



City of Costa Mesa

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

Item #: 25-606

Meeting Date: 1/20/2026

TITLE: URBAN PLAN MASTER PLAN SCREENING REQUEST (PSCR-25-0001) FOR A PROPOSED 34 UNIT LIVE/WORK AND RESIDENTIAL LOFT DEVELOPMENT ON A 1.4 ACRE SITE WITHIN THE MESA WEST BLUFFS URBAN PLAN, LOCATED AT 1626 PLACENTIA AVENUE

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION

PRESENTED BY: CHRIS YEAGER, SENIOR PLANNER

CONTACT INFORMATION: CHRIS YEAGER, SENIOR PLANNER, (714) 754-4883

RECOMMENDATION:

Staff recommends City Council discuss the screening application and provide preliminary feedback to the staff and the applicant.

BACKGROUND:

Pursuant to Costa Mesa Municipal Code (CMMC) section 13-28(g)(4), a proposed master plan must undergo a City Council screening prior to the submittal of a development application. The purpose of the master plan screening is to solicit City Council comments on the overall merits and appropriateness of a proposed concept prior to the filing of formal entitlement applications. The screening is advisory only and does not constitute project approval, environmental review, or a determination of project consistency.

The Urban Plan allows live/work and residential loft units and deviations from development standards when approved through a Master Plan in exchange for high-quality design. Should the project move forward, the Master Plan would be subject to review and approval by the Planning Commission.

The property is located within the Mesa West Bluffs Urban Plan area. On April 4, 2006, the City Council adopted the Urban Plan to allow incentives for the development of live/work units and/or residential lofts. The intent is to provide development/economic incentives for private property owners to reinvest and redevelop their properties. The applicable objectives of the plan include the following:

- Encourage the construction of live/work units that combine residential and nonresidential uses in the same unit without exceeding the development capacity of the General Plan transportation system.
- Attract more residents and merchants by allowing mixed-use development in the form of a live/work loft, which offers first-floor retail/office uses and upper story living spaces in the same unit.

- Encourage adaptive reuse of existing industrial or commercial structures, which would result in rehabilitated buildings with unique architecture and a wider array of complementary uses.
- Stimulate improvement in the Mesa West Bluffs Urban Plan area through well designed and integrated urban residential development that is nontraditional in form and design with flexible open floor plans, which complements the surrounding existing development.
- Meet the demand of a new housing type to satisfy a diverse residential population comprised of artists, designers, craftspeople, professionals, and small-business entrepreneurs.
- Promote new types of urban housing that would be target-marketed to people seeking alternative housing choices in an industrial area. An urban loft would be an alternative to a traditional single-family residence, tract home, or small-lot subdivision.
- Encourage the design and development of urban residential structures reflecting the urban character of the surrounding industrial context, both in the interior and exterior areas. Encourage quality live/work development which promotes business activity through workspaces and amenity areas which are distinct from residential lofts/lifestyle lofts in design and function.

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

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

PROJECT DESCRIPTION:

The project proposes a 34-unit live/work and residential loft development with three-unit types ranging from 1,432 square feet to 1,667 square feet with three bedrooms each. Each unit is proposed to include an attached two-car garage, along with approximately 200 square feet of private open space consisting of a ground-floor patio and second-floor deck. The project proposes to utilize the California Density Bonus Law (CDBL) to obtain a 20 percent density bonus in exchange for reserving two dwelling units at very low-income levels.

The project site includes one main driveway running down the center of the project site, with three buildings consisting of five or six units on each side of the driveway. Guest parking, trash enclosure, and transformers are proposed at the rear of the development.

PROJECT SITE:

The proposed development site is 1.4 acres, as shown in Exhibit 1 below, and is located on the east side of Placentia Avenue, approximately 300 feet north of the nearest intersection of Placentia Avenue and West 16th Street. The project site is currently developed with an approximate 13,100 square-foot warehouse and a second 3,450 square-foot warehouse, and is currently occupied by industrial and office uses.

Exhibit 1 Vicinity Map



The site has a General Plan Land Use Designation of "Light Industrial" and is zoned "General Industrial District" (MG). The site is surrounded by the uses identified in Table 1 below.

