



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: MAY 27, 2025

ITEM NUMBER: NB-2

SUBJECT: STUDY SESSION REGARDING THE FAIRVIEW DEVELOPMENTAL CENTER SPECIFIC PLAN LAND USE PLAN

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

PRESENTATION BY: ANNA MCGILL, PLANNING AND SUSTAINABLE DEVELOPMENT MANAGER, PHAYVANH NANTHAVONGDOUANGSY, PRINCIPAL PLANNER, KAREN GULLEY, PLACEWORKS, SUZANNE SCHWAB, PLACEWORKS, STEVE GUNNELLS, PLACEWORKS

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RECOMMENDATION:

Staff recommends the Planning Commission receive the staff presentation and provide feedback on community variables that will shape the land use plan for the Fairview Developmental Center Specific Plan.

APPLICANT OR AUTHORIZED AGENT:

City of Costa Mesa

PURPOSE OF THE STUDY SESSION:

The purpose of this study session is to provide the Planning Commission and the public with a comprehensive update on the progress of the Fairview Developmental Center Specific Plan (FDC-SP) project. and offer an opportunity for the Planning Commission to review and discuss the land use concepts and key components of the plan prior to providing a recommendation on the preferred land use plan and its components to the City Council. The City developed three land use concepts that were studied and presented to the public to solicit input (detailed later in the report). The purpose of the land use concepts was to test housing unit thresholds and other

plan components (such as circulation network, open space, commercial square footage, etc.).

Over the past several months, City staff—working in partnership with the State—has made progress on addressing State requirements and factors influencing the land use plan, while incorporating community input and preliminary findings of the financial feasibility analysis. This work has provided a perspective on the actual feasibility of the conceptual land use plans and project components.

The preferred plan is intended to comprise of the preferred components from all concepts studied, coupled with the likelihood that the plan is desirable from a development standpoint. At this stage, the information presented will also help define the scope of the project to initiate the environmental review process pursuant to the California Environmental Quality Act (CEQA). Additional discussion is under the “Recommendations for the Preferred Land Use Plan” section of this report.

This study session is intended to set the stage for a formal recommendation by the Planning Commission to the City Council in July 2025. While no formal action will be taken at this meeting, staff respectfully requests feedback from the Planning Commission on the draft land use concepts and project components presented in this report. Input is particularly encouraged on the proposed land use distribution, open space framework, circulation network, and overall site organization. This feedback will inform the refinement of the project description, support the creation of a preferred land use plan, and shape the environmental analysis moving forward.

Following tonight’s study session, staff will return on June 9, 2025, with a refined Preferred Plan, updated project description, and a set of draft vision and guiding principles. The Planning Commission will be asked at that time to make a formal recommendation to the City Council, enabling the City to begin the CEQA process and continue advancing the FDC Specific Plan project.

Once the City Council selects a preferred land use plan, staff will begin a formal environmental analysis in accordance with CEQA. The City will assess potential environmental impacts—such as traffic, noise, air quality, and biological resources—and identify feasible ways to avoid or minimize those impacts. Based on the findings of this analysis, the Preferred Plan may be refined to ensure that future development aligns with State environmental standards and community goals.

In parallel with the CEQA process, staff will continue community outreach efforts to help shape and finalize the development standards and policies that will be memorialized in the Specific Plan.

BACKGROUND:

The Fairview Developmental Center (FDC) is a 115-acre property located at 2501 Harbor Boulevard in the City of Costa Mesa. Owned by the State of California, the site was historically developed and operated as a residential care facility for individuals with developmental disabilities. Today, the facility is largely unoccupied and in a “warm shutdown” phase, meaning it is no longer serving its original residential function. The State has relocated all remaining residents to community-based homes and has acknowledged that it does not intend to follow the traditional State surplus property process for this site.

Over the years, the future of the FDC property has been the subject of considerable interest and discussion among local and state agencies. In 2020, the Costa Mesa City Council created an Ad Hoc Committee to advise staff and provide recommendations related to the FDC. That same year, the Council adopted a vision for the site supporting approximately 1,500 mixed-use, mixed-income housing units—including workforce, veterans, and permanent supportive housing. The Council directed staff to collaborate with the State to preserve local input and influence over future development decisions and land use outcomes.

The FDC site is one of the largest housing opportunity sites identified in the City’s Housing Element, adopted on February 1, 2022. The Housing Element anticipated accommodating approximately 2,300 units on this site and includes a specific program directing the City to pursue a Specific Plan for residential development, in partnership with the State. The Housing Element plan for the site became Concept 1.

In June 2022, the State Legislature approved Government Code Section 14670.31, which provides a framework for the reuse of the FDC property. The legislation codifies a partnership between the Department of General Services (DGS), the Department of Developmental Services (DDS), and the City of Costa Mesa, with defined roles for each entity. While the site is owned and controlled by the State, under this framework, the City is responsible for leading the land use planning process, which includes preparation of a Specific Plan, identifying and defining public benefits, amending the General Plan, updating the zoning regulations, and conducting the CEQA review. Defining key components of the plan—such as affordable housing, open space, and community-serving amenities—is a key effort of the Specific Plan Process and will help ensure that redevelopment of the site aligns with local priorities and State policy goals. In parallel, the State—through DGS—will lead the property disposition process, as property owner, which will include either sale or lease of the land to a master developer, for the purposes of building a project in compliance with the City’s Specific Plan.

To support this effort, the legislation allocated \$3.5 million in State funding to the City to develop a Specific Plan, conduct necessary studies, and manage a community-

based planning process. The law also expresses the Legislature's intent that the property be redeveloped as a mixed-use project, prioritizing affordable housing to the greatest extent feasible, including a minimum of 200 units of permanent supportive housing, open space, and housing for individuals with developmental disabilities.

