



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

Item #: 25-359

Meeting Date: 07/15/2025

TITLE: MITIGATED NEGATIVE DECLARATION, GENERAL PLAN AMENDMENT (PGPA-24-0001), REZONE, MASTER PLAN (PMAP-24-0002), AND TENTATIVE TRACT MAP NO. 19351 FOR THE DEVELOPMENT OF 40 RESIDENTIAL CONDOMINIUM UNITS LOCATED AT 220, 222, 234, AND 236 VICTORIA STREET ("VICTORIA PLACE")

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION

PRESENTED BY: VICTOR MENDEZ, SENIOR PLANNER

CONTACT INFORMATION: VICTOR MENDEZ, SENIOR PLANNER, 714-754-5276

RECOMMENDATION:

The Planning Commission recommends the City Council deny the General Plan Amendment (PGPA-24-0001), Rezone, Master Plan (PMAP-24-0002), and Tentative Tract Map No. 19351.

APPLICANT OR AUTHORIZED AGENT:

The applicant is Bundy-Finkel Architects, on behalf of WMC, LLC.

PLANNING APPLICATION SUMMARY

Location:	220 Victoria St	Applications Number(s):	PGPA-24-0001 & PMAP-24-0002
Request:	Development of a residential common interest development community comprising of 18 duplexes (36 dwelling units) and four detached units for a total of 40 dwelling units.		

SUBJECT PROPERTY:**SURROUNDING PROPERTY:**

Zone:	C2 - General Business	North:	R3 – Multiple Family Residential
General Plan:	General Commercial	South:	C1 – Local Business (across Victoria Place)
Lot Dimensions:	Approximately 250' x 307'	East:	C2 - General Business
Lot Area:	1.77 acres	West:	C2 - General Business
Existing Development:	The project site is currently developed with approximately 18,567 square feet of commercial retail use and storage area.		

DEVELOPMENT STANDARDS COMPARISON – RESIDENTIAL INCENTIVE OVERLAY DISTRICT (RIOD) AND RESIDENTIAL COMMON INTEREST DEVELOPMENT (RCID)

	DEVELOPMENT STANDARD	CODE REQUIREMENT	PROPOSED	MEETS CODE
RIOD	Minimum lot size:	0.5 acre	1.77 acres	Yes
RCID	Minimum lot size:	N/A	N/A	N/A
RIOD	Maximum Density:	30 du/acre = maximum 53 units	22.6 du/acre = 40 units	Yes
RCID	Maximum Floor Area Ratio (FAR):	0.75	1.43	Deviation Requested ¹
	Open Space:			
RIOD	Minimum Open Space	40% of total site area (30,840 SF)	42% (32,437 SF)	Yes
RCID	Minimum Open Space	40% of total lot area (30,840 SF)	42% (32,437 SF)	Yes
RIOD	Common Use Open Space	50% of required open space (15,420 SF)	32% (9,817 SF)	Deviation Requested ¹
RCID	Common Open Space	Common open space areas shall be designed and located within the development to allow maximum use by all residents	BBQ/Play Area Centrally Located and a Flex Space	Yes
RIOD	Private Open Space	Private decks or patios – minimum 100 square feet with no dimension less than 5 FT	Roof deck (9,175 SF)	Yes

