



Agenda Report

Item #: 25-403

Meeting Date: 09/02/2025

TITLE: SECOND READING AND ADOPTION OF AN ORDINANCE TO REZONE THE PROJECT SITE FROM ADMINISTRATIVE AND PROFESSIONAL (AP) TO MULTIPLE FAMILY RESIDENTIAL (R3) FOR THE 142 UNIT RESIDENTIAL OWNERSHIP PROJECT LOCATED AT 3150 BEAR STREET (MERITAGE HOMES)

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION

PRESENTED BY: CHRIS YEAGER, SENIOR PLANNER

**CONTACT INFORMATION: CHRIS YEAGER, 714-754-4883,
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RECOMMENDATION:

Staff recommends that the City Council give second reading to and adopt Ordinance No. 2025-05 to approve the rezone for subject property from Administrative & Professional (AP) to Multiple Family Residential (R3).

APPLICANT OR AUTHORIZED AGENT:

The authorized agent is Vanessa Scheidel representing Meritage Homes.

ANALYSIS:

The project involves the development of a 142-unit residential common interest development including 20 detached single-family dwellings and 122 town homes within eight four-story buildings located at 3150 Bear Street. The proposal includes a General Plan Amendment, Design Review, Tentative Tract Map, Density Bonus, and Initial Study/Mitigated Negative Declaration to facilitate the project.

At the regular meeting on August 5, 2025, City Council conducted a public hearing and received public comments for the Meritage project. The City Council approved by a 6-0 vote (Councilmember Buley absent) the following: Mitigated Negative Declaration (SCH No. 2025050135), General Plan Amendment (PGPA-24-0002), Design Review, Tentative Tract Map No. 19334, and Density Bonus for a 142-unit ownership residential development. In addition to the above project approvals, the City Council gave first reading to and introduced Ordinance No. 2025-05. In making the motion, the City Council elected to remove the proposed pedestrian gate from Olympic Avenue. In addition, conditions were added to ensure that the signalized project entrance on Bear Street utilizes design features to ensure pedestrian safety and that traffic calming measures be explored in the Triangle neighborhood. Further direction was given to staff to monitor parking concerns in the existing neighborhoods and to return to establish a parking district if the project creates undue parking issues, and to monitor the entrance to the Lifestyles community so residents are not blocked in by traffic.

The agenda report and video for the August 5, 2025 City Council meeting can be found at the following links:

August 5, 2025 Agenda Report:

<https://costamesa.legistar.com/LegislationDetail.aspx?ID=7498542&GUID=8970B77B-04B6-4A0D-9482-A2C5637A9D4A>

August 5, 2025 Meeting Video:

https://costamesa.granicus.com/player/clip/4286?view_id=14&redirect=true

A total of 31 members of the public provided public comments at the meeting in person or via Zoom. Written public comments submitted for the August 5, 2025 meeting can be found here:

<https://costamesa.legistar.com/View.ashx?M=E3&ID=1316796&GUID=AB6D1CA7-0025-45BA-BB3E-BF50699BA034>

The proposed Ordinance is included as Attachment 1 to this agenda report. If adopted by City Council, the Ordinance would become effective in 30 days.

PUBLIC NOTICE:

Pursuant to Government Code 36933, a summary of the proposed Ordinance was published once in the newspaper no less than 5 days prior to the August 5, 2025 first reading. A summary of the adopted Ordinances will be published within 15 days after the adoption.

Any public comments received for the September 2, 2025 City Council meeting, may be viewed at this link: [CITY OF COSTA MESA - Calendar \(legistar.com\)](#)

ALTERNATIVES CONSIDERED:

The City Council may give second reading and adopt the Ordinance as proposed, modify the Ordinance, or not adopt the Ordinance. If the City Council chooses to make substantive modifications to the Ordinance after introduction, the modified Ordinance would need to be brought back at a future meeting for second reading and adoption.

FISCAL REVIEW:

A fiscal impact analysis was prepared by Zimmerman Group and reviewed by the City's Finance Department. Staff evaluated the project's fiscal impact to the City based on the change of land uses of the proposed project, including a General Plan Amendment and Rezone. The analysis projects the expenditures and revenue that directly impact the City as a result of the proposed project. Zimmerman Group projected the new fiscal impacts generated by the proposed project and found that once it is fully operational, the project would result in an estimated annual net revenue surplus of \$78,058 to the City. Zimmerman Group determined that the property tax and sales tax revenue would exceed the projected annual City's expenditures related to public services.

LEGAL REVIEW:

The City Attorney's Office has reviewed this report and its attachment and approves them as to form.

CITY COUNCIL GOALS & PRIORITIES:

This item supports the City Council's goal to:

- Diversify, stabilize, and increase housing to reflect community needs.

CONCLUSION:

Staff recommends that the City Council give second reading to and adopt Ordinance No. 2025-05. The adoption of the proposed Ordinance would rezone the property located at 3150 Bear Street to R3 allowing the 142-unit ownership residential project to be located on the project site.