The FDC-SP project will implement the provisions of Government Code Section 14670.31. As outlined in the agreement between the City and State, the final development plan must align with both the City's adopted vision and the State's interests. While the City will guide the planning process with opportunities for community engagement and transparency, the ultimate disposition of the property will be made by DGS, based on terms and conditions deemed to be in the best interests of the State.

HOUSING ELEMENT IMPLEMENTATION - HOUSING PROGRAM 3B

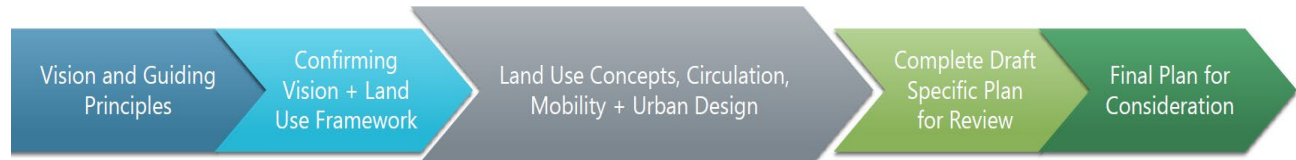
The approved 6th Cycle Housing Element identifies the property as a housing opportunity site that may accommodate 2,300 future residential units. Approximately 40% of the residential units projected for this site will meet a portion of the City's Regional Housing Needs Assessment (RHNA) shortfall for low- and very- low-income households. As such, the Housing Element Program 3B outlines the implementation objectives for the FDC site to accommodate future housing development. This project, which includes the development of a Specific Plan (SP), and the disposition of the FDC site, requires a coordinated planning effort with the State Department of General Services (DGS), Office of Emergency Services (OES), and Department of Developmental Services (DDS).

Figure 1: Site Location



In August 2023, the City retained PlaceWorks to complete the community outreach, land use planning and environmental review process for this project.

PROJECT PROGRESS:



This section outlines the key milestones that informed the development of the land use concepts, which illustrate a range of site design, circulation, and housing scenarios that will shape a future neighborhood. The land use concepts were formulated utilizing feedback solicited from the community engagement events, public meetings held at City Council and Planning Commission, ongoing coordination meetings with state agencies, and input from housing developers and affordable housing advocates.

Community Workshops

Launched in October 2023, the project's community engagement program was

designed to optimize public participation and encourage the public to provide input at critical stages of the plan development. The community engagement process will continue to be dynamic and improve as the project progresses forward. The project's website, www.fdcplan.plan, is continually updated to share project information and encourage participation at upcoming events. The City has held 18 community outreach events thus far for this project.

The outreach events have included in-person and virtual workshops, pop-up events, and study sessions. Materials for all workshop and pop-up events were provided both in English and Spanish, with Spanish interpreters available to assist attendees when needed. For in-person meetings, the City's Parks and Community Services Department provided activities for children to enable parents to engage more fully in the outreach process.

The workshops focused on drafting the community vision and guiding principles, as well as gathering input on the conceptual plans. A summary of the workshops and all related outreach materials are available online at: <https://fdcplan.com/participate/>. The results of the fourth workshop is described in the "Land Use Concepts Outreach" section of this report.

FDC Project Updates at City Council and Planning Commission

In addition to the community outreach events, project updates for the FDC Specific Plan were presented to the City Council on December 12, 2023, and Planning Commission on March 25, 2024.

- The City Council Meeting (December 12, 2023): Staff provided an overview of the planning process, the historic background of the FDC site, potential housing types (including both market-rate and affordable options), and considerations for future development. The staff report and attachments are available online at: <https://costamesa.legistar.com/MeetingDetail.aspx?ID=1141509&GUID=345AA40A-863E-4705-8AC0-6F703488A2F9>
- The Planning Commission Meeting (March 25, 2024): In addition to the Council update, this presentation included a summary of the public workshops and outlined the upcoming steps in the planning process. The staff report and attachments are available online at: <https://costamesa.legistar.com/LegislationDetail.aspx?ID=6600445&GUID=BE5C5BFB-7FF3-4EC5-B6A4-16240D272894>

At both meetings, staff and PlaceWorks presented detailed information on the economic and market considerations for affordable housing development. Topics included financing strategies, eligibility requirements, and the trade-offs needed to achieve feasibility. As part of the research and analysis, PlaceWorks conducted

interviews with affordable and market-rate housing developers, advocacy groups, and industry experts familiar with the Orange County housing trends. These interviews explored preferences related to housing types, supportive services, private and public open space amenities, and neighborhood design. Insights gathered have directly informed the market demand and market feasibility analysis, the outcomes of which are included in this report to guide the development of a preferred land use plan.

State Agencies Coordination Meetings

The City held weekly coordination meetings with the State DGS and DDS Representatives from April 2024 through August 2024 and has continued to meet on an as-needed basis thereafter. These meetings focus on aligning future land use planning with State legislative requirements, DDS housing needs, and the development of the future Regional Emergency Operations Center (EOC) to ensure that the land uses are compatible and occur in a coordinated manner. Key State factors influencing the land use concepts include Senate Bill (SB) 82, SB 188, SB 138, and SB 166, along with the State agencies programmatic and operational requirements. A summary of these factors is provided as Attachment 1.

As a result of the meetings, the original project boundary was modified to remove the plant operations area, the segment of Merrimac Way running through Harbor Village Apartments, and the Mark Lane residential development. These areas are owned, operated, and maintained by DDS and management company. The revised Specific Plan boundary now encompasses approximately 95 acres. Of this, the State will retain ownership of 20 acres for the EOC and DDS complex needs housing which are not included in the Specific Plan area. DDS will retain 15 acres for housing similar to Harbor Village Apartments, leaving approximately 80 acres available for the Master Developer, as shown in Figure 2.