		(4,000 SF)		
RCID	Private Open Space	An adjoining patio required with no dimension less than 10 FT	Roof deck (9,175 SF)	Yes
RIOD	Maximum Building Height	3 stories	3 stories / 39 FT 6 IN	Yes
RCID	Maximum Building Height	2 stories/27 feet	3 stories / 39 FT 6 IN	Deviation Requested ¹
Setbacks:				
RIOD	Front (Victoria Place)	20 FT	20 FT	Yes
RCID	Front (Victoria Place)	20 FT	20 FT	Yes
RIOD	Side – Left	20 FT	7 FT 6 IN	Deviation Requested ^{1, 4}
RCID	Side – Left	5 FT	7 FT 6 IN	Yes
RIOD	Side - Right	20 FT	7 FT 6 IN	Deviation Requested ^{1, 4}
RCID	Side – Right	5 FT	7 FT 6 IN	No
RIOD	Rear	20 FT	11 FT 3 IN	Deviation Requested ^{1, 4}
RCID	Rear	20 FT for 2 story structures in R2-MD and R2-HD zones; 15 FT for 2 story structures in the R-3 zone. 10 feet for one story structures...	11 FT 3 IN	N/A ²
RIOD	Landscape Parkway (Interior Private Streets or Common Driveways)	Combined 10 feet wide, no less than 3 feet on one side	None	Deviation Requested ¹
RCID	Landscape Parkway (Interior Private Streets or Common Driveways)	Combined 10 feet wide, no less than 3 feet on one side. Parkway on house side of private street or common driveway shall be a minimum of 5 feet wide	None	Deviation Requested ¹
Storage:				
RIOD	Storage	N/A	Garage (390 SF)	N/A
RCID	Storage	Each unit provide 200 cubic feet of securable storage exterior to unit or within garage/carport	Garage (390 SF)	Yes

	Garage Dimension:			
	Two-car garage	20 FT x 20 FT	20 FT x 19 FT 6 IN	Deviation Requested ¹
	Parking Stall Width Between Buildings			
	Parking Stall Width	1 FT ON EACH SIDE: 10 FT 6 IN	9 IN ON EACH SIDE: 10 FT	Deviation Requested ¹
	Parking:			
	Residential Tenant Covered Parking (Three Bedrooms)	40 (1 spaces x 40 units = 40 spaces)	103	Deviation Requested ¹
	Residential Tenant Open Parking (Two Bedroom)	90 (2.25 ³ spaces x 40 units = 90 spaces)		
	Residential Guest Parking	20 (0.5 spaces x 40 units = 20)		
	TOTAL	150³		

¹ Development standard deviations allowed through Master Plan approval process

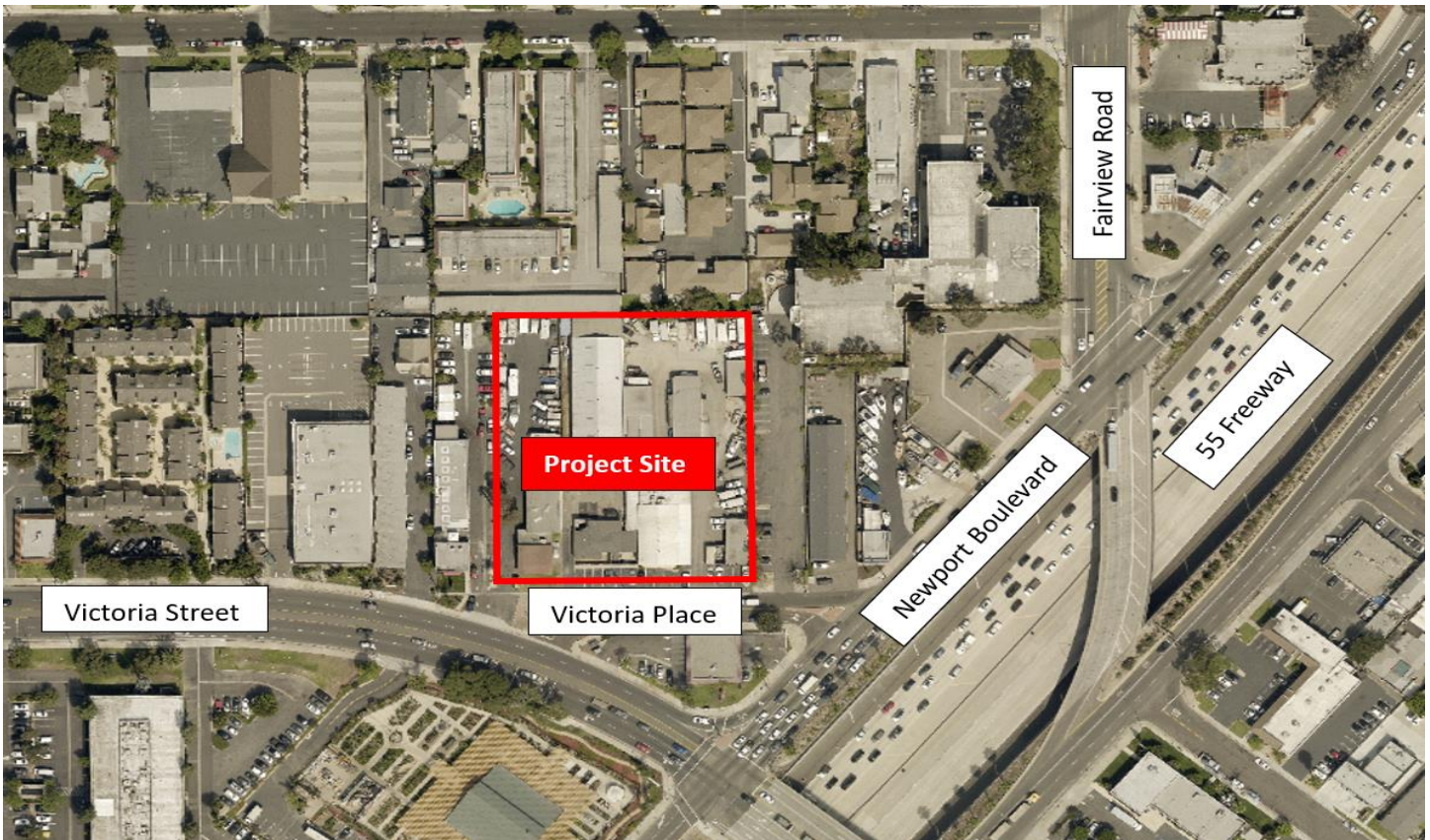
² The development is composed of three-story residential units and is not located within the R2-MD, R2-HD, or R-3 zone, therefore, has no rear setback

