan application submittal.

The property is located within the Mesa West Bluffs Urban Plan area. The Urban Plan allows for live/work units and deviations from Urban Plan and other development standards when approved through a Master Plan in exchange for high quality projects. Should the project move forward, the Master Plan would be subject to review and approval by the Planning Commission.

The Urban Plan Master Plan Screening process is intended to address the following questions:

1. Does the project meet the City Council's expectations for projects in the Urban Plan areas?

On April 4, 2006, the City Council adopted the Mesa West Bluffs Urban Plan to allow incentives for the development of live/work units and/or residential lofts in an approximate 277-acre area of the City's Westside. The intent of the Urban Plan is to provide development/economic

incentives for private property owners to reinvest and redevelop their properties. The objectives of the plan include the following:

- Identify development regulations to realize the vision of the Urban Plan. These regulations address mixed-use development standards as well as public streetscapes and urban design improvement and amenities.
- Provide a Land Use Matrix of allowable uses for live/work development that recognize the development potential of the plan area and need to sensitively integrate new development with the surrounding areas, and therefore, promote both resident and business community confidence in the long term.
- Encourage the construction of live/work units that combine residential and nonresidential uses in the same unit without exceeding the development capacity of the General Plan transportation system.
- Attract more residents and merchants by allowing mixed-use development in the form of a live/work loft, which offers first-floor retail/office uses and upper story living spaces in the same unit.
- Encourage adaptive reuse of existing industrial or commercial structures, which would result in rehabilitated buildings with unique architecture and a wider array of complementary uses.
- Stimulate improvement in the Mesa West Bluffs Urban Plan area through well designed and integrated urban residential development that is nontraditional in form and design with flexible open floor plans, which complements the surrounding existing development.
- Meet the demand for a new housing type to satisfy a diverse residential population comprised of artists, designers, craftspeople, professionals, and small-business entrepreneurs.
- Promote new types of urban housing that would be target-marketed to people seeking alternative housing choices in an industrial area. An urban loft would be an alternative to a traditional single-family residence, tract home, or small-lot subdivision.
- Encourage the design and development of urban residential structures reflecting the urban character of the surrounding industrial context both in the interior and exterior areas. Encourage quality live/work development which promotes business activity through workspaces and amenity areas which are distinct from residential lofts/life-style lofts in design and function.

2. *Does the City Council have comments regarding any requested deviations?*

The Mesa West Bluffs Urban Plan allows development flexibility in exchange for quality projects that meet the Urban Plan vision. Such flexibility may come in the form of deviations from required development standards, as approved through a Master Plan. The project, as proposed, includes deviations discussed below in the “Requested Deviations from Development Standards” section of this report. The screening process highlights requested project deviations from the Mesa West Bluffs Urban Plan so that the City Council can provide feedback. Pursuant to Costa Mesa Municipal Code Section 13-83.52(d), a deviation from mixed-use development standards may be approved through the Master Plan process provided that the following findings are made:

1. The strict interpretation and application of the mixed-use overlay district’s development standards would result in practical difficulty inconsistent with the purpose and intent of

the General Plan and Urban Plan, while the deviation to the regulation allows for a development that better achieves the purpose and the intent of the General Plan and Urban Plan.

2. The granting of the deviation results in a mixed-use development which exhibits excellence in design, site planning, integration of uses and structures and compatibility with standards for residential development.
3. The granting of a deviation will not be detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.

Pursuant to the Urban Plan, on-site and off-site amenities contributing to the project's overall design excellence may enable appropriate findings for approval of the requested deviations to be made. The City is also required to make a finding in support of the requested deviations from the development standards for live/work units. Specifically, this finding requires that the requested deviations will not make the live/work units more suitable for a primarily residential use.

The Mesa West Bluffs Urban Plan can be found at the following link:

<https://www.costamesaca.gov/home/showpublisheddocument/313/636490563866670000>

PROJECT SITE:

The proposed development site has a project area of 2.3 acres and is located on the north side of West 16th Street, approximately 500 feet west of the nearest intersection of West 16th Street and Monrovia Avenue. The site has a General Plan Land Use Designation of "Light Industrial" and is zoned "General Industrial District" (MG). The site is bounded by West 16th Street to the south, with the City of Newport Beach's Utility Yard located across the street, multiple tenant industrial developments to the east, and a similar live work development to the north and west ("Lighthouse"). The Costa Mesa boundary with the City of Newport Beach is located at the southern property line of the project site, and therefore the adjacent West 16th Street right-of-way (including, but not limited to, sidewalk, landscape, curb, gutter, and roadway) are physically located in the City of Newport Beach. As a result, any offsite improvements in the West 16th Street public right-of-way and maintenance thereof are subject to review and permitting by the City of Newport Beach.