Each of the land use concepts has been designed to meet the needs of DDS housing programs and the EOC operations. In accordance with SB 138, the existing 5-acre plant operations site will be redeveloped for residential use serving adolescents and adults with complex needs. Additionally, approximately 15 acres shown in Figure 2 will be used for DDS State housing consistent with SB 82. DDS anticipates developing up to 480 residential units adjacent to the existing Harbor Village Apartments, with 20% of the units dedicated to individuals with developmental disabilities, similar to the Harbor Village model. This 15-acre portion of the property will be included in the Specific Plan area.

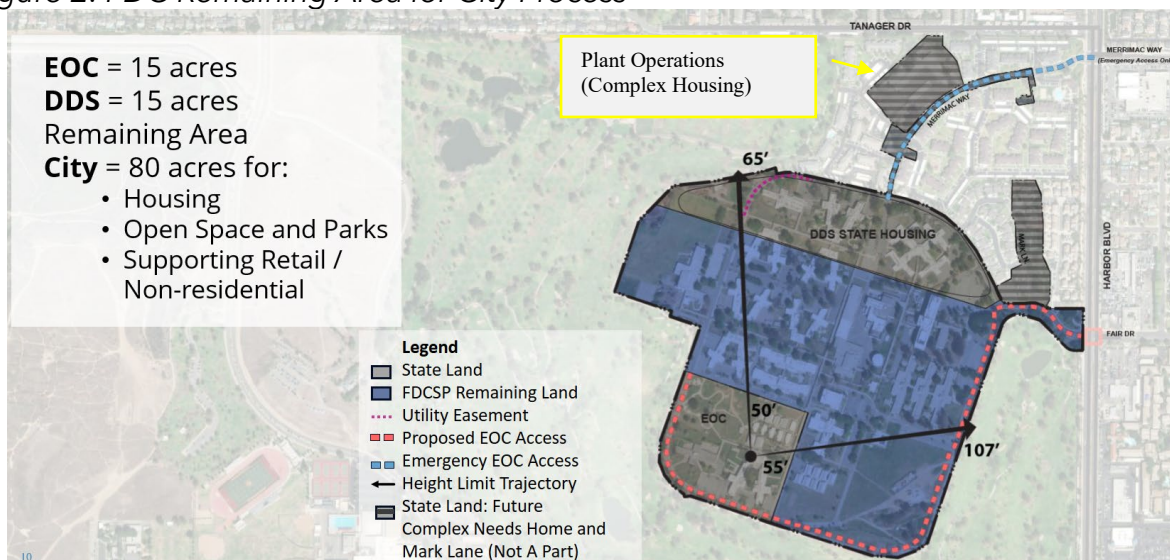
While the land use concepts identify approximate planning areas for DDS housing, the final boundaries will be determined by the State, potentially through future legislation. The Specific Plan's land use policies will ensure that future planning areas support the State's DDS housing goals.

DDS also expressed opposition to the inclusion of large open space areas that could support a regional sports and recreation complex. In its letter dated June 28, 2024, submitted in response to the proposed land use concepts, DDS stated that the primary focus of the plan should be to maximize the provision of affordable housing, and that large open space areas are incompatible with this objective. The letter is included as Attachment 2.

The State DGS is also moving forward with construction of the EOC. Additional information is available online at: <https://buildcaloessreoc.turnersocal.com/>. Following the development of the land use concepts used and the launch of the summer workshop series, the State agreed to align Shelley Circle with the southeast corner of the project boundary. This revised alignment, shown as a dashed red line in Figure 2, will be incorporated in the preferred land use plan.

Figure 2 also identifies the location of the EOC Communication Tower, which stands approximately 120 feet tall. To ensure a clear line of sight with other State communication towers, height restrictions will apply to development located directly north and east of EOC site. In these areas, buildings will be limited to approximately six to eight stories to preserve the operational effectiveness of the communication system.

Figure 2: FDC Remaining Area for City Process



LAND USE CONCEPTS:

This report presents three land use concepts, each representing a distinct development scenario based on input from the community, while aligning with State requirements. The concepts explore variations in urban design, circulation networks, and distribution of open space recreational areas. They were created to evaluate a range of residential densities and affordability levels. The conceptual illustrations and associated acreages included in this section were originally prepared for the

community outreach efforts and were developed prior to the State’s final decision to redevelop the plant operations area for the complex needs housing and before the final alignment of Shelley Circle was confirmed. This section includes the illustrations that were presented to the community in summer 2024 during outreach events. The feedback received from these outreach events have been incorporated into the draft preferred land use plan shown later in this staff report.

Since summer 2024, each concept has been analyzed for its market and development feasibility, traffic and circulation impacts, consistency with City and State goals, and potential funding sources and implementation timelines. The conceptual plan names are provided for ease of reference. The planning areas configuration are illustrative and intended to demonstrate different development patterns. The analysis provided in this report will help identify and prioritize trade-offs of various land use components that will shape the preferred land use plan and form the foundation for the Specific Plan. The Land Use Concepts are provided as Attachment 3.

Concept 1: Fairview Promenade (Housing Element)



Concept 1 reflects the Housing Element household income distribution assumptions for this site: 25% Very Low-Income, 15% Low-Income, 30% Moderate-Income, and 30% Above Moderate-Income. The land use configuration might feature a central grand boulevard or signature street that defines the character of the site and provides a strong visual and functional connection to the secondary road network. The corridor could include a wide landscaped median with pedestrian pathways, integrated public art, or streetscape treatments that enhances the identity of the development along the sidewalks and pathways.

This concept would accommodate 2,300 residential units with an average density of 39 dwelling units per acre. Higher-density residential development would be concentrated toward the center of the site, with lower-density areas positioned along the edges, particularly near Harbor Boulevard. Planning Areas 1 through 5, totaling 20 acres and located adjacent to the existing Harbor Village Apartments, are designated to accommodate 483 DDS units. This includes three (3) complex needs units, 99 very low-income units, and 384 moderate-income units.