³ Tenant open parking can be reduced by 0.25 space for one bedroom and larger units if the covered parking is provided within either a carport or a parking structure; therefore, calculation includes 0.25 reduction

⁴ Side and rear setback requirements under the RIOD appear to be ambiguous, as the standard states: "20 feet (for 3 stories abutting R2-MD zones)." It is unclear whether this 20-foot setback applies to only when a 3-story building abuts an R2-MD zone. If the development is proposed at 3 stories but does not abut an R2-MD zone, it is uncertain whether a zero setback would be permitted. Given this lack of clarity, staff applied a conservative interpretation and used the 20-foot setback for both side and rear yards.

BACKGROUND:

The project site is located on the north side of Victoria Place near the intersection of Victoria Street and Newport Boulevard. The project site consists of three adjacent properties with a total combined area of 1.77 acres (see the below Exhibit 1).

Exhibit 1 Vicinity & Location

The project site is currently developed with existing commercial retail buildings, a residential unit repurposed as a commercial use, and storage yards. Specifically, approximately 18,567 square feet commercial retail use and storage are located on-site; the buildings are occupied by the following tenants:

Table 1 – Existing Structures

Suite	Use	Square Footage/Units
220 Victoria Street		
Suite A	Storage	500 square feet
Suite B	Boat Storage and Repair (Harvey's Boat Storage)	1,400 square feet
222 Victoria St		
Suite A	Commercial Retail (Allied Lighting)	6,834 square feet
234 Victoria St		
Suite A	Originally constructed as residential use, but has been utilized for commercial purposes for the past 58 years (Currently Vacant)	1 Unit approximately 2,000 square feet
Suite B	Commercial (Suburban Plumbing)	2,333 square feet
236 Victoria St		
Suite A	Commercial Retail (Battery Mart)	5,500 square feet
Total Commercial Square Footage		18,567 square feet

In addition to the existing structure noted in Table 1, the site also contains a one-story residential structure built in 1954. However, rent rolls indicate that for the past 58 years, the structure has been used as a commercial or storage facility for a plumbing business rather than as a residential unit. Currently vacant and in a state of disrepair, the structure has not been occupied for the past five years. Therefore, the existing structure is not a protected residential unit under California state law because it has been used for commercial purposes for the past 58 years, has remained vacant and uninhabitable for the last five years, and does not constitute viable or recently occupied housing.

