



# PLANNING COMMISSION AGENDA REPORT

MEETING DATE: May 27, 2025    ITEM NUMBER: NB-1

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**SUBJECT:    PRESENTATION PERTAINING TO THE PROPOSED HIVE LIVE PROJECT (PGPA-23-0002) INCLUDING A FINAL ENVIRONMENTAL IMPACT REPORT, GENERAL PLAN AMENDMENT, REZONE, SPECIFIC PLAN AMENDMENT, MASTER PLAN, VESTING TENTATIVE PARCEL MAP, DENSITY BONUS AGREEMENT, AND DEVELOPMENT AGREEMENT FOR A THREE-PHASED, 1,050-UNIT, RESIDENTIAL DEVELOPMENT WITH 3,692-SQUARE-FOOT RETAIL COMPONENT AT 3333 SUSAN STREET**

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

**PRESENTATION BY:    CHRIS YEAGER, SENIOR PLANNER**

**FOR FURTHER                    CHRIS YEAGER  
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## **RECOMMENDATION:**

Staff recommends that the Planning Commission:

1. Conduct a study session including receiving presentations from staff and the applicant and taking public comments.

## **APPLICANT OR AUTHORIZED AGENT:**

The authorized agent is Tim O'Brien representing Legacy Partners.

**PLANNING APPLICATION SUMMARY**

<u>Location:</u>	<u>3333 Susan Street</u>	<u>Application Number:</u>	<u>DEIR (SCH No. 2024060115); PGPA-23-0002</u>
<u>Request:</u>	The proposed Hive Live project would redevelop the 14.25-acre subject property with up to 1,050 residential units (rental units with a minimum of 105 affordable (low-income) units, 3,692 square feet of retail space, and 335,958-square feet of open space including private balconies. The request includes a General Plan Amendment to change the General Plan land use designation of the subject property from Industrial Park to Urban Center Commercial and High Density Residential and to establish a site-specific density of 62 dwelling units per acre, Rezone to change the site's zoning designation from Industrial Park (MP) to PDC (Planned Development Commercial) and PDR-NCM (Planned Development Residential - North Costa Mesa), North Costa Mesa Specific Plan Amendment to establish site-specific zoning regulations and guidelines, a Master Plan to implement the Specific Plan and provide site plan and architectural details, a Tentative Parcel Map for phasing purposes, and a Development Agreement between the applicant and the City.		

SUBJECT PROPERTY:

SURROUNDING PROPERTY:

<u>Zone:</u>	Current: MP (Industrial Park)  Proposed: <ul style="list-style-type: none"> <li>• <u>Phase 1:</u> PDC (Planned Development Commercial)</li> <li>• <u>Phase 2-3:</u> PDR-NCM (Planned Development Residential - North Costa Mesa)</li> </ul>	<u>North:</u>	Office complex within the City of Santa Ana.
<u>General Plan:</u>	Current: Industrial Park  Proposed: Phase 1: Urban Center Commercial Phase 2: High Density Residential	<u>South:</u>	PCD - Planned Development Commercial (IKEA)
<u>Lot Dimensions:</u>	Irregular	<u>East:</u>	PDC - (AAA Parking Lot) PDR-MD, Planned Development Residential - Medium Density (Providence Park)
<u>Lot Area:</u>	14.25-acres	<u>West:</u>	PDC - Anduril
<u>Existing Development:</u>	Hive Creative Office Campus and former Chargers Training Field.		

DEVELOPMENT STANDARDS COMPARISON

<u>Development Standard</u>	<u>Requirement</u>	<u>Proposed/Provided</u>
Maximum Floor Area Ratio (FAR)	.40 (70,128 SF)	Phase 1: 0.01 (3,692 SF)
Base Dwelling Units per Acre	62	62
Maximum Building Height	7 stories 85 FT Maximum	Phase 1: 73'-3" Phase 2: 77'-6" Phase 3: 77'-6"
Minimum Lot Area	1 acre	Phase 1: 4.68 acres Phase 2: 4.44 acres Phase 3: 5.13 acres

<u>Development Standard</u>	<u>Requirement</u>	<u>Proposed/Provided</u>
Open Space	42%	Phase 1: 44% (90,685 SF) Phase 2: 42% (81,998 SF) Phase 3: 44% (98,539 SF)
Phase 1 Setbacks and Perimeter Open Space	20 ft perimeter landscaping abutting all right of ways. <sup>1</sup>	North - 26' East (Susan Street Frontage) - 2.3' South (South Coast Drive Frontage) - 16.5' West - 46.3'
Phase 2 Setbacks and Perimeter Open Space	20 ft perimeter landscaping abutting all right of ways. <sup>1</sup>	North - 10.5' East (Susan Street Frontage) - 12.2' South - 25.5' West - 37.6'
Phase 3 Setbacks and Perimeter Open Space	20 ft perimeter landscaping abutting all right of ways. <sup>1</sup>	North (Sunflower Avenue Frontage) - 10' East (Susan Street Frontage) - 10' South - 50.8' West - 37.9'
Parking		
Residential (Density Bonus)	1,224	1,741
Retail	15	15
Total Parking	1,239	1,756
<sup>1</sup> Reductions in the perimeter landscaping may be permitted. See the Open Space discussion below.		
CEQA Status	Environmental Impact Report (SCH No. 2024060115)	
Final Action	City Council	

**EXECUTIVE SUMMARY:**

Legacy Partners (applicant) has filed applications for the development of a three-phased, 1,050 unit residential development located at 3333 Susan Street. The application includes a General Plan Amendment, Rezone, North Costa Mesa Specific Plan Amendment, Master Plan, Tentative Parcel Map, Density Bonus Agreement, and Development Agreement. The approximately 14.25-acre site is currently designated for Industrial uses. The existing development is proposed to be demolished and redeveloped to accommodate the residential development. Each project phase would be a stand-alone apartment building with its own amenities, parking, and leasing office. While the Planning Commission typically serves as the final review authority for a Tentative Tract Map and Master Plan applications, in this case, all related applications—General Plan Amendment, Rezone, Specific Plan Amendment, Master Plan, Tentative Parcel Map, and Development Agreement require City Council approval. As these requests are being processed concurrently, the Planning Commission would provide a recommendation to the City Council for decision.

The proposed project complies with development standards, as demonstrated in the planning application summary tables, including lot area, private open space, and building separation and deviations are required for increased floor area ratio (FAR), reduced common use open space, landscape parkways, reduced setbacks, and reduced

parking. On August 1, 2023, the City Council reviewed a General Plan screening application for the proposed 1,050-unit development and provided feedback. In accordance with the California Environmental Quality Act (CEQA), the project requires certification of a Final Environmental Impact Report (FEIR) and adoption of a Mitigation Monitoring and Reporting Program (MMRP). Staff recommends that the Planning Commission receive the project presentation, ask questions to staff and the applicant, and allow for public comment. The project will be presented as a public hearing to the Planning Commission on June 9, 2025 for review and recommendation to City Council.

**BACKGROUND:**

The project site located at 3333 Susan Street, is the current location of the “Hive Creative Office Campus,” which is currently a 172,176-square-foot creative office space campus and a former practice field for the Los Angeles Chargers that was constructed in the early 2000’s. While the majority of the suites are currently vacant, Table 1 below identifies the existing tenants.

Table 1 Existing Tenants			
Tenant	Unit Number	Square Footage	Lease Ends
3335 Susan Street			
Steelwave	250	4,432	12/31/2024
Agility Fuel Systems	100	12,072	11/30/2025
Lost Bean	Café	1,500	7/31/2027
3337 Susan Street			
Lazy Dog	100	13,901	05/31/2026
Anduril	150	4,924	04/30/2029
McCann CM Inc.	200	13,877	06/30/2027
Acclara Holdings	210	1,966	7/31/2025
Morrissey Associates	225	3,475	4/30/2028
Legacy Partners	250	3,500	12/31/2028

The property is bounded by Sunflower Avenue to the north, Susan Street to the east, South Coast Drive to the south, and the Rail Trail and the Anduril headquarters to the west. The site has a General Plan Land Use Designation of “Industrial Park”, is zoned “Planned Development Industrial” (PDI), and is located within the North Costa Mesa Specific Plan (NCMSP) boundary - Specific Plan Area 1: Home Ranch.

The City adopted the 6<sup>th</sup> Cycle Housing Element on November 15, 2022. The four acre training field portion of the project site was identified as a candidate housing opportunity site in the 6<sup>th</sup> Cycle Housing Element, estimated for up to 90 dwelling units per acre and 432 total dwelling units, including 68 very low income units, 39 low income units, and 72 moderate income units.

Surrounding developments include the Anduril headquarters to the west, the Ikea home furnishing retail store to the south (across South Coast Drive), industrial office development to the north in the City of Santa Ana, and the Automobile Club of Southern California (AAA) parking lot and a gated residential community (Providence Park) with a mixture of multifamily and single-family dwellings to the east (across Susan Street). The site is situated generally in the northwest portion of the City, north of the I-405 Freeway.

The project site is entirely within the Airport Planning Area for John Wayne Airport, as defined by the Airport Land Use Commission (ALUC) of Orange County. Consequently, any proposed amendments to the General Plan or NCMSP must be referred to the ALUC for a consistency determination prior to adoption by the City Council. Following a recommendation from the Planning Commission, ALUC consistency must be confirmed before City Council action. This requirement aligns with Section 21676(b) of the California Public Utilities Code, which mandates that local agencies submit such proposals to the ALUC to ensure compatibility with the Airport Environs Land Use Plan (AELUP). Staff has requested that the project be heard by ALUC at its regular meeting on June 19, 2025.