Open space areas would be distributed throughout the project area, with individual park areas ranging from 1.6 to 3.5 acres. The open space network would include greenways and trails designed to connect residential neighborhoods to recreational areas. Park facilities may support a variety of active uses such as soccer and baseball fields, and other recreational uses. To reduce traffic circulation through the site, open space and commercial uses would be strategically located near the Harbor Boulevard - Fair Drive entrance.

Concept 2: Fairview Fields

115.9	Property Boundary (Acres)
3,450	Dwelling Units
25,000	Commercial Square Feet
1	Senior Tower
18	Dedicated Open Space
2	Access Point (existing)



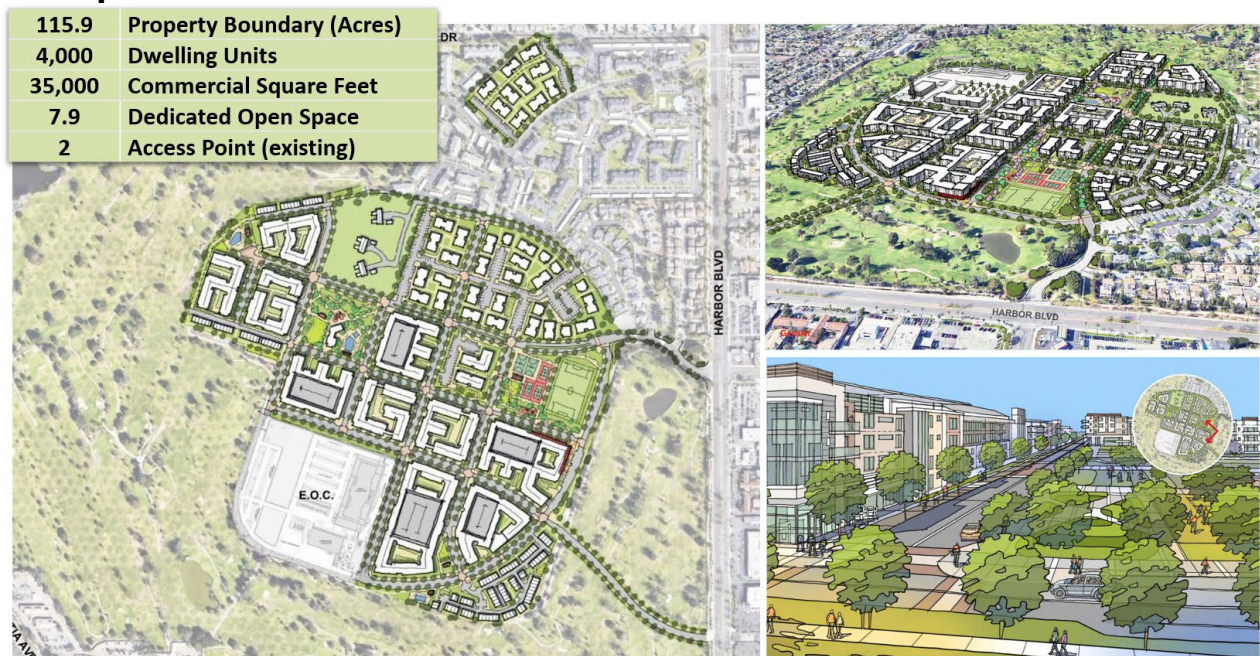
Concept 2 features a more formal grid street pattern, with slightly smaller blocks than Concept 1, which enhances walkability and connectivity throughout the site. This scenario assumes that a future developer would utilize the State Density Bonus Law to increase the number of above moderate units to subsidize the affordable requirements.

For this scenario, the base residential capacity in the Specific Plan would be 1,725 units. However, by applying a 50% density bonus for both Very Low- and Moderate-income units—as permitted by State Density Bonus Law—100% total density bonus

could be achieved, resulting in a maximum of 3,450 residential units. This would include the base units and an assumed bonus of 1,725 units. Approximately 20 acres adjacent to Harbor Village Apartments would be reserved to meet DDS housing needs.

There would be two access roads, one at Fair Drive and another via a new roadway extension through the golf course, connecting to the Harbor Shopping Center. Open space would be concentrated into large, centralized neighborhood park designed to support various active recreational uses, including sports fields and other community amenities.

Concept 3: Fairview Commons



Concept 3 represents the highest reasonable level of residential development across the Planning Areas. All Planning Areas would be designated for high-density residential uses, with the exception of the southeast corner, which is envisioned for high-end townhomes. This concept would accommodate the income distribution projected in the Housing Element for Very Low, Low, and Moderate, which totals 1,610 units—or 40% of the total units—to meet the City’s affordability housing goals for this site. The remaining 2,390 units (60%) would be allocated to the Above Moderate category, which help subsidize affordable housing.

This scenario assumes the City would enter into a Development Agreement with the master developer to secure the final housing mix. Concept 3 supports the highest residential yield and allows for a variety of housing types, including townhomes, apartments, and condominiums. To accommodate the increased density and

improve site circulation, this concept would also require a secondary access point to Harbor Boulevard.

FINANCIAL FEASIBILITY:

As required by the agreement with the State, a Financial Feasibility Analysis was conducted for each land use concept and provides a detailed summary of the cost to develop each planning area—excluding the cost that affordable housing developers will pay to build and operate their projects. The analysis also includes project-wide infrastructure costs—demolition, roads, water, and sewer into the equation. Feasibility alternatives (i.e., changes in the assumptions for each land use alternative that would make each alternative more feasible) are included to identify adjustments that could make the overall project financially feasible. The Financial Feasibility Analysis is attached to the report as Attachment 6.