Access to the project site is currently provided by Victoria Place, which connects Victoria Street and Newport Boulevard. Nearby development includes an 11-unit apartment project on an 0.83-acre lot (13.2 du/acre) and a 32-unit apartment project on 1.12-acre lot (28.6 du/acre) to the north. Commercial uses such as Herb's Garage Auto Center is located to the west, Jiffy Lube to the south, and the Newport Victoria Plaza office building to the east. The project site is also positioned within a ½ mile walking distance to a mix of retail, restaurant, and shopping areas.

Early historical aerials indicate the site was surrounded by rural fields, within sparse development until the iteration of a single-family house in 1938 located at the southwest corner of the site. By the 1950s, following the incorporation of Costa Mesa in 1953, historical aerials indicate the presence of outbuildings (since disappeared) in the rear/north portion of the lot. A proliferation of industrial and commercial buildings had appeared on the parcels and surrounding area by 1963. Between 1972 and 1987, the final building was constructed within the project area. By 1992, the Project area is generally in its current configuration.

Residential Incentive Overlay District (RIOD) Background

On September 20, 2016, the City Council passed Code Amendment CO-16-02 which established the RIOD. The RIOD is situated along Harbor and Newport Boulevards on properties with underlying General Plan land use designations of Commercial Residential, General Commercial or Medium Density Residential. The overlay was initially applied to 14 sites that were developed with marginal operating commercial uses (mainly motels, restaurants, gas stations, and auto services). The overlay added a land use option for residential development of up to 40 dwelling units per acre (du/acre) on these sites compared to the Commercial Residential (maximum of 17.4 du/acre), General Commercial (no residential permitted except in mixed use developments), and the Medium Density Residential (maximum of 12 du/acre) land use designations. The added overlay and higher densities were intended to incentivize residential redevelopment of these parcels. However, after the establishment of the RIOD, the City did not receive any interest from the 14 property owners to redevelop these properties.

Subsequently, on November 13, 2018, the City Council approved a General Plan and Zoning Code amendment to reduce the area of the RIOD from 14 sites to only four sites; including: (1) 3205 Harbor Boulevard (Vagabond Inn), (2) the southeast portion of Harbor Boulevard and Gisler Avenue (consisting of an existing hotel, gas station and restaurant), (3) 2277 Harbor Boulevard (Lux Apartments), and (4) the southeast portion of Newport Boulevard and Albert Place (2250 Newport Boulevard (the Ali Baba Motel) and 2274 Newport Boulevard (the Mesa Vista Apartments). At that time, the City Council also reduced the maximum allowable density within the RIOD from 40 du/acre to 30 du/acre and lowered the maximum building height from four stories to three stories.

On August 6, 2024¹, the City Council reviewed a screening application for the proposed 40-unit RCID. The City Council was generally supportive of the proposed development plan and provided suggestions to prioritize community spaces and streetscape design project features. The City Council provided feedback, which was incorporated into the formal application, particularly emphasizing enhanced community space and streetscape improvements along Victoria Place. Additional comments were provided to remove Palm trees from the landscaping palette.

Subsequently, the applicant prepared their formal submittal incorporating the City Council comments including increasing the common use open space in the center of the development, revitalizing the landscape peninsula along Victoria Place, enhancing the façade of the units and by removing palm trees from the landscape plan.