Table 1 Surrounding Uses	
North	Boxing gym, air conditioning service
East	Automotive uses, office uses
South	Automotive uses, body shop including painting, contractors' offices, vehicle and boat storage
West (Across Placentia Avenue)	Restoration service, roofing center, sailmaker, resin molding center, and automotive uses

PROJECT DISCUSSION:**Project Location**

The project is proposed to be located on a site that is within proximity to various uses which are utilized by residents. Table 2, below, identifies the distance from the project site to assigned public schools, parks, and other uses.

Table 2 Neighborhood Proximity

Neighborhood Use	Walking Distance	Approximate Walking Time
Newport Heights Elementary School	1.0 miles	23-minute walk
Ensign Middle School	1.9 miles	44-minute walk
Newport Harbor High School	1.4 miles	33-minute walk
Wilson Coffee / Eller Bakery	0.3 miles	6-minute walk
Lions Park	1.0 miles	22-minute walk
Heller Park	1.0 miles	22-minute walk
Trader Joe's Grocery Store	0.6 miles	15-minute walk
American Gym	0.1 miles	1-minute walk
Beach	1.3 miles	32-minute walk

As shown in Exhibit 2 below, the property to the north has approximately 200 feet of building wall immediately adjacent to the outdoor areas of the proposed northern three-story units. These walls will not shade the development due to their northern orientation; however, staff believes the proposed configuration may create a “canyon-like” outdoor environment. The proposed dwelling units themselves will shade the private open space areas. Landscaping and open space should be arranged to maximize airflow and daylight.

Exhibit 2 Neighboring Property Walls



The property is located adjacent to various industrial uses. As required by the Urban Plan, a Master Plan submittal must include a noise study and a Health Risk Assessment identifying any features needed to ensure a healthy living environment. Additionally, the project will be required to disclose the presence of nearby industrial uses to future homeowners. As shown in Exhibit 3 below, the project site is located north of an existing contractor facility, which includes a vehicle repair and paint use, as well as boat storage areas. The proposed southern units will overlook these existing uses, and the private outdoor areas will be approximately 20 feet from the existing uses.

Exhibit 3 Industrial Use Proximity

***Traffic Evaluation***

Pursuant to the Costa Mesa Municipal Code (CMMC), a transportation impact study is required for all development projects that generate 100 or more vehicle trip ends during a peak hour. The City's Transportation Division preliminarily reviewed the application and determined that during the AM and PM peak hours, the proposed project would generate approximately 40 AM and 48 PM peak-hour trips, below the threshold. Therefore, as currently proposed, no traffic study would be required; however, traffic impact fees will apply. Full review of the project will commence after a development application is submitted.

Density Bonus

The applicant indicates that the project proposes to include 5 percent very low-income deed restricted affordable homes (two units). Pursuant to the CDBL, the proposed affordable unit percentage would allow for a density bonus of 20% over the allowable density. The General Plan allows for a maximum residential density of 13 dwelling units per acre in conjunction with the Mesa West Bluffs Urban Plan, and live/work units are typically allowed at 1.0 FAR, which equates to 15-20 dwelling units per acre; however, the density is dependent on many factors and not only on the maximum allowable FAR. The FAR and vehicle trip generation work in concert to ensure that the proposed development does not exceed the capacity of the General Plan circulation system.

As proposed, the project includes a residential loft density of 13 dwelling units per acre for 12 base units. The 16 total live/work units includes a FAR of 1.29. With the 20 percent density bonus, the project would be eligible to construct 6 additional residential loft units for a total of 18 residential loft units and 16 live/work units.

Parking and Circulation

Pursuant to the CDBL, total parking for residential projects proposing affordable units is based on bedroom count. The project requires a total of 67 parking spaces, and 80 are provided within attached two-car garages and in open parking at the rear of the property.

As shown in Exhibit 4 below, vehicular circulation is provided on the site by one driveway, which bisects the property. The driveway leads to a T-intersection at the rear of the project site, where the open parking, trash enclosure, and transformers are located. The project will be required to provide adequate turnaround for trash trucks and emergency vehicles.