The financial feasibility is prepared and analyzed from the perspective of a potential master developer: do the concepts provide for a sufficient number of market rate housing units to offset the costs to support the affordable housing, the DDS housing, and other amenities, such as parks and recreation facilities. The Analysis is a 'snapshot' of the current market and its considerations. It can be used to predict the potential feasibility of a project with the most accurate information at hand at the time the analysis is conducted. While these analyses try to anticipate future market trends, unforeseen trends or market factors could adjust identified feasibility when the master developer is ready to construct. The Financial Feasibility Analysis evaluates the three concepts to determine whether a developer could redevelop the site, achieve a 15% internal rate of return (an industry standard for determination of project feasibility) and potentially have enough surplus provide the public benefits the State is looking for and the benefits that the City and community may expect.

The State intends to dispose of the site by turning the property over to a master developer, excluding certain portions that will be retained by the State. The master developer would demolish the existing buildings, remediate any contamination, and construct the necessary infrastructure to support the ultimate buildout allowable under the specific plan.

A sizeable number of the new housing units constructed would be restricted to households qualified as lower income. The master developer might develop this affordable housing, but they are more likely to turn the prepared land over to an affordable housing developer. Another sizeable number of housing units would be constructed separately for and under contract to the state's DDS. However, the master developer would prepare the sites for the DDS housing. The remainder of the housing units would be constructed by the master developer to be rented or sold at market rates. The intent is that the specific plan would allow the number of market

rate housing units that would generate sufficient profit to compensate for the demolition, the site preparation, and the infrastructure that will support the affordable housing units and the DDS housing units.

To prepare a viable Specific Plan and conduct environmental review under CEQA, the City must evaluate a version of the project that is both physically and financially viable. The Financial Feasibility Analysis was a critical step in this process. It evaluated whether each land use concept could cover the costs of demolition, infrastructure, DDS and affordable housing site preparation, and still generate a sufficient return to attract private investment. This ensures the plan can be implemented and that key public benefits—such as affordable housing, open space, and community amenities—can be delivered. The analysis informed staff's recommendation on a Preferred Plan and provides a foundation for drafting the Specific Plan.

Infrastructure and Site Development

Each of the three land use concepts will require significant infrastructure upgrades, including new sewer, storm drain, water, and utility improvements. All concepts also involve site demolition and environmental remediation, with associated costs varying by concept.

The cost estimates for each scenario are summarized in the table below and include site preparation, impact fees, soft costs (such as engineering, environmental review, and bonding), infrastructure improvements, and a standard contingency. It is important to note that higher development costs do not necessarily determine a concept's financial feasibility. These considerations are incorporated and addressed in the financial feasibility analysis that follows.

Table 3: Total Development Costs

	Concept 1	Concept 2	Concept 3
Total Planning Area Development Cost	\$434,300,000	\$776,100,000	\$1,046,400,000
Project-wide site Development Cost	\$130,300,000	\$174,600,000	\$148,500,000
Offsite improvement Cost	\$13,420,000	\$18,400,000	\$18,400,000
Total project development cost	\$578,100,000	\$959,100,000	\$1,213,000,000

In evaluating the three land use concepts, this analysis estimates whether or not the market rate development would generate a fifteen percent (15%) Internal Rate of Return (IRR) for the equity investment needed for the project. This rate is an industry standard and is considered the minimum return to entice outside investors to invest

equity in a development project. The table below is a summary of the results of the financial feasibility analysis:

Table 1: Total Cash Flow and Annual Internal Rate of Return

	Concept 1	Concept 2	Concept 3
Cash Flow Sums with Financing and Cost/Revenue Escalation			
Total Cash Inflow	\$810,300,000	\$2,148,000,000	\$2,905,000,000
Total Cash Outflow	-\$962,700,000	-\$1,779,000,000	-\$2,235,000,000
Total Net Cash Flow	-\$152,360,000	\$369,100,000	\$669,8900,000
Financial Feasibility Metrics			
Annual Internal Rate of Return (IRR)	-20%	14.6%	16.7%
Feasibility Surplus/(Gap)	(\$233,000,000)	(\$5,020,000)	\$26,700,000

Note: The total cash inflow and outflow is a simple sum of the monthly estimates. The data are not discounted and thus do not reflect the time value of money. However, the IRR does account for the timing of inflows versus out-flows.

Based on the analysis above, Concept 1 would cost more to develop than it would generate in income. This concept would need additional funding of over \$233 million to be feasible at a 15.0 percent IRR. Concept 2, which showing slightly less than the industry standard IRR of 15% would still be considered financially feasible as it is anticipated a developer could make minor adjustments to their own pro forma or to the project to bring it to the 15% rate that would make the project viable. Finally, Concept 3 is financially feasible, with an IRR of 16.7% and would generate \$26.7 million in residual land value that could be used for additional public benefits.

Traffic and Mobility

All three land use concepts will require improvement to the intersection at Fair Drive and Harbor Boulevard. Concept 1 relies solely on the existing access point at this intersection, while Concepts 2 and 3 introduce a secondary access road through the golf course connecting to Harbor Boulevard. Due to its higher housing capacity, Concept 3 is expected to generate the most traffic and may require additional offsite improvements such as added lanes and signal timing adjustments.

While Level of Service (LOS) is no longer required to be studied under CEQA for significance thresholds, the City continues to study LOS for public transparency and as part of its City requirements. The City has adopted Level of Service (LOS) D as the acceptable threshold for intersection performance. Each land use concept was analyzed for its impact on traffic, with LOS ratings ranging from LOS A (free-flowing

conditions) to LOS F (significant delays requiring multiple signal cycles). The table below summarizes projected daily trip generation and LOS for each concept.