Image 1 – Project Location



The project site is currently developed with an approximate 50,000 square-foot warehouse and office building, which was recently occupied by an apparel manufacturer (RVCA). (See the below Image 2.)

Image 2 - Street View of Existing Property



PROJECT DESCRIPTION:

The proposed development would include a Master Plan and subdivision (Tentative Tract Map). The project proposes 38 live/work units, with three-unit configurations, ranging from 1,999 square feet to 2,300 square feet. Each individual unit is proposed as a detached structure and includes a first-floor workspace, restroom and two-car garage. The second-floor includes living area with an open great room, a kitchen, dining area, living room, a half bathroom, and a covered deck. The third-floor living area proposes three bedrooms, two full bathrooms, and a laundry room. A partially covered rooftop deck is also proposed above the third floor. In addition to the roof deck, each unit is also proposed with private open space at the ground level. The seven units located immediately adjacent to West 16th Street include a street-facing design orientation, and these units include direct pedestrian access from the sidewalk.

The project proposes a density of 16.5 dwelling units per acre (du/acre) and the Mesa West Bluffs Urban Plan permits a density up to 20 dwelling units per acre. The maximum height proposed for each unit is approximately 44’ – 3” and consists of three floors with a roof deck above. The Urban Plan allows for a maximum building height of 60 feet and four stories. The proposed total Floor Area Ratio (FAR) for the project is 0.82, which is less than the Urban Plan maximum allowed of 1.0 FAR. Each unit is proposed with two garage parking spaces, and the site plan also includes common parking located along the street (parallel parking) and within a small parking lot located at the end of a cul-de-sac (see the “parking and Circulation” analysis provided below in this report). As proposed, site parking is not in compliance with the Urban Plan and would require approval of a deviation (specifically described below in the “Parking and Circulation” section of this report).

ANALYSIS:

Traffic Evaluation

The Transportation Division completed a preliminary trip generation analysis to compare the proposed 38-unit live/work project to existing conditions. The preliminary project trip projections indicate that the proposed development would generate 620 daily trips which exceeds the 273 total daily trips for the existing light industrial development. Pursuant to the Costa Mesa Municipal Code (CMMC), a transportation impact study is required for all development projects that generate 100 or more vehicle trip ends during a peak hour. As indicated below in Table 1 (“Preliminary Trip Generation Analysis”), the City’s Transportation Division anticipates during the AM and PM peak-hours, the proposed project would generate approximately 45 and 54 peak hour trips, respectively. Since the proposed project does not meet the criteria, a transportation impact study is not required; however, the project will be subject to traffic impact fees.

Table 1: Preliminary Trip Generation Analysis

Land Use	Units	AM Peak Hour Trips	PM Peak Hour Trips	Daily Trips
Proposed (Live/Work)	38 Dwelling Units	45	54	620
Existing (Light Industrial)	56,000 SF	41	36	273

Parking and Circulation

Pursuant to the Mesa West Bluffs Urban Plan, total parking for live/work units is based on unit size. The Urban Plan indicates that live/work units that have a floor area between 1,000 and 2,000 square feet are required to provide 1.5 tenant parking spaces per unit and 1.5 guest parking spaces. In addition, the Urban Plan specifies that units ranging from 2,000 to 3,000 square feet require two tenant parking spaces per unit and 1.5 guest parking spaces. As shown in Table 2 and pursuant to the preliminary plans, the project includes 10 units that range from 1,000 to 2,000 square feet, and 28 units that range in floor area between 2,000 and 3,000 square feet. Based on the units’ size and number of units, the project requires a total of 128 parking spaces (71 tenant parking spaces and 57 guest parking spaces).