The project site also resides within a “Measure K” corridor. This measure, approved by Costa Mesa voters on November 8, 2022, seeks to revitalize commercial corridors by promoting new housing in commercial and industrial areas while preserving the character of adjacent residential neighborhoods. The measure allows for land use changes within identified corridors including general plan amendments, rezoning, and specific plan amendments without a vote of the people.

Exhibit 1, below, shows the location of Specific Plan Area 1, Home Ranch. The location is north of the 405 freeway, generally between Fairview Road and Harbor Boulevard. The highlighted portion of the map shows the location of the subject site in relation to the rest of the Home Ranch subarea, in purple. Prior to the current development, the land was used for agricultural purposes.

### ***Site History***

The Costa Mesa City Council adopted the NCMSP (Specific Plan) in July 1994, which included the project site and surrounding area as Segerstrom Home Ranch (Area 1). Area 1 was amended on November 19, 2001, to increase the size and amend the land use designations, FAR, and trip budgets. In 2001, a Development Agreement (DA-00-01) was approved and authorized a maximum 0.40 FAR for the project site. In 2002, the current development was approved through Master Plan PA-02-34. On November 17, 2003, the specific plan was amended (SP-03-02) to modify acreage and building square footage allocation to allow for an additional parking area at IKEA within the area 1 sub-areas. In 2008, Final Master Plan PA-08-09 was approved to allow for a new office building in the southern portion of the lot. However, the building was never constructed and Final Master Plan PA-08-09 approval has since expired.

The project site was used for agricultural purposes and was undeveloped until 2002. In 2003, the project site was graded in preparation for the construction of the Hive Creative Office Campus. By 2004, the Hive Creative Office Campus had been built and in 2017, the southern, undeveloped, portion of the site was converted into the Los Angeles Chargers practice field. On November 1, 2023, the Los Angeles Chargers announced their intention to relocate their operations from the project site to the City of El Segundo.

While not proposed at this point, Anduril has a right of first offer to develop an additional office building on the Phase 1 site. If an office is proposed in the future of the southern parcel after the entitlement of Hive Live, then the future office project would require a Master Plan amendment, and would be reviewed on its own merits in compliance with the updated General Plan, Zoning district, and North Costa Mesa Specific Plan.

### **General Plan Amendment Screening**

City Council Policy 500-2 establishes a procedure for processing privately-initiated General Plan Amendments. This procedure involves a City Council screening of these requests prior to their acceptance for formal processing. The General Plan Screening is not a public hearing but requires a majority vote by the City Council in order for the application to proceed and be evaluated under the City's entitlement process

On August 1, 2023, the City Council conducted a General Plan Screening for the proposed development. At that meeting, the City Council on a 7-0 vote directed staff to allow for the submittal of a land use application for a General Plan Amendment. The City Council staff report, minutes, and video of the Hive Live General Plan Screening are available at these links:

August 1, 2023 City Council staff report of the Hive Live General Plan Screening:  
<https://costamesa.legistar.com/LegislationDetail.aspx?ID=6302381&GUID=4796909F-C1D3-4E33-B520-43011BBAB271>

Minutes from August 1, 2023 City Council meeting:  
<https://costamesa.legistar.com/View.ashx?M=M&ID=1110310&GUID=8F87A834-2BA3-42ED-A347-46BA72D47039>

Video from August 1, 2023 City Council meeting:  
[https://costamesa.granicus.com/player/clip/4021?view\\_id=14&redirect=true](https://costamesa.granicus.com/player/clip/4021?view_id=14&redirect=true)

### **PROJECT DESCRIPTION**

The project proposes to demolish the existing Hive Creative Office Campus and the former Los Angeles Chargers practice field and construct a new three-phased master-planned residential community ("Hive Live"). The project proposes up to 1,050 dwelling rental units in three buildings, 3,692 square feet of retail uses, and 335,958

square feet of open space. (i.e., publicly accessible open space area, private common open space, and private balconies). The phases are briefly summarized as follows and described more in detail in the Master Plan section of the report.

- Phase 1, located at the corner of South Coast Drive and Susan Street, proposes to include 315 units, 523 parking spaces, 27 short-term and long-term bike parking spaces, and 3,692 square feet of retail space and would be five stories with a maximum height of 73 feet, 3 inches.
- Phase 2, located midblock on Susan Street between South Coast Drive and Sunflower Avenue, proposes 346 units, 574 parking spaces, 29 short-term and long-term bike parking spaces, and would be five stories with a maximum height of 77 feet, 6 inches.
- Phase 3 proposes 389 units, 644 parking spaces, 33 short-term and long-term bike parking spaces, and would be five stories with a maximum height of 77 feet, 6 inches.

Each phase would be independent of one another is proposed to have its own amenities, leasing office, and distinct architectural elements. Vehicular access is provided by existing drive approaches on Susan Street which will be reconstructed. Pedestrian access points are located throughout the project. All proposed infrastructure improvements would be located on-site with lateral connections located in the public right-of-way. The proposed development requires the following planning applications:

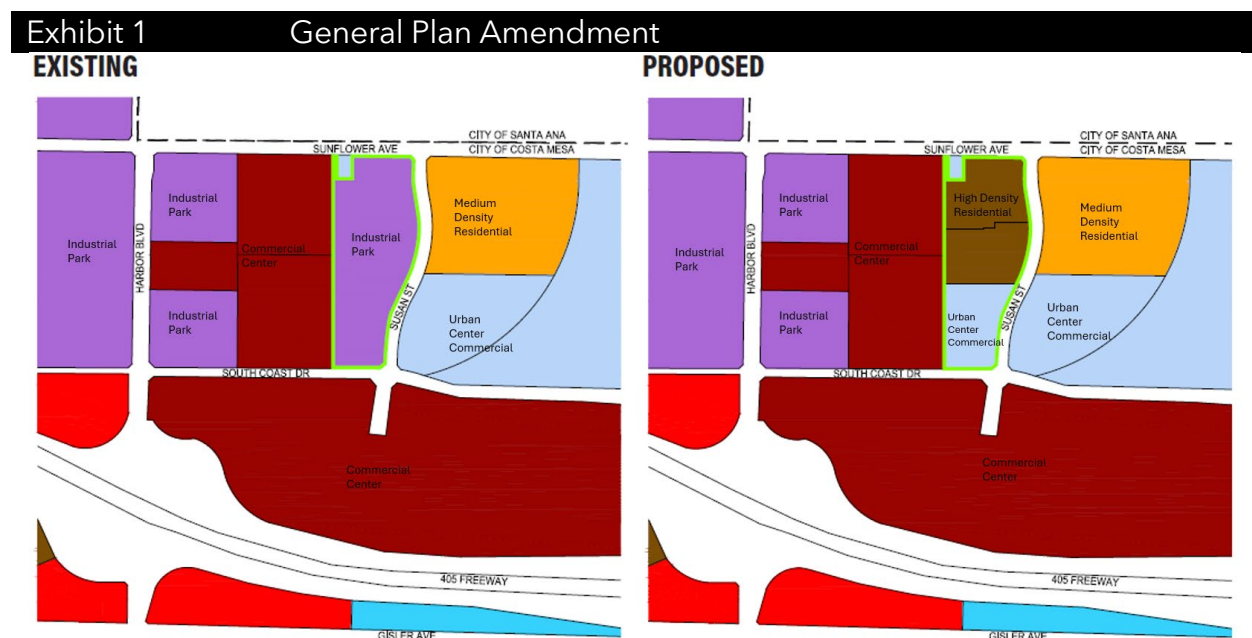
- General Plan Amendment
  - Existing Land Use Designation: Industrial Park
  - Proposed Land Use Designation: Urban Center Commercial and High Density Residential with base residential density of 62 dwelling units to the acre.
- Zone Change
  - Existing Zoning District: PDI - Planned Development Industrial.
  - Proposed Zoning District: PDC - Planned Development Commercial and PDR-NCM - Planned Development Residential - North Costa Mesa.
- North Costa Mesa Specific Plan Amendment
  - Existing: The existing Specific plan establishes the maximum development on the site for industrial park uses.
  - Proposed: New applicable development standards, site-specific base density (62 units/acre), intensity standards, and other necessary changes to the NCMSP.
- Master Plan - Required for development in Planned Development zones. Establishes architecture and site design for proposed development.

- Vesting Tentative Parcel Map - Proposed to subdivide the project site into three new parcels to facilitate phasing of development.
- Density Bonus Agreement - Request to provide 869 base units with a minimum of 10% affordable income (105 units proposed) for a 20% density bonus. The request includes waivers to deviate from the parking development standards and a request to utilize density bonus parking ratios.
- Development Agreement - Requested by the developer to extend vested term of development to 20 years with two five-year extensions in exchange for community benefits to be negotiated with the City.
- Environmental Impact Report - required to assess and disclose the potential significant environmental effects of the proposed project, as mandated by the California Environmental Quality Act ("CEQA").