Table 4: Traffic and Level of Service

	Concept 1	Concept 2	Concept 3
Access Points to Harbor Boulevard	1	2	2
Daily Trip Generation	11,342	16,640	18,501
Morning Peak Hour Trips	842	1,229	1,407
Evening Peak Hour Trips	997	1,449	1,639
Level Of Service	With No Improvements: <ul style="list-style-type: none"> • Morning Peak: LOS C • Evening Peak: LOS D 	With No Improvements: <ul style="list-style-type: none"> • Morning Peak: LOS C • Evening Peak: LOS E 	With No Improvements <ul style="list-style-type: none"> • Morning Peak: LOS C • Evening Peak: LOS E
	With Improvements: <ul style="list-style-type: none"> • Morning Peak: LOS A • Evening Peak: LOS C 	With Improvements <ul style="list-style-type: none"> • Morning Peak: LOS B • Evening Peak: LOS D 	With Improvements: <ul style="list-style-type: none"> • Morning Peak: LOS B • Evening Peak: LOS D

If a secondary roadway is constructed through the Mesa Linda Golf Course, it will result in operational impacts as future development phases are implemented. Based on the land use concepts and phasing assumptions, it is anticipated that this roadway may not be needed until residential development exceeds 2,300 units, which could take approximately 10 to 12 years. While this connection may affect current golf course operations, it also presents an opportunity to improve the course layout and enhance the overall user experience.

To evaluate this opportunity, the City engaged Todd Eckenrode Origins Golf Design, a local golf course architect firm, to evaluate potential design adjustments to the golf course in order to accommodate the secondary access route. Origins Golf Design developed preliminary concepts that reimagine the driving range and nearby areas in a way that maintains functionality and elevates the golfing experience. The associated costs for this design enhancement are included in the financial feasibility analysis, ensuring that long-term planning reflects both the infrastructure needs of the project and the ongoing success of the golf course as a valued community amenity. This information will be used to inform and memorialize the Specific Plan if the City Council proceeds with a maximum unit count above 2,300 units. It is anticipated that it may be further refined once a master developer submits to the City for entitlements.

Additionally, each concept incorporates an interconnected network of pedestrian and bicycle paths. These facilities are designed to link residential areas with parks, community amenities, and key destinations within the project area and the broader City, promoting active transportation and reducing reliance on cars.

Parks and Open Space

The three land use concepts offer different approaches to open space distribution. Concept 1 features a linear park with open space dispersed throughout the site. Concept 2 concentrates parkland into a larger, centralized area, while Concept 3 prioritizes housing and provides the least amount of park/open space.

State Government Code Section 66477, known as the Quimby Act, authorizes cities to require the dedication of parkland or payment of in-lieu fees from residential subdivisions to support the development of park and recreational facilities. The law sets a baseline requirement of up to 3.0 acres per 1,000 residents. It also allows jurisdictions to adopt higher local standards if supported by their General Plan and local ordinance.

In accordance with this authority, the City has established a local parkland dedication standard of 4.26 acres per 1,000 residents, as outlined in General Plan Policy OSR-1.18. This requirement is implemented through the City's Park and Recreation Dedications Ordinance (Municipal Code Title 13, Chapter XI, Article 5). Based on projected population levels, none of the land use concepts currently meet the 4.26-acre standard.

Table 2: Recreational/Open Space

	Concept 1	Concept 2	Concept 3
Dedicated Recreational/Open Space Areas (acres)	14.1	18	4.9
Population Projection ¹	5,744	7,816	10,232
Required Open Space based on Policy OSR-1.18	~22 acres of open space	~36 acres of open space	~42 acres of open space
NOTES: <i>1. Persons Per Household: 2.64, Source: American Community Survey 2022. Includes estimated 480 DDS units for each concept (mix of 20% Very Low and 80% Moderate income). Assumes 1 person per household for Very Low and permanent supportive units.</i>			

The current General Plan Land Use Designation for the Fairview Developmental Center site is Mixed-Use Center (MUC). The MUC designation—unique to this site—also includes an open space goal requiring that at least 25% of the site be preserved as open space. Based on the 80 acres available for development, this equates to a minimum of approximately 22 acres.

While none of the current land use concepts fully meet the open space goal of preserving 25% of the site as required under the existing MUC designation, a component of the project is a General Plan Amendment to align the designation with the Specific Plan's final land use and open space framework. This amendment will update the MUC land use designation to reflect the allowable uses and revised open space standards established through the Specific Plan.

As the planning process progresses, the Specific Plan will define a realistic and implementable open space goal—supported by future land dedication and developer-funded improvements—that will guide how open space is integrated into the site's long-term development. It is anticipated that the open space goal will be met during implementation through a combination of land dedication, in-lieu fees, development impacts fee and/or developer-funded improvements as part of the future development agreement.

LAND USE CONCEPTS OUTREACH

Survey Details and Structure

To gather community input on the three land use concepts, the City conducted public outreach throughout July and August 2024. Engagement activities included in-person and virtual workshops, pop-up events, and an online survey available from July 24 to August 30, 2024. All materials and events were offered in both English and Spanish, and paper surveys were made available at in-person events (see Attachment 4). In total, the City received 719 survey responses, along with 10 emails and 8 comment cards submitted during the outreach events.

To encourage broad participation, the online survey did not require responses to every question, resulting in varying response rates. The survey was hosted on the Social Pinpoint platform and was designed to reflect the same information presented at public workshops, allowing participants who could not attend in person to access an equivalent level of detail. The survey featured the following informational tabs:

- Introduction – Included instructions for navigating the survey, explained the purpose and development of land use concepts for the FDC Specific Plan, and outlined the survey's goals.
- Land Use Concepts – Provided detailed descriptions of each concept, results from traffic and infrastructure studies, and an interactive map.
- Summary – Offered side-by-side comparisons of the concepts, including the results of the traffic and infrastructure studies. The summary also provided an overall comparison of the concepts intended to inform participants about the various tradeoffs between each concept.

Survey Outreach

The survey was promoted extensively during Workshop 4 open-house series and at pop-up events hosted by the City.

- Wednesday, July 24, 2024 - Open House/Workshop Night 1, 6-8 p.m., Norma Hertzog Community Center, 1845 Park Avenue
- Thursday, July 25, 2024 - Open House/Workshop Night 2, 6-8 p.m., Saint John Paul the Baptist Church, 1021 Baker Street
- Wednesday, July 31, 2024 - Virtual Open House/Workshop Night 3, 6-8 p.m., hosted via Zoom.