Table 2: Project Required Parking

	Live/work Units	Required Tennant Parking Spaces	Required Guest Parking Spaces	Total
1,000 to 2,000 square-foot units	10 units	15 spaces	15 spaces	30 spaces
2,000 to 3,000 square-foot Units	28 units	56 spaces	42 spaces	98 spaces
Total:	38 Units	71 spaces	57 spaces	128 spaces

Although the applicant’s plans show 130 parking spaces for the proposed development, the plans do not reflect the parking provisions required pursuant to Mesa West Bluff Urban Plan development standards. Specifically, the project includes 32 required guest parking spaces proposed in tandem. Pursuant to the Urban Plan parking standards, “tandem garages and tandem open parking spaces are expressly prohibited”. Therefore, the project necessitates approval of a deviation from the Urban Plan to allow tandem parking to provide the required guest parking. Worth noting is that the adjacent live/work development (Lighthouse) was constructed with tandem parking on driveways in front of garages; however, the neighboring development was approved before the Urban Plans were amended to “expressly prohibit” tandem parking.

As shown below in Image 3, the project is designed with a 40-foot wide private street with parallel parking that is approximately 300-foot long and also features a 72-foot diameter cul-de-sac. The project also includes five individual streets that provide vehicular access to each of the live/work units. According to the City’s Public Works Department, the proposed circulation design concept generally complies with City standards; however, the circulation improvements will be reviewed for consistency if/when final plans are submitted. The circulation and associated right-of-way improvements would be maintained by a private homeowner’s associations.

The project will be required to provide adequate turnaround for trash trucks and emergency vehicles. The project proposes an emergency vehicle access gate between the on-grade parking lot and the private street, Hampton Drive located to the west. In order to allow for the emergency vehicle access gate, a letter of consent will be required from the neighboring community association.

The project proposes an internal pedestrian sidewalk system that provides pedestrian access to all units from West 16th Street. Similar to the adjacent live/work development located to the west, the front proposed seven units are oriented toward West 16th Street with direct pedestrian access to the existing sidewalk.

Image 3: Site Plan



The proposed project is located within a half-mile from bus stops for the 47 Line (Fullerton-Balboa) on Placentia Avenue. In addition, a class II bikeway is provided on Placentia Avenue.

Requested Deviations From Development Standards

The Urban Plans provide incentives for live/work units by allowing deviations from development standards, subject to the approval of the Planning Commission. The Urban Plan allows for development flexibility in exchange for quality projects that meet the Urban Plan vision. Council feedback is requested regarding the following project deviations.

1. Required Guest Parking

Of the Urban Plan required 57 guest parking spaces for the project, 32 are proposed in tandem which is “expressly prohibited by the Urban Plan”. Therefore, a deviation is required to provide only 25 of the required 57 guest parking spaces as non-tandem spaces, with the remaining 32 proposed to be provided in tandem.

2. Distance Between Main Buildings

Pursuant to the Urban Plan, a 10-foot separation is required for main buildings on the same site. Alternatively, the project proposes a separation of six feet between buildings which requires a deviation. The separation proposed is similar to the City’s Small Lot Ordinance and Accessory Dwelling Unit separation requirements. In addition, the California Building Code allows for a six-foot building separation. Lastly, the neighboring live/work development located directly to the west was approved with a deviation to allow for six-foot building separations.

3. Minimum Size of Workspace

The Mesa West Bluffs Urban Plan minimum workspace size is 250 square feet and excludes bathrooms, kitchens, balconies, or hallway areas. The application proposes workspaces ranging approximately from 120 to 180 square feet, and therefore necessitates a deviation from the Urban Plan’s minimum workspace size. As proposed, the workspace in each unit type would be comparable to a home office.

Proposed Building Height And Architecture

The existing General Industrial zoning designation of the site has a maximum allowable building height of 30 feet and two stories. However, with the approval of a Master Plan, the development can take advantage of the Mesa West Bluffs Urban Plan development standards which allows a maximum height of 60 feet and four stories. The project is designed with a maximum height of approximately 44 feet. The scale of the development is generally similar to the neighboring live/work project which was approved with a maximum height of approximately 35 feet (including three stories and a roof deck).