## **ANALYSIS**

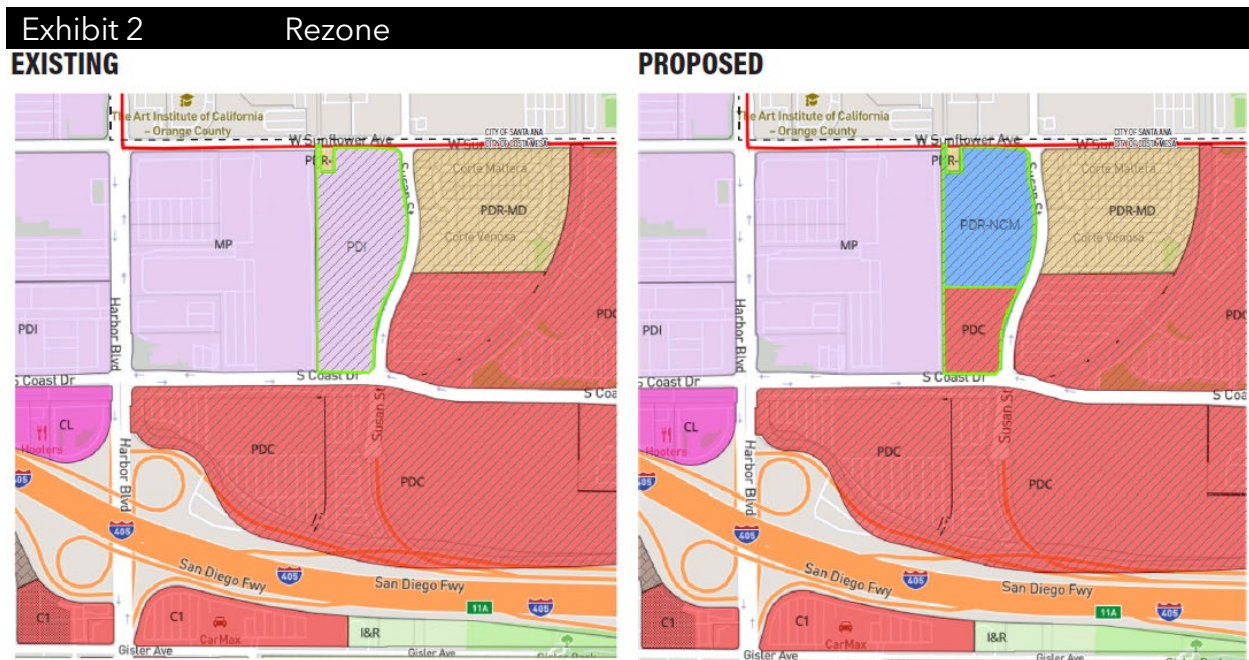
### ***General Plan Amendment and Rezone***

As shown in Exhibit 1 below, the project site has a current General Plan land use designation of "Industrial Park" which allows for development of office and industrial uses. The "Industrial Park" land use designation is characterized by large parcels near major transportation routes for regional accessibility. The overall City-wide land area dedicated to "Industrial Park" is 630.13 acres (this proposed site accounts for approximately two-percent of the City's "Industrial Park" land use area).





To allow for the development of the project, an amendment to the Land Use Element of the General Plan is proposed. The amendment would change portions of the text, graphics, and tables within the Land Use Element; all other General Plan elements would remain the same. The Land Use Element would be amended to change the site's existing Industrial Park land use designation to Urban Center Commercial on the southern parcel and High Density Residential on the two northern parcels. The Urban Center Commercial designation is intended to allow high-intensity mixed-use commercial development within a limited area. Developments within this designation can range from one- and two-story office and retail buildings to mid- and high-rise buildings of four to approximately 25 stories, provided the maximum building height set forth in the North Costa Mesa Specific Plan is not exceeded. Appropriate uses include offices, retail shops, restaurants, residential, and hotels. High-Density Residential land use designations are intended for residential development with a density of up to 20 units to the acre with some exceptions. Sitewide, the proposed General Plan Amendment would allow for a site-specific density up to 62 dwelling units per acre.



As shown in Exhibit 2 above, the proposed rezone would replace the site's current PDI zoning district with PDC on the southern parcel and PDR-NCM on the two northern parcels to allow a mixed-use development with residential and commercial (retail) uses. Pursuant to Costa Mesa Municipal Code (CMMC) Section 13-20, *Zoning Districts*, PDC districts are intended for retail shops, offices and service establishments, including but not limited to, hotels, restaurants, theaters, museums, financial institutions, and health clubs. These uses are intended to serve adjacent residential areas, as well as the entire community and region. Complementary residential uses may also be included in the planned development. PDR-NCM districts are intended to provide for excellence in the

design of residential projects. Site design could include single-and multiple-family residential developments containing any type or mixture of housing units, either attached or detached, including but not limited to clustered development, townhouses, patio houses, detached houses, duplexes, garden apartments, high rise apartments or common interest developments.

According to the City's General Plan Land Use Element, areas designated as High-Density Residential are intended for residential development with a density of up to 20 units per acre with some exceptions. These exceptions include "density bonuses" or density as permitted through approved Specific Plans or Master Plans. The General Plan states that "High-Density Residential areas should be in proximity to transportation routes, especially those served by public transit, and also within convenient distances to shopping and employment centers. Although proximity to transportation routes can result in a residential development being subject to impacts, High-Density Residential development can be less susceptible to impacts when visual and acoustical shielding techniques are incorporated into the project.

The site is generally consistent with this description in that it is located on three major streets Susan Street, Sunflower Avenue and South Coast Drive. The project site is also easily accessible to the 405 freeway. There are OCTA bus routes 43, 47, 150 nearby on Sunflower Avenue, Fairview Road, and Harbor Boulevard. These routes connect the site to the remainder of the City and other surrounding cities in both a north-south and east-west direction. The closest bus stops are at Fairview Road and South Coast Drive, Fairview Road and Sunflower Avenue, Harbor Boulevard and Sunflower Avenue, and Harbor Boulevard north of South Coast Drive. There are also on-street Class 2 bike lanes on South Coast Drive, Susan Street, and Sunflower Avenue. The area north of the 405 generally has a mix of retail, restaurant, shopping and employment opportunities. The project site is surrounded primarily by employment opportunities and is also approximately  $\frac{3}{4}$  mile from Sprouts grocery store and Target located south of the 405. Residents serving retail and restaurants exist in the area (Ikea across South Coast Drive, commercial retail center at the northeast corner of Harbor Boulevard and Sunflower Avenue, and other retail centers at the northern corners of Fairview and Sunflower Avenue.

If approved, the site-specific density would be reflected in the General Plan Land Use Element as well as Table 13-58 of the CMMC that specifies sites with a specific density allowance.

#### Fiscal Review:

Due to the unique nature of the proposed project including a General Plan Amendment and Rezone, staff evaluated the project's fiscal impact to the City. A fiscal impact analysis was prepared by RSG, Inc. and was reviewed by the City's Finance Department. The analysis projects the expenditures and revenue directly to the City as a result of the project. If a project has a net fiscal surplus, then the use itself has a fiscal benefit to the

City on its own. RSG projected the new fiscal impacts generated by the Project over a 28-year forecast period and found that once the project is fully built, the project would result in an estimated annual net review to the City of approximately \$347,000 because RSG determined that the property tax and sales tax revenue would exceed the projected annual city expenditures related to public services.

**North Costa Mesa Specific Plan Amendment (NCMSP)**

The existing NCMSP acts as a bridge between the General Plan and project development. The Specific Plan Amendment would modify the NCMSP development standards, regulations, design guidelines, infrastructure systems, and implementation strategies on which project-related development activities would be founded. When a specific plan is adopted, it replaces portions or all of the current zoning regulations for specified parcels within the specific plan area and establishes an independent set of zoning regulations that govern use and development of properties within the bounds of that specific plan. As outlined in Table 2 below, the Specific Plan Amendment includes modification to NCMSP Table 4A to allow for up to 62 dwelling units per acre, building heights up to 7 stories and 85 feet in height, and a maximum commercial square footage of 70,128-square-feet on the southern parcel, should the southern parcel be developed by an office building instead of the proposed residential use. The NCMSP amendment also includes provisions for reconstructions should development be completely or partially destroyed.

Table 2 NCMSP Amendment					
Land Use	Acreage	FAR/Density	Maximum Units/Square Footage	Maximum Stories/Height	Open Space
C. HIVE LIVE <sup>1</sup>	14.25	0.40 FAR <sup>2</sup> (up to 62 units per acre)	70,128 square feet (875 multi-family units)	1-7 stories/45-85 feet	Balconies to average a min 50 SF except studios