Exhibit 4 Site Plan



The project proposes an internal pedestrian sidewalk system that provides pedestrian access to all units from Placentia Avenue. The site is located on Placentia Avenue, which includes a class II bikeway with bollard separation. The street also has multiple bus stops for the Orange County Transit Agency 47 bus route (Fullerton to Newport Beach).

Proposed Building Height and Architecture

With the approval of a Master Plan, the development can take advantage of the Mesa West Bluffs Urban Plan development standards, which allow for a maximum height of 60 feet and four stories. The project is designed with a maximum height of approximately 37 feet 11 inches, and the project does not utilize the roof areas to provide for additional open space.

As shown below in Exhibit 5, the project proposes contemporary architectural elements. The proposed designs incorporate limited offsets and articulations, and modern exterior materials which have been utilized in other Urban Plan projects. Details regarding the architectural style, materials used, building facades, as well as shade and shadow analysis, will be required and thoroughly reviewed with the future Master Plan application submission.

Exhibit 5 Proposed Architecture



Open Space

Each unit is proposed to include approximately 200 square feet of private open space. Minimal site open space is provided on the site except for landscaped sidewalks. As noted above, the project site is approximately one mile from the closest public park (Heller Park, Lions Park, and Sunset Ridge Park in Newport Beach). Due to the distance to recreational facilities, staff believe that additional private open space should be provided in the form of roof decks.

MERITS OF THE PROPOSED PROJECT:

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

1. Project meets objectives of the Mesa West Bluffs Urban Plan. The project appears to promote a type of urban housing including live/work and residential loft units. The project promotes residential ownership housing.
2. Proposed Development is consistent with the objectives of the General Plan, Zoning Code and Urban Plan. The proposed project is consistent with the goals and policies of the General Plan and live/work development standards of the Mesa West Bluffs Urban Plan. The proposed development generally meets the development standards and setback requirements with waivers and a concession which are allowed by the CDBL.
3. Ownership Units. The project proposes to include 34 ownership residential units, including two dwelling units reserved for very-low income households, which will contribute to the City's Regional Housing Needs Allocation (RHNA) obligations.

POTENTIAL FURTHER PROJECT DESIGN CONSIDERATIONS:

Staff will continue to work with the applicant on the following issues at the Council's direction:

1. Residential Amenities. While the plan does not include residential amenities, the Mesa West Bluffs Urban Plan does not require these features at the same level that would be provided in other residential areas of the City. Staff and the applicant will continue to discuss ways in which the project can provide appropriate amenities.
2. Project Location. The project location is in proximity to uses frequented by residents, including food and beverage establishments and a grocery store. However, the location is a mile away from the closest park and public schools. Even though future residents will be made aware of surrounding industrial uses, the project is surrounded by industrial uses which may be seen as a blight to future residences.
3. Open Space. While the preliminary plan includes modest private open space, the distance to parks may necessitate additional on-site open space. The Urban Plan allows for roof decks and a fourth floor, which would allow for more private open space on site.

ALTERNATIVES:

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

ENTITLEMENT PROCESS:

Should the application move forward, the project would be required to apply for a Master Plan and Tentative Tract Map, which would be reviewed by the Planning Commission. The project would also require an environmental determination in compliance with the California Environmental Quality Act (CEQA).

FISCAL REVIEW:

Through the 2015-2035 General Plan update, the City prepared a fiscal model based on adopted land uses. Commercial and Industrial uses were assumed on the project site for fiscal analysis purposes, which included various assumptions such as property tax, sales tax, franchise tax, etc. If the project proceeds to the submittal of a Master Plan application, the project would reduce sales tax, but may increase property tax as an offset in the General Fund (Fund 101).

LEGAL REVIEW:

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

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goal to diversify, stabilize and increase housing to reflect community needs.

CONCLUSION:

The screening process enables the City Council to provide preliminary feedback regarding the project. The City Council's comments do not set precedent for approval/denial nor constitute final action on the development project. In addition, the applicant may expect that the City staff review, and the Planning Commission will have other project comments/concerns that may not have been considered by the City Council. Additionally, the screening process allows the applicant to consider Council's initial comments and refine the development concept based on their feedback.