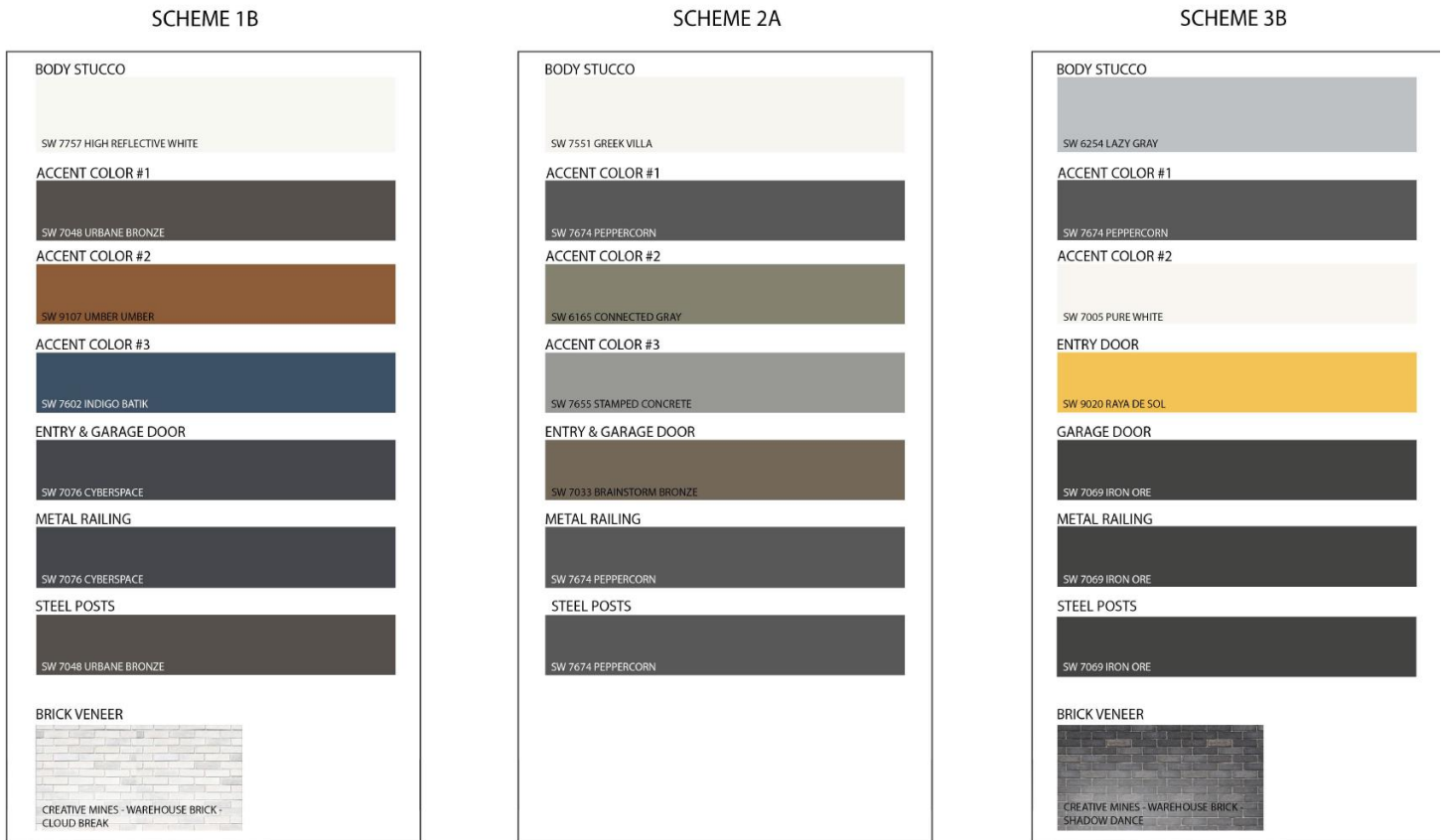
Image 4: Preliminary Renderings



The applicant submitted several exhibits showcasing contemporary architectural styles including preliminary elevations and renderings. The project proposes to be constructed with modern architectural elements with multiple building panes and materials. The side and rear elevations are predominantly stucco with small bands of different materials to break up the façade. Each unit is proposed to include a roof deck with patio cover, metal railings, and colored brick veneer siding at the

work area frontage. These designs incorporate various offsets, articulations, and construction materials to enhance the buildings' aesthetic qualities. As shown in Image 5 below, the project proposes stucco cladding and various accent colors and veneers depending on the unit type. Details regarding the architectural style, materials used, building facades, as well as shade and shadow analysis, will be required and thoroughly reviewed with the future Master Plan application submission.