The City publicized the survey through the following media and print forms:

- Direct mailer to 40,000 households via USPS
- Social Media (Instagram and Facebook) --~1,000 average reach
- City Manager's Weekly Newsletter (Snapshot) - 12,000 subscribers
- Costa Mesa Minute Video (broadcast on CMTV and social media)
- Three pop-up events: Harbor Iglesia Church, Music in the Park, Northgate Mercado Gonzalez
- Announced at City Council meeting
- Project Website: fdcplan.com
- Flyers at City Facilities

Survey Results

The survey results are provided in Attachment 5. Below is a summary of key findings:

- A total of 719 survey responses were received. Additional feedback included ten emails and eight comment cards submitted during in-person events.
- The physical layout of Concept 1 was the most preferred among respondents.
- Open Space configuration most influenced a participant's preference when selecting a preferred layout.
- 52% of respondents support adding a secondary access road; 32% opposed it, and 16% indicated they need more information.
- 65% of respondents are supportive of 2,300 dwelling units in the plan. About 20% support 3,450 units, while 13.5% support a higher density of 4,000 units.

- 66% of respondents believe the plan should maintain the 920 affordable dwelling units (Very low- and Low-income categories) designated in the City's Housing Element.
- A majority of the respondents were primarily unsupportive of reducing open space/park space for more housing.
- Over 315 open-ended comments were submitted, covering a wide range of topics including strong support of affordable housing, concerns about increased traffic, and importance of preserving open space.

Considerations for the Preferred Land Use Plan

The land use concepts analysis—including financial feasibility findings—identifies several considerations to inform the development of a preferred land use plan:

1. Ensuring Financial Viability

A sufficient number of market-rate housing units will be necessary to generate revenue to fund critical project components, including demolition, infrastructure, open space improvements, and the preparation of sites for DDS and affordable housing.

2. Balance Land Use Components

The preferred plan will need to strike an appropriate balance between affordable housing, market-rate housing, and open space to meet community goals, financial feasibility, and State expectations.

3. Support the Delivery of Affordable Housing

If there is a desire to increase the likelihood and shorten the time frame for developing affordable housing, a sufficient number of market rate units are needed to help pay the cost of structured parking.

4. Plan for Long-Term Flexibility

Incorporating residual land value into the planning approach will help maintain project feasibility in the face of potential changes in economic and market conditions over the anticipated 10- to 18-year buildout period.

RECOMMENDATIONS FOR THE PREFERRED LAND USE PLAN:

The land use concept analysis and the financial feasibility findings, staff recommends the following key elements and considerations for the preferred land use plan:

1. *Residential Development range from 3,600-3,800 units*

This range strikes a balance between market feasibility and achieving City and State housing goals. It also provides flexibility for detailed site planning, phasing, and housing mix adjustments as the project progresses.

2. *Circulation Network: Grand Promenade*

The plan includes a central Grand Promenade that has received strong community support. It should serve as the site's primary spine, enhancing connectivity, reinforcing a sense of place, and promoting walkability across the development.

3. *Open Space: Minimum Publicly Accessible Open space of 10-12 acres*

A defined amount of minimum publicly accessible open space is essential to ensure a high quality of life, meet local and State parkland standards, and provide accessible recreational opportunities for future residents and visitors. In addition, staff will look at including incentives into the Specific Plan that will further encourage the provision of publicly accessible open space.

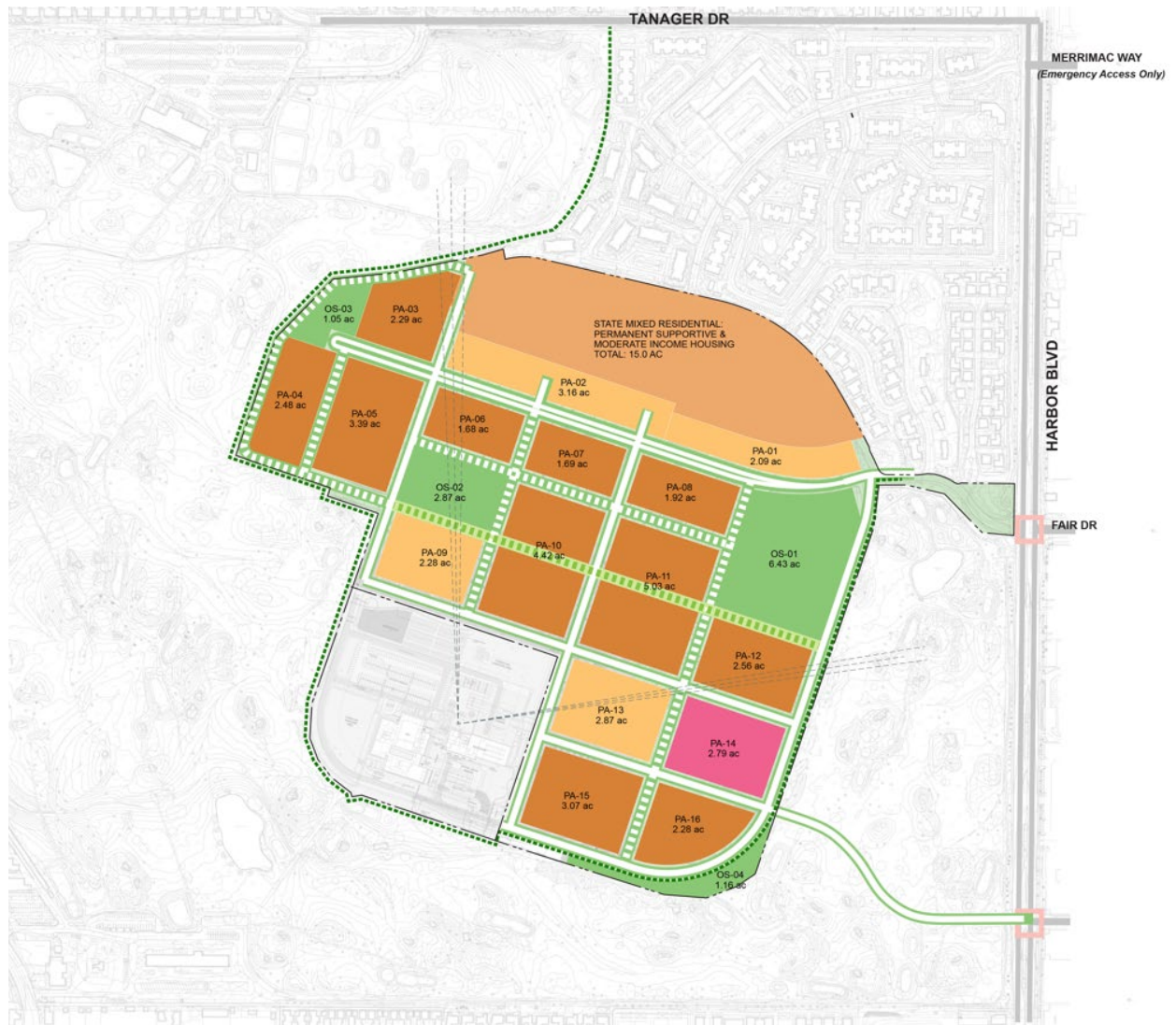
4. *Specific Plan Land Use Plan and Development Standards: Built-in flexibility for future Master Developer with certainty for the community*