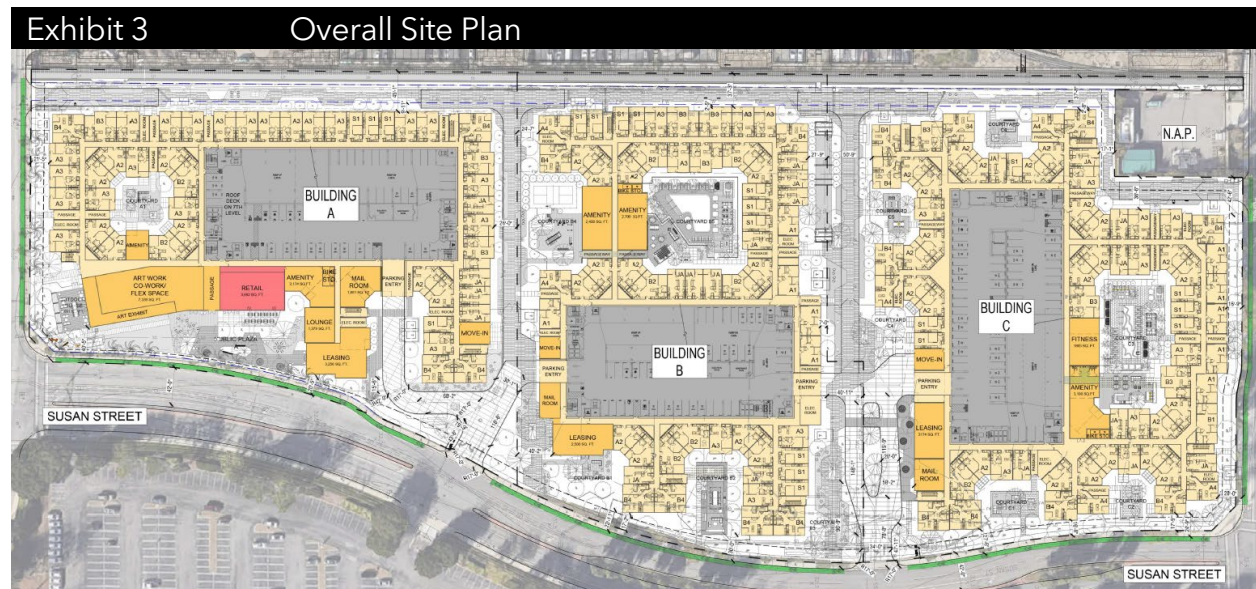
The NCMSP also assigns a trip budget to the site. Currently, the subject industrial park sub area of Home Ranch allows for 376 AM peak hour trips and 362 PM peak hour trips. The proposed project would include 376 AM peak hour trips and 443 PM peak hour trips. The applicant submitted a trip generation study that has been reviewed by the City’s Transportation Division and is further discussed in the Traffic and Vehicular Circulation section of the Master Plan Analysis below.

**Master Plan**

The NCMSP provides guidance for the development of a specific area by outlining the allowed land uses, development standards, and general design guidelines. Master Plans are provided to implement the specific plan and detail the specific architecture,

landscape architecture, and civil engineering attributes of a project. Master Plans are required for all Planned Development Zones. In addition, the Master Plan provides more details regarding the project's structural setbacks and distances between buildings; required right-of-way dedications and easements; property lines and dimensions; pedestrian access and circulation; landscape and open space areas; floor plans; roof plans; conceptual landscape plan; and renderings/streetscape views, among others. Overall, the Master Plan depicts the development plans that implement the amended Specific Plan's development standards and design guidelines. The Master Plan would include the overall site plan, floor plan, architectural design and elevations, site landscape/hardscape, site lighting design, and construction phasing.

The proposed site plan is shown below as Exhibit 3 and includes three distinct phases, each with its own parking structure, amenities, and leasing office. Pedestrian circulation is provided throughout the site via paseos between and behind the buildings which double as emergency vehicle access roads. The project includes the reconstruction of the two vehicular entrances on Susan Street to access all three buildings. The driveways will connect to the parking structures which are wrapped with the living space, concealing the parking structures from view on- or off-site. In addition to project vehicular driveways, the existing driveway along Sunflower Avenue and a new driveway along South Coast Drive would be modified for emergency access and pedestrian access only. Within the project site, four 20-foot-wide secondary emergency fire access roads would be provided.



### Phase 1

Phase 1 is proposed along the southernmost portion of the project site at the corner of South Coast Drive and Susan Street and would be five stories with a maximum height of 73 feet, 3 inches. The approximately 386,309-square foot building would consist of 315

residential units and amenities, including a leasing office, indoor and outdoor lounges, a ground-level internal courtyard, public plaza, general amenity space, mail room, bicycle storage space, art work/co-work/flex space, art exhibit, move-in area, and retail space. Additionally, a roof deck is proposed, above the wrap-around (aboveground) parking structure, featuring a 1,521-square-foot fitness facility, 2,215 square foot roof lounge, and outdoor deck and pool. In total, Building A would provide 382,617 square feet of residential square footage and 3,692 square feet of non-residential square footage (i.e., retail space). Approximately 538 parking spaces (523 parking spaces for residential uses and 15 for non-residential uses) would be provided for Building A within the 210,020-square foot southernmost wrap-around parking structure.



As shown in exhibit 3 above, Phase 1 incorporates modern architectural elements including large open storefront windows at the public spaces, and modern building materials including stucco, wood like fiber cement siding, metal paneling, stone tile, glass guardrails, and metal accents. The southeast corner of the project includes a publicly accessible plaza area with direct access to the retail component. Artwork is proposed throughout the plaza and within the building itself.

### Phase 2

Phase 2 would be located in the central portion of the project site adjacent to Susan Street and would be five stories with a maximum height of 77 feet, 6 inches. The approximately

388,293-square foot building would consist of 346 residential units and amenities, including a leasing office, ground-level courtyards, general amenity space, dog park, mail room, move-in area, and bicycle storage space. Approximately 572 parking spaces would be provided within the 216,794-square foot central wrap-around parking structure.

As shown in exhibit 4 below, Phase 2 also incorporates modern architectural elements, but also incorporates industrial elements to pay homage to the Industrial Park zoning and industrial history of Costa Mesa. Similar building materials are proposed from Phase 1 and other elements include standing seam metal roofs and gable roofs and saw-tooth roof forms.



### Phase 3

Phase 3 is proposed along the northernmost portion of the project site adjacent to Sunflower Avenue and would be five stories with a maximum height of 77 feet, 6 inches. To reduce impacts to the established neighborhood, Providence Park, to the east, the east façade is reduced down to four stories. The approximately 441,005-square foot building would consist of 389 residential units and amenities, including a leasing office, ground-level courtyards, fitness room, general amenity space, mail room, move-in area, and bicycle storage space. Approximately 643 parking spaces would be provided for Building C within the 232,496-square foot northernmost wrap-around parking structure.

As shown in Exhibit 5 below, Phase 3 also incorporates modern architectural elements and also incorporates modern Scandinavian architectural elements. Similar building materials are proposed from the other phases and other elements include multiple

gabled roofs, a mix of cladding materials, inset balconies, and courtyards which break up the facade.



### Unit Breakdown

The proposed unit mix includes a mix of studio, one, and two-bedroom units in nine different floor plan layouts. The project includes 131 studios, 489 one-bedroom units, 399 two-bedroom units and 38 three-bedroom units. Each of the proposed floor plans includes a main living area (kitchen, living room), bedrooms (with walk-in-closet for some unit types), bathrooms, and washer/dryer. The one, two, and three-bedroom units would also include a balcony. A summary of the unit types and unit breakdown per building is shown in Table 3 below.

<u>Unit Type</u>	<u>Bedrooms</u>	<u>Baths</u>	<u>Unit SF</u>	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>
S1	0	1	618	20 (6.3%)	57 (16.5%)	43 (11.1%)
S2	0	1	938	21 (6.7%)	0 (0%)	0 (0%)
JA	1	1	633	26 (8.3%)	51 (14.7%)	38 (9.8%)
A1	1	1	749	0 (0%)	44 (12.7%)	21 (5.4%)
A2	1	1	795	40 (12.7%)	53 (15.3%)	128 (32.9%)
A3	1	1	781	88 (27.9%)	38 (11.0%)	31 (8.0%)
A4	1	1	764	0 (0%)	0 (0%)	4 (1.0%)
JB	2	1	938	21 (6.7%)	0 (0%)	0 (0%)

B1	2	2	1,027	0 (0%)	4 (1.2%)	9 (2.3%)
B2	2	2	1,088	26 (8.3%)	37 (10.7%)	9 (2.3%)
B3	2	2	1,118	47 (14.9%)	21 (6.1%)	46 (11.8%)
B4	2	2	1,077	26 (8.3%)	41 (11.8%)	60 (15.4%)
Total				315 (100%)	346 (100%)	389 (100%)

Proposed Density

The project is requesting a General Plan Amendment and Rezone to allow a site-specific density of 62 du/acre on the site. The proposed base density of 62 du/acre (and total density of 74 du/acre) is similar to nearby recently approved or constructed similar projects as follows:

- One Metro West - 1,057 units at 80 du/acre
- 580 Anton - 240 units at 125 du/acre
- Halcyon Apartments at 595 Anton Blvd. - 393 units at 80.9 du/acre
- The Baker Block - 250 units at 58 du/acre

The proposed density of 62 du/acre is appropriate given the property’s location, site size, and design of the project. In addition, program 3C of the Housing Element identifies that the North Costa Mesa Specific Plan will be updated to allow for up to 90 dwelling units per acre. Residential developments near job centers also attract new employers since companies are drawn to convenient housing options for potential employees, especially where options exist to reduce or cut commuting time, as well as, providing convenient access to retail and commercial amenities.

The project site’s location is conducive to higher density because of the close proximity to the I-405 Freeway, major roadways such as Harbor Boulevard, South Coast Drive, Sunflower Avenue, the rail trail, and Class 2 bike lanes and employment centers, different types of uses and amenities.

The site size is appropriate for a higher-density development because of the proposed site planning design. The buildings are situated and set back to ensure minimal impacts on surrounding developments while also providing adequate width for drive aisles and site circulation, emergency access lanes, open space areas, and opportunities for natural lighting. The buildings have been designed to provide ample private and common space areas at the ground, roof and internal levels. The site is also developed with an existing infrastructure system including water, sewer, and storm drain connections which would be adequate to support a higher-density development and not require the construction of new infrastructure systems; the project proposes to connect to the existing infrastructure lines and no other improvements are required.