¹ The August 6, 2024 staff report and meeting video can be viewed links below:

Report: <https://costamesa.legistar.com/LegislationDetail.aspx?ID=6816049&GUID=802DDB31-6CD1-40E5-9CCE-E01BF2F8224A>

Video: https://costamesa.granicus.com/player/clip/4159?view_id=14&redirect=true

Measure Y/Measure K

Measure Y was approved by the voters on November 8, 2016, and certified by City Council on December 12, 2016, and became effective on December 23, 2016. Measure Y amended the CMMC to require voter approval of certain changes in land use including projects that amend, change, or replace the General Plan, the Zoning Ordinance, a specific plan, or an overlay plan and involve one or more specific conditions as identified in the ordinance. Measure K, approved by Costa Mesa voters in November 2022, permits the City Council to approve housing and mixed-use developments in designated commercial and industrial corridors without requiring voter approval, as was previously mandated by Measure Y. The proposed project is exempt from Measure Y because it falls within the boundaries of the Measure K overlay. Measure K aims to facilitate the revitalization of underutilized areas by encouraging the development of housing opportunities, thereby addressing the community's needs without compromising existing residential neighborhoods.

Housing Element

The 6th Cycle Housing Element identifies housing opportunity sites throughout the City pursuant to the State determined Regional Housing Needs Allocation (RHNA). Although the project site is not an identified housing site by the City's housing element, the project would count toward the City's 6th Cycle RHNA allocation, provided that building permits are issued by the end of the planning period in December 2029.

Planning Commission

On June 9, 2025, the Planning Commission reviewed the proposed 40-unit residential condominium development. As part of its review, staff recommended that the Planning Commission recommend that the City Council take the following actions:

1. Adopt a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program; and
2. Approve the General Plan Amendment (PGPA-24-001), Rezone, Master Plan (PMAP-24-0002), and Tentative Tract Map No. 19351, subject to conditions of approval.

Public comments at the Planning Commission meeting reflected a mix of project support and concerns. Those in favor highlighted that the project consists of ownership units, which could help balance the ratio of owner-occupied to rental housing in the City, noted the family-friendly home sizes, and pointed out its similarity in scale to another nearby condominium project along Victoria Street. Supporters emphasized that the ownership units would reduce the ratio between owner occupied and rental property in the City, that the size of the homes were suitable for families, and that the project is similar in size and scale to another nearby condominium project along Victoria Street. Public concerns included potential parking shortages, the number of requested deviations, and the suitability of the site location given its location along the high-traffic Newport Boulevard corridor and potential noise and air quality impact due to freeway proximity.

The Planning Commission discussed traffic impacts, public safety, and the appropriateness of applying the Residential Incentive Overlay District zone given the project's various deviations from code. While

some commissioners appreciated the ownership opportunity and design intent, others expressed concern over parking shortages, pedestrian access, and zoning approach.

With a motion by Vice Chair Zich and second by Chair Harlan, the Planning Commission voted 5-2 (Ayes: Zich, Harlan, Martinez, Rojas, and Klepack; Noes: Dickson and Andrade) to recommend the City Council to deny the project (the General Plan Amendment (PGPA-24-001), Rezone, Master Plan (PMAP-24-0002), and Tentative Tract Map No. 19351) and not adopt the Mitigated Negative Declaration and not approve the General Plan Amendment, Rezone, Master Plan, and Tentative Tract Map. Commissioners (Zich, Harlan, Martinez, and Klepack) expressed concerns related to the project's reliance on deviations from development standards, its use of the residential overlay zoning mechanism, and pedestrian safety. Commissioners that supported the project, cited the need for ownership housing and the applicant's responsiveness to City Council feedback.

The June 9, 2025, Planning Commission agenda report and meeting video can be viewed at the links below:

Report: <https://costamesa.legistar.com/LegislationDetail.aspx?ID=7429061&GUID=F544796B-A572-455D-B17D-772A9565FFDB>

Video: https://costamesa.granicus.com/player/clip/4269?view_id=14&redirect=true

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, such as the one associated with the proposed three-story residential project, must be referred to the ALUC for a consistency determination prior to adoption by the City Council. On June 19, 2025, in compliance with Section 21676(b) of the California Public Utilities Code, ALUC held a public hearing finding that the project is compatible with the Airport Environs Land Use Plan (AELUP).