The Specific Plan should be designed with flexibility to accommodate changing market conditions and evolving housing products, while not compromising on community decisions and certainty around the plan. This includes adaptable land use designations (including a maximum of 35,000 square feet of commercial and/or retail space) and phasing strategies while maintaining the plan's core principles and community objectives.

5. *Working Draft FDC Preferred Land Use Concept Map*

Figure 3 illustrates the working draft preferred plan that incorporates the staff recommendations outlined in this section. The draft plan can accommodate a maximum unit range of 3,600-3,800 units, a grand boulevard, minimum open space of at least 10 acres and pedestrian trails and a street network that can accommodate all modes of transportation (vehicles, bicycle lanes and pedestrian routes), including a secondary access route from Harbor Boulevard. The draft plan also maintains flexibility to be memorialized into the Specific Plan to accommodate changing market conditions, evolving housing products and a range of potential housing developers depending on the State's disposition process.

Figure 3: Working Draft FDC Preferred Land Use Concept Map



GENERAL PLAN CONFORMANCE:

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

Specific Plan, General Plan Amendment and Environmental Review Process

The Fairview Developmental Center Specific Plan is being prepared to establish detailed land use designations, development standards, infrastructure improvements, and design guidelines for the site. A Specific Plan is a planning tool authorized under California Government Code Sections 65450-65457 that allows cities to implement General Plan policies within a defined area. Once adopted, the Specific Plan will govern all future development proposals for the site, and any development must conform to its requirements.

Following Planning Commission and City Council input on the land use concepts presented in this report, staff will begin drafting the Specific Plan, along with the associated General Plan Amendment. While the City Council will not take formal action or select a final land use concept at this stage, their input—along with feedback from the Planning Commission and community—will help inform a preferred land use plan and define the scope of the environmental review pursuant to the California Environmental Quality Act (CEQA).

Once the project description and land use plan is refined, a Notice of Preparation (NOP) will be issued to initiate the CEQA process. A Scoping Meeting will be held to gather public input on the scope of the Draft Environmental Impact Report (DEIR), which will be prepared and circulated for public review. The Specific Plan, General Plan Amendments, and DEIR will be prepared concurrently over the course of several months. The Planning Commission and City Council will consider these documents during future public hearings. Additional community meetings will also be held to share the draft plan and gather further input prior to formal consideration.

PUBLIC NOTICE:

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

- The date and time of the study session were posted on the project website.
- Information about the study session was shared via the City's social media channels and distributed to the project email list.

NEXT STEPS:

The redevelopment of the Fairview Developmental Center offers a unique opportunity to transform an underutilized site into a vibrant, mixed-use community that reflects the City's goals for sustainability, open space, and active transportation.

The Planning Commission's feedback is a critical step in shaping the vision and structure of the Specific Plan.

Staff will present a summary of the Planning Commission's input, including a refined preferred land use along, draft project description, draft vision statement, draft guiding principles and any additional information requested, back to the Planning Commission at their June 9, 2025, meeting for further review and a formal recommendation of the Preferred Plan to the City Council. Following this meeting, the City Council will consider the aforementioned materials, along with the Planning Commission's recommendation and to provide direction on the preferred plan use project, project description, vision statement and guiding principles at their July 15, 2025, meeting.

Following input from the City Council, staff will proceed with the environmental review process. A Notice of Preparation (NOP) will be issued to initiate the environmental review, leading to the preparation of a Draft Environmental Impact Report (DEIR). Concurrently, staff will continue to develop proposed Specific Plan policies, development standards, and objective design guidelines. An outreach event will be held to present the proposed plan and DEIR to the community for feedback. A follow-up study session with the Planning Commission and City Council will be held on the draft Specific Plan, with additional opportunity for discussion and refinement. Upon completion of the DEIR public review period, the City will initiate the formal public hearing process to consider adoption of the Specific Plan and associated project approvals. In addition, following completion of the DEIR public review period, DGS anticipates release a request for proposals for a Master Developer.

ATTACHMENTS:

1. State Factors
2. Department of Developmental Services (DDS) June 28, 2024 Letter
3. Land Use Concepts for Survey
4. Land Use Concepts Survey
5. Survey Results
6. Financial Feasibility Analysis