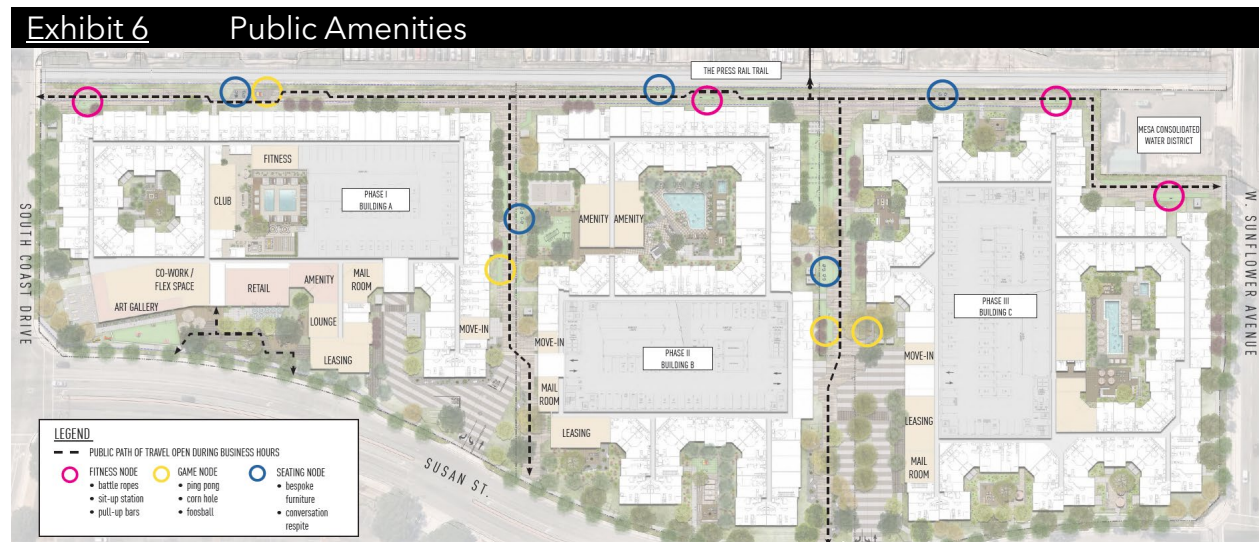


It should be noted again that the City has approved a number of projects with higher densities than the proposed project such as the One Metro West, 580 Anton and Halcyon Apartment projects noted above. Therefore, the density is in line with other similarly situated and approved projects, considering site size, context and project design.

Open Space

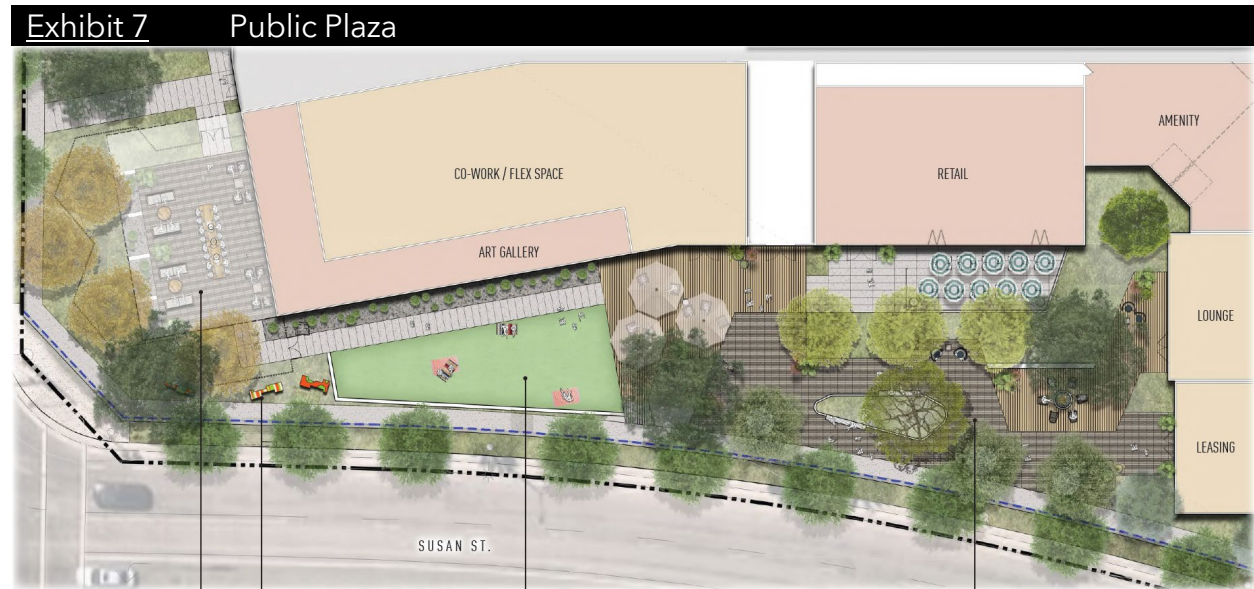
The proposed project would include a total of 335,958 square feet of public and private open spaces. As shown in Exhibit 6 below, the project includes a variety of public amenities including exercise stations, game stations, and seating areas. Public open space areas include paseos adjacent to and accessing the Rail Trail, landscaped perimeter, public plaza, and general amenity spaces. In addition to the publicly-accessible open space areas, the proposed project would include private open space (i.e., indoor and outdoor amenities) throughout the project site available exclusively for residents. The indoor and outdoor amenities include a leasing office, indoor and outdoor lounges, ground-level courtyards and pools, dog park, general amenity space, mail room, bicycle storage space, art exhibit, artwork, co-work/flex space available to residents, move-in area, fitness room, and roof deck (including a fitness facility, roof lounge, and outdoor deck and pool).

An existing bike trail is located along the westerly side of the project on the adjacent property, known as the Rail Trail, which will eventually connect Costa Mesa’s and Santa Ana’s bicycle infrastructure. The City has a public access easement over the area and the bike trail was recently resurfaced and landscaped as part of the Anduril Headquarters development. The project proposes to provide connectivity to the rail trail through the on site paseos. As currently proposed, the paseos will be opened to the public during regular business hours from 9:00 a.m. to 6:00 p.m. Monday through Friday.



As shown in exhibit 7 below, the project proposes to include a public plaza within the first phase of the project which would be accessible from the proposed retail space. The

public plaza would be available to the public and would include seating areas, artwork, and enhanced landscaping. The plaza would be available to the public at all times.



In PDC and PDR-NCM districts, buildings may encroach into the required perimeter open space if the project includes well defined pedestrian circulation system, pedestrian oriented landscape and public use areas are provided, the reduced open space will not be detrimental to the development on contiguous properties, the reduced setback would not deprive the street or neighbors of necessary light and air, and that the overall urban design concept complies with the City goals, General Plan, and applicable Specific Plan. As proposed, buildings are proposed within the permitted open space with various wings protruding. While wings of the proposed buildings temporarily encroach into the open space, there are various courtyards and pedestrian areas which include more perimeter landscaping than required.

Perimeter open space is required to be 20 feet but may include, in addition to landscaping, architectural features (such as arcades, awnings, and canopies) and hardscape features (such as paving, patios, planters, and street furniture) if the Planning Commission determines that these other features provide usable, visually interesting pedestrian amenities and facilitate pedestrian circulation, enhance the overall urban design concept, adequate landscaping is retained; and the design of the perimeter setback area will be compatible with contiguous development. The project includes various patios, planters, and architectural elements within the perimeter open space. The inclusion of these features contributes to the design and sense of place. In addition, landscaping is provided throughout the open space area and the setbacks will be contiguous throughout the development.

## Landscaping

The project proposes new site landscaping consistent with CMMC standards. The project is proposed to include a combination of specimen trees, flowering trees, and screening trees in the public realm including Canary Island Pines, Fern Pines, Tree Aloe, Live Oak, Palo Verde, Brisbane Box, Mesquite, Sycamore, and Guadalupe palms. Additional trees are proposed in residential amenity courtyards. As part of the building permit plan check review, final landscape plans will be prepared and certified by a California licensed landscape architect confirming that they comply with the CMMC and water efficiency landscape guidelines.

Lighting is required to be provided in all parking areas, vehicular access areas, and on major walkways. The applicant will be required to submit lighting and photometric plans with the building plans demonstrating that there is limited to no spillover of lighting onto neighboring properties.

In addition, fences and walls are proposed throughout the project site. All walls shall comply with the visibility standards.

## Parking

As proposed, each phase would be self-contained in terms of parking. The applicant proposes to provide a minimum parking ratio of 1.65 parking spaces per unit. According to the attached parking study prepared by LLG, this ratio provides adequate parking based on an analysis prepared using industry and jurisdictional standards, multi-family residential ratios approved for projects that have not yet been built, and using empirical ratios derived from a parking demand survey recently conducted in May 2023 at 580 Anton Boulevard Apartments.

In addition, projects that are proposing Density Bonus Agreements are subject to the parking requirements within the State Density Bonus Law. Two-bedroom units are required to provide 1.5 parking spaces per unit and one or less bedroom units are required to provide 1 parking space per unit. Therefore, the project is required to provide a minimum of 1,224 parking spaces for the residential component. The retail component of Phase 1 requires four parking spaces per 1,000 square feet and therefore requires an additional 15 parking spaces for the total project parking requirement of 1,239. The project exceeds the requirement by proposing 1,756 parking spaces. Use of these parking standards does not constitute as an incentive or concession and must be allowed for projects proposing density bonuses.

## Traffic and Vehicular Circulation

A traffic impact analysis (TIA) was submitted and reviewed by the City's Transportation staff. The TIA is required for the project pursuant to City guidelines. The TIA studied and analyzed several scenarios to determine the impact of the project on the traffic network.