ANALYSIS:

The project proposes to develop a 40-unit RCID community comprising of 18 duplexes (36 dwelling units) and four detached units adjacent to Victoria Place. Victoria Place, a public street forming the southern boundary of the site, provides access to the project through two new driveways. This street connects to Newport Boulevard and Victoria Street, facilitating circulation to and from the site. As part of the project, a new sidewalk will be constructed along Victoria Place, accompanied by accessible pathways that connect to adjacent pedestrian and future bicycle amenities.

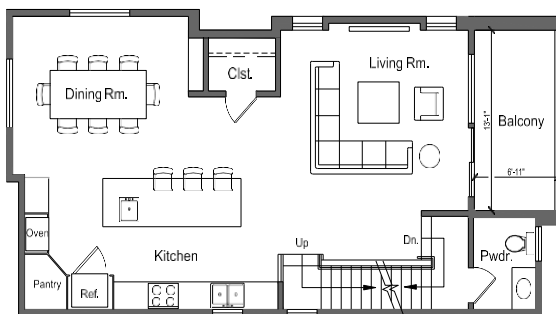
A new Class II bike lane is also proposed along the north side of Victoria Place, connecting Newport Boulevard to Victoria Street and enhancing multimodal access. A Class-2 bike lane is provided on the east side of Newport Boulevard and Costa Mesa's Public Works Department is planning to install a new bike lane along the west side of Newport Boulevard. In addition, there are three additional bicycle lanes in the immediate area located along Victoria Street, Newport Boulevard, and Fairview Road. These bicycle lanes are interconnected with the regional bicycle trail system and provide connections between Costa Mesa, Huntington Beach, Newport Beach, and Santa Ana. The project's internal private drive aisles form an "H-shape" circulation pattern with garage doors facing towards the drive aisles.

The Orange County Transportation Authority (OCTA) operates bus route 71 nearby with two bus stops located approximately 270 and 550 feet away. Bus Route 71 runs north-south generally along portions

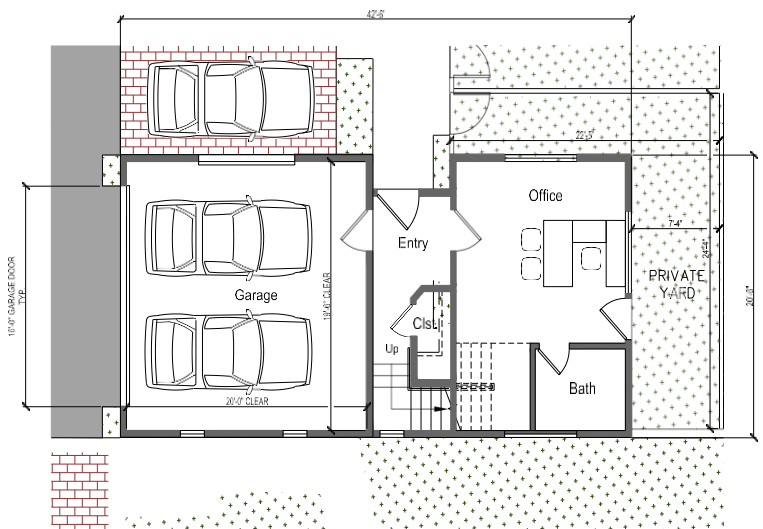
of Newport Boulevard and Red Hill Avenue from Newport Beach through Costa Mesa and into Irvine and Santa Ana and points beyond.

The project proposes an overall density of 22.6 dwelling units per acre (du/acre), where 30 du/acre is allowed under the RIOD. Each unit proposes a square footage of approximately 2,751 square feet with a height of approximately 39 feet, six inches. Each unit includes a first-floor office area, restroom, two-car garage. The second floor includes a living room, a kitchen, a dining area, a bathroom, and a covered balcony. The third floor living area has three bedrooms, two bathrooms, and a laundry area. In addition to a roof deck, each unit would also have private open space at the ground level. The units facing Victoria Place include landscaping with nearby pedestrian access to a proposed future public sidewalk (see the below proposed floor plans in Exhibits 2 and 3). These units also include large, street-facing windows along the Victoria Place frontage.