Image 5: Preliminary Color and Material Board



Landscaping

Approval of a detailed landscape plan will be required to be submitted with the Master Plan and to be reviewed by the Planning Division prior to issuance of any building permits. Pursuant to the Mesa West Bluffs Urban Plan, the project will include on-site landscaping, plazas and courts, art, fountains, seating, or shade shelters. The amount of landscaping required onsite is prescribed in the Zoning Code's Landscape Ordinance. All landscaped areas will consist of predominantly California native plants.

Off-Site Improvements

Pursuant to the Urban Plan, off-site improvements include, but are not limited to, upgrades to a local street, sidewalks, water and sewer, drainage, curbs and gutters, street signs, park in lieu fees, utility easements, and landscaping. Details and phasing of required off-site improvements would be addressed with the Master Plan's processing. Because Costa Mesa's city boundary is located on the

south property line of the project immediately adjacent to the public-right-of-way, all public improvements within the West 16th Street right-of-way are subject to the requirements of the City of Newport Beach. City staff will work in coordination with the City of Newport Beach staff to ensure the necessary circulation improvements, and high-quality public-right-of-way aesthetics.

MERITS OF THE PROPOSED PROJECT:

The following is a summary of the merits of the proposed live/work project at this location:

1. Project meets objectives of the Mesa West Bluffs Urban Plan. The project promotes a type of urban housing including live/work units. All units include a ground floor office or workspace that can be utilized for small home-based occupations by professionals who work from home.
2. Project location would be appropriate for the proposed land use. As envisioned by the Urban Plan, the project is compatible with the surrounding light industrial and residential uses. The project location is adjacent to other residential uses, near the Banning Ranch Reserve, and within walking distance to businesses in Westside Costa Mesa. The location is immediately across the street from the Newport Beach Utility yard which does not tend to operate during later hours and is generally a low noise generator. Though mixed-use and live/work projects are exempt from the exterior noise standards required by the Zoning Code for private open space in residential zones, the Urban Plan requires that a noise study and a Phase 1 Environmental Assessment be submitted with the Master Plan application.
3. Proposed Development is consistent with the objectives of the Zoning Code and Urban Plan. The proposed project is consistent with the goals and policies of the General Plan, and live/work development standards of the Mesa West Bluffs Urban Plan. The proposed development generally meets the development standards and setback requirements with deviation requests, which are allowed by the Urban Plan.

POTENTIAL FURTHER PROJECT DESIGN CONSIDERATIONS:

Since a detailed site plan, architectural plans and project description have not been submitted, staff will continue to work with the applicant on the following issues at the Council's direction:

1. Residential Amenities. In exchange for deviating from Urban Plan standards, the project should provide quality environments and amenities. As currently proposed, the site plan does not show any residential amenities. Staff and the applicant will continue to discuss ways in which the project can address these needs.
2. Internal Circulation. The project includes an approximate 350-foot long "neighborhood street" bisecting the property which ranges from 40 feet in width to 72 feet in width at an internal cul-de-sac. Parallel parking is provided on both sides of the street. A substantial portion of the lot is proposed to be hardscaped for the purposes of motor vehicle parking and circulation. Staff believes that a certain amount of this pavement area could be used for other resident amenities. Staff and the applicant will work together on ways to accommodate additional open space,

landscaping and/or other on-site amenities by considering alternative design options for the proposed street.

3. A final review of adequate fire access will be conducted during the development application process. While the preliminary plan has been reviewed by City's Fire Prevention Division, the Master Plan submittal will need to provide a fire master plan to be reviewed and approved.

GENERAL PLAN LAND USE DESIGNATION AND POLICIES:

The following project-applicable General Plan goals and policies should be reviewed and considered by the City Council in the context of the overall project:

Goal LU-1: *A balanced community with a mix of land uses to meet resident and business needs.*

The project will provide 38 live/work units that would create a mixed residential and commercial land use, and provide additional housing opportunities in compliance with the City's required Regional Housing Needs Allocation.

POLICY LU-1.3: *Strongly encourage the development of residential uses and owner-occupied housing (single-family detached residences, condominiums, townhouses) where feasible to improve the balance between rental and ownership housing opportunities.*

The project proposes 38 ownership housing units. The Urban Plan requires that live/work development be ownership housing. The inclusion of 38 additional ownership units will improve the balance of rental and ownership housing in the City.