The existing industrial office use generates 1,866 average daily trips (ADT) with 376 vehicle trips in the AM peak hour and 362 vehicle trips in the PM peak hour. Pursuant to a trip generation study prepared by LLG, the proposed project would generate a net increase of 3,082 ADT from existing conditions with 376 AM peak hour and 432 PM peak hour trips. Per the City's TIA guidelines, the study area of the proposed TIA should include intersections where the project would add 50 or more vehicle trips. As a result, the TIA study area consists of a total of 8 key intersections.

The TIA concluded that all key study intersections are forecast to continue operating at acceptable level of service during the AM and PM peak hours under Year 2028 and 2050 buildout traffic conditions with the addition of project traffic. As such, improvements at the study intersections are not required. In addition, Caltrans conditions related to off-ramps are considered adequate to accommodate the anticipated traffic under year 2028 and 2050 build out as well.

An additional vehicle miles traveled (VMT) analysis was prepared by LLG and used for significant determination in accordance with CEQA. The VMT analysis estimates the total miles driven by all vehicles in a specific area over a given time period to assess transportation impacts and inform planning decisions. No significant impacts were determined pursuant to CEQA.

The project is also subject to the City's traffic impact fees based on the project's net trips at \$235 per net increase in trips. Payment of traffic impact fees is required by the CMMC and is also included as a condition of approval.

#### Fire and Emergency Access

To ensure timely and adequate emergency responses, the project will prepare and submit a Fire Master Plan (FMP) to the Costa Mesa Fire and Rescue Department prior to the issuance of building permits. The FMP would identify the designated on-site emergency access routes and lanes, all access points to every building, roof access ladders, location of hydrants, location of stairways, among many other requirements. The project's FMP will be reviewed by the Costa Mesa Fire and Rescue Department during the plan check process with submittal of precise grading plans.

Furthermore, the buildings have been strategically designed with multiple access points and fire lane routes for each building. The project is conditioned to submit the FMP showing compliance for all phases of construction include fire hydrants, adequate fire lanes, and turn arounds prior to combustible construction.

## Noise

Residential uses are considered sensitive land uses and the location of such sensitive uses should be considered with the site planning and building design. The City's noise ordinance (Chapter VIII of the Zoning Code) requires specific sound ratings within structures. The project is adjacent to a Mesa Water utility yard and pump and Anduril cooling towers which could result in adverse noise impacts to future residents, unless adequately addressed. The applicants have supplied a noise study prepared by Veneklasen Associates which identified that the inclusion of mechanical ventilation and STC 30 Rated windows and doors would allow the project to comply with the City's noise requirements. Conditions of approval have been included requiring compliance with the recommendations of the Noise Study.

### ***Vesting Tentative Parcel Map***

A Vesting Tentative Parcel Map is a subdivision map that gives the developer certain rights, or "vested rights," at the time the map is approved. These rights allow the developer to proceed with the project under the laws, ordinances, and regulations in effect at the time the map was approved. The project's vesting tentative tract map proposes to allow for three individual lots.

As indicated in the "Tentative Parcel Map Findings - CMMC Section 13-29(g)(13)" below, the project complies with the City's required findings to approve the Tentative Tract Map. In addition, pursuant to Section 66474 of the California Subdivision Map Act, a proposed subdivision must be denied if one or more of the below findings are made:

1. "That the proposed map is not consistent with applicable general and specific plans as specified in Section 65451;
2. That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans;
3. That the site is not physically suitable for the type of development;
4. That the site is not physically suitable for the proposed density of development;
5. That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat;
6. That the design of the subdivision or type of improvements is likely to cause serious public health problems; and

7. That the design of the subdivision or the type of improvements will conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision. In this connection, the governing body may approve a map if it finds that alternate easements, for access or for use, will be provided, and that these will be substantially equivalent to ones previously acquired by the public. This subsection shall apply only to easements of record or to easements established by judgment of a court of competent jurisdiction and no authority is hereby granted to a legislative body to determine that the public at large has acquired easements for access through or use of property within the proposed subdivision.”

None of the above findings of Section 66474 can be made or associated with the proposed subdivision.

### ***Density Bonus***

California’s Density Bonus Law allows a developer to increase density on a property above the maximum set under a jurisdiction’s General Plan land use plan if the project meets certain criteria. In exchange for the increased density, a certain number of the new affordable dwelling units must be reserved at below market rates. The base density of the project site would allow for 869 dwelling units. By providing 10 percent of the units at a low income level, the applicant is entitled to a 20 percent density bonus. The law also allows for reductions in required development standards, known as incentives, concessions and waivers. Greater benefits are available for projects that reach higher percentages of affordability.

Besides granting rights to housing developments to increase density, the law provides three provisions that require local governments to grant qualifying projects:

- 1) incentives or concessions;
- 2) waivers of development standards that would physically preclude the development of a project at the density permitted and with the incentives granted; and,
- 3) reductions in parking requirements.

The applicant is requesting two waivers or a reduction of a development standard that will have the effect of physically precluding the construction of the proposed development project. The project’s parking stalls within the parking structure include vertical elements such as posts and walls. The City’s parking standards require an additional 6 inches of width (9.5 feet) for parking stalls adjacent to vertical obstructions. The applicant requests a waiver to allow for the 9 feet width, as opposed to increasing the width to 9.5 feet as otherwise required. In addition, the parking design standards

require that vertical supports be recessed 4 feet from the drive aisle. The project's parking structures are proposed to be recessed two feet from the accessible aisle, a two-foot reduction from the standard four-foot inset requirement.

Staff has reviewed the waiver requests and found that the proposed waivers will not create any unsafe conditions in the parking garage. In addition, the waiver would reduce the square footage dedicated to the structure which allows for additional square footage dedicated to the dwelling units and open space.

### **Development Agreement**

The proposed project includes a Development Agreement (DA) between the applicant and the City pursuant to California Government Code Sections 65864 et seq. The Development Agreement would be adopted by Ordinance and vests the project entitlements for the period of the Agreement (currently proposed at 20 years plus two five year extensions) in exchange for specific public benefits. Several DA terms, including payment of public benefit fees for infrastructure and public safety, are currently being negotiated with the applicant. The terms of the Development Agreement will be presented at the next Planning Commission meeting.

### **GENERAL PLAN CONFORMANCE**

Table HOU-12 in the City's General Plan Housing Element indicates that 43 percent of Costa Mesa households are owners while 57 percent are renters. As such, the City recognized it has a higher proportion of rental units compared to ownership units and included General Plan Land Use Element Policy LU-1.3 calling for a better balance between ownership and rental housing in Costa Mesa. The proposed development would provide additional rental housing that will further the gap between ownership and rental housing in the City. However, given the demand for housing and the City's RHNA allocation, rental housing units and deed-restricted affordable housing provided by the project continue to support the response to the City and regional housing crisis, providing a range of housing opportunities to residents. Additionally, the project would improve the City's overall jobs-housing balance.

The following analysis evaluates the proposed project's consistency with specific goals, objectives, and policies of the General Plan including the Land Use, Housing, Circulation, and Open Space Elements.

**Policy LU-5.10:** *Building densities/intensities for proposed new development projects shall not exceed the trip budget for applicable land use classifications, as identified in the Land Use Element. Building intensities for proposed new development projects shall not exceed the applicable floor area standards.*

The proposal exceeds the Land Use Element prescribed trip budget for the site (376 AM peak hour trips and 362 PM peak hour trips) and therefore requires a General Plan Amendment. Based on the preliminary trip generation study for the project, there will be a net increase (based on existing uses) of 3,082 average daily trips (ADT), including 13 additional AM and 69 additional PM peak hour trips. The project has submitted a comprehensive traffic study and a Vehicle Miles Traveled (VMT) analysis which evaluated local roadways and intersections and associated project impacts and found the impacts to be minimal.

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

The conducted fiscal analysis found that once the project is fully built, it would generate approximately \$347,140 in total annual net new revenue to the City.

***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 mixture of employment opportunities for all economic levels of residents and businesses. Although there will be fewer employment opportunities with the residential proposal in comparison with the current industrial park use, 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 areas such as the area north of the I-405 Freeway would reduce the vehicle miles travelled and contribute to the overall sustainability goals of the region in terms of reducing greenhouse gas emissions. Finally, employment patterns have changed over the past five years where more employees are telecommuting, reducing the necessity for office space.

***Policy HOU-2.1:*** Facilitate the development of housing that meets the needs of all segments of the population including affordable housing and households with specialized needs.

The project proposes to include 1,050 residential rental units including 105 low-income units. The project is located near job centers north of the I-405 freeway including Anduril and South Coast Metro. The project will be required to meet all building code requirements including the provision of ADA units.

***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 is subject to the development standards of the PDR-NCM zone and the development standards established for the Home Ranch sub area in the NCMSF unless modified. As proposed, the project complies with the modified NCMSF standard for height, intensity, and for trip budgets. The design elements as proposed are high quality and internally consistent and complementary to the surrounding area. The project incorporates public realms including the public plaza and paseos.

***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 across Susan Street from a gated residential community known as Providence Park. Built between 2005-2006, the community includes 60 single family dwellings and 83 townhomes. Phase 3, the closest phase of the project to the community, reduces its height as it nears the east property line to reduce impacts on the neighborhood. Additionally, the neighborhood is screened by existing trees which further reduces the aesthetic impacts of the project on the neighborhood.

***Policy HOU-3.5:*** Encourage residential and mixed-use development along transportation routes and major commercial/mixed use corridors.

The project is located in close proximity to the I-405 freeway. In addition, the north and south boundaries of the project are Sunflower Avenue and South Coast Drive, both of which are identified as Primary Arterials in the Master Plan of Streets Highways (MPSH).

***Policy OSR-1.5:*** Maximize public space by requiring plazas and public gathering spaces in private developments that can serve multiple uses, including recreation and social needs.

The project includes approximately five-acres of open space area, including the public plaza in Phase 1, the Rail Trail, and its connecting paseos that can accommodate public access.

***Policy OSR-1.18:*** Provide a minimum of 4.26 acres of parkland per 1,000 residents.

The site will does not include a dedicated park site and therefore, is subject to payment of park in lieu fees in the amount of \$5,000 per unit for rental projects and will also be subject to Measure Z open space fees.

***Policy CD-9.5:*** Promote new types of urban housing that could be target-marketed to people seeking alternative housing choices in proximity to a major commercial area.

According to the applicant, the project includes design elements intended to appeal to three distinct target populations. In addition, the site is located in proximity to major commercial centers (Anduril, AAA, SOCO, South Coast Plaza, Metro Pointe, South Coast Metro, etc.). The project is also in close proximity to major commercial corridor on Harbor Boulevard.

**Policy CD-12.2:** *Continue to implement and refine development standards and/or guidelines based on Crime Prevention through Environmental Design (CPTED) principles for new development and redevelopment with emphasis on site and building design to minimize vulnerability to criminal activity.*

The applicant worked closely with the Police Department regarding site access and security and CPTED compliant design features. The project includes lighting in all publicly accessible pedestrian and vehicular areas. In addition, the project is incorporating automatic license plate readers at all parking garage entrances which would automatically trigger a police response if the vehicle is reported to be stolen.

#### **No Net Loss Law - Senate Bill 166**

As shown in table 4 below, the City's 6th Cycle Housing Element has identified the project site as a potential site for assisting in achieving the City's 2021-2029 Regional Housing Needs Allocation (RHNA) requirement. Specifically, the southern four acres of the subject parcel is identified by the City's Housing Element to provide a total of 432 housing units that include 68 very-low-income units, 39 low-income units, 72 moderate-income units, and 252 above-moderate units. The project proposes 105 low-income units, and 945 above-moderate units, which therefore results in a Housing Element shortfall of 68 very-low income units and 72 moderate income units. However, the project would result in a surplus of 66 low-income units and 693 above-moderate income units.

Senate Bill 166 (Government Code Section 65863 - "No Net Loss Law") requires that housing development opportunities remain available throughout the housing element planning period to accommodate a jurisdiction's regional housing needs assessment (RHNA). One of the applicable requirements of this legislation states that "If a city approves the development of a parcel identified in its Housing Element sites inventory with fewer units than shown in the Housing Element, it must either make findings that the Housing Element's remaining sites have sufficient capacity to accommodate the remaining unmet RHNA by each income level, or identify and make available sufficient sites to accommodate the remaining unmet RHNA for each income category".

<b>Table 4 Affordable Unit Comparison to Housing Element</b>				
	Very Low Income Units	Low Income Units	Moderate Income Units	Above Moderate Income Units
Hive Live Proposal	0	105	0	945
Housing Element Site Analysis	68	39	72	252
Difference	-68	+66	-72	+693
Housing Element Buffer	145	46	1,144	4,011
HE Buffer after Hive Live	77	112	1,077	4,704

As a result of the proposed Housing Element discrepancy, as specified in the City Housing Element "Site Analysis", the City is required to make "No Net Loss" findings pursuant to Government Code Section 65863. The finding can be made as the Housing Element "Site Analysis" includes a planned surplus of very-low, low, moderate and above moderate-income housing units. This required finding is provided below in the "Findings" section of this report.

***Conformance with Zoning Code***

The proposed project includes an amendment to the NCMSP which establishes the intensity of the development (density, lot coverage, height) as well as development standards and guidelines for the site and building design. If adopted, the modified NCMSP would serve as the zoning document for the site and the adjacent areas as included in the project scope of the Specific Plan. As part of the project application, a master plan is included that depicts the specifics of the site and building design. If for any reason, the proposed Master Plan is not implemented, any future development on this site would be required to comply with the Specific Plan development standards and thus, the project would be consistent with the Zoning Code.

**FINDINGS**

Pursuant to Title 13, Section 13-29(g), Findings, of the Costa Mesa Municipal Code, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets specified findings as follows.

***General Plan Amendment and Specific Plan Amendment***

There are no specifically required findings required for a General Plan Amendment or Specific Plan Amendments. However, amendments must be internally consistent and not conflict with other regulatory documents. Such amendments are considered legislative actions and are subject to the discretion of the City Council. In this case, the proposed General Plan Amendment seeks to modify the Land Use Element's maps, figures, text, and tables to apply High Density Residential and Urban Center Commercial land use

designation to the subject property. The proposed Specific Plan Amendment seeks to modify the development standards on which future development would be based. The justification in support of the proposed General Plan amendment and Specific Plan Amendment is below:

- The proposed project would contribute to the City meeting its City's 6<sup>th</sup> cycle RHNA allocations

The City of Costa Mesa's 6th Cycle (2021-2029) Housing Element identifies specific sites to meet the State-mandated Regional Housing Needs Allocation (RHNA) of 11,760 units. The proposed project site is designated as a housing opportunity site. The project proposes 1,050 housing units, which would contribute to the City meeting its RHNA obligations.

- The proposed base density at 62 du/acre is appropriate given the property's location, site size, and design of the project.

Higher-density residential developments offer several community benefits, including reduced traffic congestion and enhanced walkability. By concentrating housing units within a compact area, such developments can decrease reliance on automobiles, leading to fewer vehicle trips compared to traditional low-density neighborhoods. This design fosters a pedestrian-friendly environment, allowing residents to access nearby amenities and promoting healthier lifestyles. North Costa Mesa has been identified as an area for development since it was included in Measure K.

The proposed project's density aligns with the existing residential character in North Costa Mesa, where similar densities are present. Moreover, the development exemplifies thoughtful site planning and design, offering meaningful community amenities. These features contribute to the City's objective of enhancing community well-being.

- Senate Bill 166 (Government Code Section 65863), the "No Net Loss Law".

The proposed Development project includes a total of 1,050 units, exceeding the City's Housing Element RHNA Sites Inventory capacity of 618 units for the subject site. However, according to the City's adopted Housing Element "Sites Analysis" (Appendix B), the property is identified with providing 68 very-low-income units, 38 low-income units, 72 moderate income units and 252 above moderate units. The proposed development includes no very-low-income units, 105 low-income units, no moderate-income units and 945 above-moderate units, therefore the project is deficient 68 very low-income units and 72 moderate-income units. Although the development, as proposed, would be deficient for very-low-income units, and moderate-income units (as specified in

the City Housing Element “Sites Analysis”), the City’s Housing Element includes a 145 unit surplus of very-low income units and a 1,144 surplus of moderate income units; therefore, a finding can be made that the City’s adopted Housing Element’s remaining sites have sufficient capacity to accommodate the remaining unmet RHNA by each income level.

### **Rezone**

Pursuant to Title 13, Section 13-29(g)(11), Findings, of the CMMC, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets the following applicable required Rezone findings:

- The proposed rezone is consistent with the Zoning Code and the general plan and any applicable specific plan.

The proposed rezone is consistent with the Zoning Code, the amended General Plan, and applicable planning documents. Specifically, the applicant is requesting to rezone the project site by applying the Planned Development Residential – High Density zoning district and the Planned Development Commercial zoning district with a site specific density of 62 dwelling units per acre. This rezone would allow for the development of the 1,050 dwelling unit project pursuant to the provisions of Article 6 (Planned Development) of Chapter V of the Zoning Code.

To facilitate this rezoning, a General Plan Amendment is also proposed to formally apply the zoning districts to the site. The General Plan amendment would modify the Land Use Element maps, figures, text, and tables to reflect the new Urban Center Commercial and High-Density Residential land use elements. Per *Table LU-19: General Plan and Zoning Consistency* of the General Plan Land Use Element, the zoning districts are considered consistent with the General Commercial land use designation. Therefore, the proposed rezone and General Plan Amendment align with the City’s land use framework and are necessary to support the proposed residential development.

### **Vesting Tentative Parcel Map No. 2024-114**

Pursuant to Title 13, Section 13-29(g)(13), Findings, of the CMMC, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets the following applicable required Tentative Tract Map findings:

- The creation of the subdivision and related improvements is consistent with the general plan, any applicable specific plan, and this Zone Code. proposed rezone is consistent with this Zoning Code.

The creation of the subdivision aligns with the General Plan by promoting residential development that meets the community's housing needs. Additionally, the subdivision complies with the local Zoning Code and State laws by conforming to established development regulations. The proposed map will allow for the phasing of the project. Each individual phase complies with the respective zoning regulations, specific plan, and general plan designations.

- The proposed use of the subdivision is compatible with the general plan.

The proposed development aligns with the General Plan by addressing the critical need for housing options within the community. Located near transportation routes and commercial and residential corridors, this development promotes the City's goals of increasing residential density while enhancing accessibility to essential services and transportation.

- The subject property is physically suitable to accommodate the subdivision in terms of type, design and density of development, and will not result in substantial environmental damage nor public health problems, based on compliance with the Zoning Code and general plan, and consideration of appropriate environmental information.