Policy LU-6.1: *Encourage a mix of land uses that maintain and improve the City's long-term fiscal health.*

The development would occupy 0.6 percent of the City's Light Industrial land use district and may incrementally affect the City's revenue base. Additionally, an increase of 38 live/work units would necessitate additional City services and infrastructure but also provides a potential employee and customer base to Costa Mesa's businesses while also providing potential revenue from the work component of each unit.

Policy LU-7.1: *Endeavor to create mixture of employment opportunities for all economic levels of residents and businesses.*

In keeping with this policy, the City will need to retain a sustainable level of industrial and commercial land uses to create a mix of employment opportunities for all economic levels of residents and businesses. Although there will be fewer employment opportunities with the live/work proposal in comparison with the current light industrial uses, considering the State and regional objective to increase housing supply, housing units may be considered a higher local/regional priority at the Council's discretion. In addition, developing housing in proximity to

major employment would reduce the vehicle miles travelled (VMT) and contribute to the overall sustainability goals of the region in terms of reducing greenhouse gas emissions.

Policy C-5.11: *Maintain balance between land use and circulation systems by phasing new development to levels that can be accommodated by roadways existing or planned to exist at the time of completion of each phase of the project.*

Pursuant to Transportation Division's preliminary trip generation estimate, the proposed development is consistent with the existing circulation system and proposes an increase of 347 total daily trips and total of 54 maximum peak hour trips. A transportation impact study is required for all development projects that generate 100 or more vehicle trip ends during a peak hour. Since the proposed project does not meet the criteria, a transportation impact study is not required; however, the project will be subject to traffic impact fees.

Policy C-6.12: *Require that every new development project pay its share of costs associated with the mitigation of project generated impacts.*

The project will be subject to the payment of development impact fees including parkland impact fees, traffic impact fees, and school fees.

Policy HOU-3.2: *Encourage the development of well-planned and designed residential or mixed-use projects which, through vertical or horizontal integration, provide for the development of compatible residential, commercial, industrial, institutional, or public uses within a single project, neighborhood, or geographic area within the City.*

The project proposes a 38 unit live/work development consisting of ground floor workspaces and upper floor residential spaces. The project proposes to be constructed with modern architectural elements with multiple building panes and materials similar to other live/work developments in the area. The seven units that are adjacent to West 16th Street are oriented toward the street with direct sidewalk access and provide for an "open neighborhood feel" design.

Policy HOU-3.4: *Consider the potential impact of new housing opportunities and their impacts on existing residential neighborhoods when reviewing development applications affecting residential properties.*

The project is proposed adjacent to the "Lighthouse" neighborhood, another live/work development consisting of 49 residential units and 40 live/work units. The units were also developed with a Master Plan subject to the requirements of the Mesa West Bluffs Urban Plan. The project was approved in November 2014 and was constructed soon after. The proposed project is not anticipated to negatively impact the residential and live/work uses to west and north.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The project is subject to environmental review pursuant to the California Environmental Quality Act, and therefore, an initial study will be prepared to determine whether the project might result in environmental effects. If required, the environmental document would identify feasible mitigation measures (e.g., noise reducing and air quality measures for residential units) to reduce any significant environmental impacts of the project. Additional technical studies are required and would be submitted with the Master Plan application, including a Phase 1 Environmental Assessment, and a noise study.

ALTERNATIVES:

Because the screening process allows the applicant to consider the City Council's initial comments and to refine the development concept based on Council feedback prior to submittal of a land use application for review, and no decisions are made, there are no alternative actions for the City Council to consider.

FISCAL REVIEW:

The City prepared a fiscal model based on adopted land uses through the 2015-2035 General Plan update. Commercial and Industrial uses were assumed on the project site for fiscal analysis purposes; this included a variety of assumptions such as property tax, sales tax, franchise tax, etc. If the project proceeds to the submittal of a Master Plan application, staff will conduct a comprehensive project-specific fiscal analysis that will include an identification of both positive-and-negative fiscal impacts.

LEGAL REVIEW:

The City Attorney has reviewed this report and has approved it 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:

The screening process enables the City Council to address the central question about the proposed development: "Does the project concept meet Council's expectations for new development in the Mesa West Bluffs Urban Plan area?" The City Council's comments do not set precedent for approval/denial nor constitute final action on the development project. In addition, the applicant may expect that the City staff review and the Planning Commission will have other project comments/concerns that may not have been considered by the City Council. The screening process allows the applicant to consider Council's initial comments and to refine the development concept based on their feedback.