The proposed development will be situated in an urbanized area. The site meets the minimum lot size requirement and is a typical shaped lot that can accommodate the buildings and necessary utilities. There are no wildlife habitat or bodies of water on the site or nearby, further ensuring that the development will not result in substantial environmental damage. This strategic location allows for the efficient use of already developed land, minimizing the need for additional site disturbance and preserving green spaces elsewhere in the community. By repurposing this existing office complex and training field, the project will provide much-needed housing opportunities.

- The design of the subdivision provides, to the extent feasible, for future passive or natural heating and cooling opportunities in the subdivision, as required by State Government Code section 66473.1.

The design of the proposed development thoughtfully considers the orientation of the lot, aligning in a manner that maximizes solar exposure, ensuring natural passive heating during colder months. Additionally, the layout incorporates various outdoor amenity areas at the center of the development and green spaces to promote natural airflow and cooling, minimizing the need for artificial heating or air conditioning. This approach reflects the principles outlined in State Government Code section 66473.1.

- The division and development will not unreasonably interfere with the free and complete exercise of the public entity and/or public utility rights-of-way and/or easements within the tract.

The proposed development has been designed to ensure that all existing public entity and utility rights-of-way and easements within the subdivision remain accessible and unobstructed. Coordination with utility providers and the City will be maintained throughout the development process to avoid any disruptions and ensure that essential services can continue to operate efficiently.

- The discharge of sewage from this land division into the public sewer system will not violate the requirements of the State Regional Water Quality Control Board pursuant to Division 7 (commencing with State Water Code section 13000).

The applicant has submitted a Preliminary Water Quality Management Plan (PQWMB), which demonstrates that the project will implement best management practices to effectively manage wastewater and prevent any violations of water quality standards.

### **Master Plan**

Pursuant to Title 13, Section 13-29(g)(5), Findings, of the CMMC, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets the following applicable required Master Plan findings:

- The master plan meets the broader goals of the General Plan, any applicable specific plan, and the Zoning Code by exhibiting excellence in design, site planning, integration of uses and structures and protection of the integrity of neighboring development.

The proposed development is consistent with the broader goals of the General Plan by promoting housing opportunities, as specified in General Plan Land Use Land Use Policies LU-5.10, 6.1, 7.1, and Housing Element Policies HOU-2.1, 3.2, 3.4, 3.5. Additionally, the project design reflects high-quality architectural standards and thoughtful site planning that maintains the character and integrity of the surrounding residential and commercial areas. By prioritizing amenity connectivity and experience, the development fosters a sense of place while contributing to the overall livability of a highly urbanized environment.

- Master plan findings for mixed-use development projects in the mixed-use overlay district are identified in Chapter V, Article 11, mixed-use overlay district.

The proposed project is not located within a mixed-use overlay district.

- As applicable to affordable multi-family housing developments, the project complies with the maximum density standards allowed pursuant to the general plan and provides affordable housing to low or very-low income households, as defined by the California Department of Housing and Community Development. The project includes long-term affordability covenants in compliance with state law.

The proposed development includes 1,050 residential ownership units including 105 units that will be rented at low income rates for no less than 55 years. The project complies with the maximum density standards allowed pursuant to the proposed General Plan amendment. The project is not required to comply with the City's inclusionary ordinance because they submitted an SB 330 application prior to the adoption of the Inclusionary Ordinance, however, the project as proposed would comply with the requirements of the ordinance.

### **Density Bonus**

Pursuant to Title 13, Section 13-29(g)(3), Findings, of the CMMC, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets the following applicable required Density Bonus findings:

- The request is consistent with State Government Code section 65915 et. seq. regarding density bonuses and other incentives, the general plan, any applicable specific plan, and Chapter IX special regulations, Article 4 density bonuses and other incentives.

The requested density bonus agreement is consistent in that the applicants are requesting a 20 percent density bonus with the inclusion of 10 percent low income units. Pursuant to the Government code, the request allows the developer to request two incentives and unlimited waivers. The request also allows the developer to utilize reduced parking ratios as established by the government code. The request is consistent with General Plan Land Use Land Use Policies LU-5.10, 6.1, 7.1, and Housing Element Policies HOU-2.1, 3.2, 3.4, 3.5. The project would comply with the amended North Costa Mesa Specific Plan and other zoning regulations.

- The requested density bonus and incentive or concession constitute the minimum amount necessary to provide housing at the target rents or sale prices and/or a child care facility.

The requested density bonus would allow the project to develop up to 1,106 dwelling units with the 20 percent density bonus. The project proposed 1,050



units while still including the 10 percent units dedicated to very low income units. The project is not requesting an incentive.

- The granting of the incentive or concession is required in order to provide for affordable housing costs, as defined in Health and Safety Code section 50052.5 or for rents for the targeted units.

The project does not propose any incentives or concessions.

- The granting of the incentive or concession and/or the waiver or reduction of development standards does not have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Government Code section 65589.5 upon health, safety, or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact.

The requested waiver is related to parking lot development standards. The requested waiver is minimal in that it will not impact the circulation or safety of the proposed development. The waiver is necessary to reduce the scale of the parking garage and to ensure that the columns are structurally sound. Therefore, granting the waiver will increase the safety of the parking structure while not impacting circulation.

- The granting of the incentive or concession and/or the waiver or reduction of development standards does not have an adverse impact on any real property that is listed in the California Register of Historical Resources.

The proposed project is located approximately 1,800 feet from the Segerstrom House located at 3315 Fairview Road, the nearest property eligible for the National Register of Historic Resources. The waiver is related to the interior of the proposed parking structures and will have no impact on the potential historic resource.

## **Development Agreement**

Pursuant to City Council Resolution No. 88-53 and Government Code section 65865(c), staff recommends approval of the request, based on the following assessment of facts and findings, which will be included in the future draft Resolution:

The Development Agreement between the City of Costa Mesa and Developer is:

- Consistent with the objectives, policies, general land uses and programs specified in the General Plan and with the General Plan as a whole;
- Compatible with the uses authorized in, and the existing land use regulations prescribed for, the zoning district in which the real property is and will be located;  
and

- Is in conformity with and will promote public convenience, general welfare, and good land use practice.

The proposed Development Agreement is consistent with the General Plan as the agreement would contribute additional funding (beyond the required development impact fees) for public services such as police and fire and for City drainage and transportation improvements.

Upon approval of the general plan amendment, rezone, and specific plan amendment, the proposed project would be consistent with the General Plan and Zoning Code.

The Development Agreement between the City of Costa Mesa and Developer will not:

- Be detrimental to the health, safety and general welfare; and
- Adversely affect the orderly development of property or the preservation of property values.

The Development Agreement will not be detrimental to the health, safety and general welfare of the public or adversely affect the orderly development of property. The Development Agreement reflects the development plan phasing for the site and documents the additional public benefits of the project (such as affordable housing and funding to improve City infrastructure) agreed to by the applicant in exchange for vesting the project approvals for the term of the DA.

### **ALTERNATIVES:**

There are no alternatives recommended at this time.

### **LEGAL REVIEW:**

The City Attorney has reviewed this report and has approved it as to form.

### **ENVIRONMENTAL DETERMINATION**

A Draft Environmental Impact Report (DEIR) has been prepared by the City in accordance with the California Environmental Quality Act (CEQA). The Public Review Draft EIR is provided on the City's website at the following link:

<https://www.costamesaca.gov/government/departments-and-divisions/economic-and-development-services/planning/environmental-notice-and-reports>

As shown in table 5 below, the DEIR examined the potential environmental impacts of the proposed project and focuses on the changes to the existing environment that would result from the proposed project. The DEIR examined all stages of the project,

including construction and operation and identified specific mitigation measures to lessen environmental impacts whenever feasible. With the implementation of mitigation measures, environmental impacts were reduced to less than significant levels in all areas. Since the DEIR did not identify significant and unavoidable impacts, there is no need for a statement of overriding considerations.

Table 5		Environmental Impacts	
No Impact or Less than Significant Impact	Significant Impacts that can be mitigated to less than significant impact	Significant and Unavoidable Impacts	
Aesthetics	Air Quality		
Energy	Biological Resources		
Greenhouse Gas Emissions	Cultural Resources		
Hydrology and Water Quality	Geology and Soils		
Land Use and Planning	Hazards and Hazardous Waste		
Noise	Public Services and Recreation		
Population and Housing	Transportation		
Recreation	Tribal Cultural Resources		
Utility and Service Systems			

In addition to studying the proposed project, the DEIR also analyzed four project alternatives including the following:

1. No Project/No Development Alternative;
2. No Project/Existing Zoning Alternative;
3. Commercial Building Alternative for Phase 1; and
4. Reduced Density Alternative assumes a 20 percent reduction in the number of units and the removal of the retail component.

In accordance with CEQA Guidelines Section 15073, the Draft EIR was made available for a public comment period beginning on February 14, 2025, and ending at 5PM on March 31, 2025. The DEIR was available online for the entirety of the public review period. Five comments were received. A copy of the comments and responses will be provided as part of the Final EIR at the next Planning Commission meeting.

**CONCLUSION:**

The proposed Hive Live project would redevelop an existing industrial office development into a three-phased residential development with retail and open space uses. Staff recommends that the Planning Commission conduct the study session. Staff will return with a recommendation at the next scheduled Planning Commission public hearing on June 9, 2025.

**ATTACHMENTS**

1. Applicant Letter
2. Density Bonus Letter
3. Vicinity Map and Zoning Map
4. Existing Site Photos
5. General Plan Land Use Modifications
6. North Costa Mesa Specific Plan Modifications
7. Noise Study
8. Fiscal Analysis
9. Parking Study
10. Plans