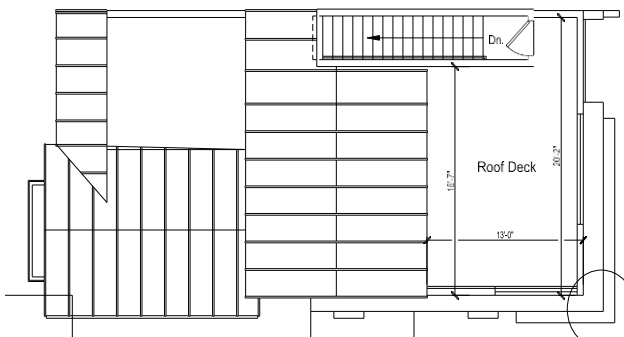
Exhibit 2 Detached Unit Floor Plan



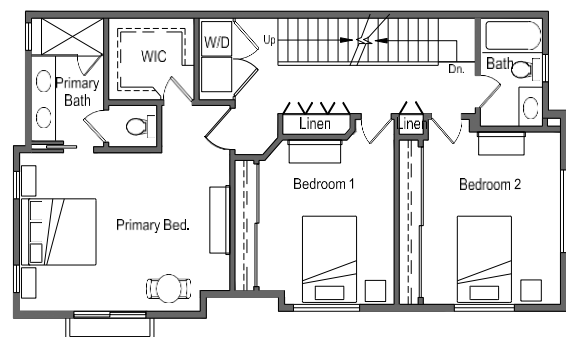
SECOND FLOOR PLAN - DETACHED UNIT
1/4"=1'-0"



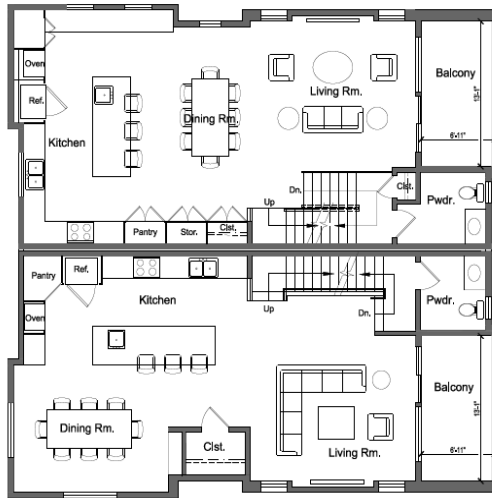
FIRST FLOOR PLAN - DETACHED UNIT
1/4"=1'-0"



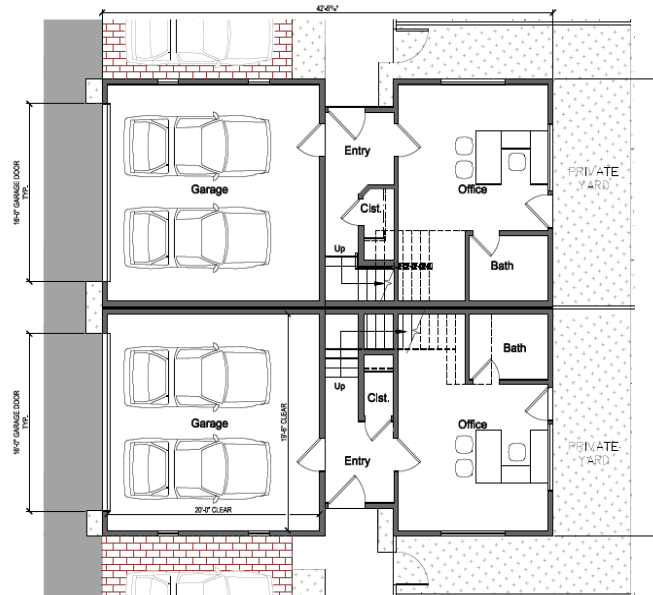
ROOF PLAN - DETACHED UNIT
1/4"=1'-0"



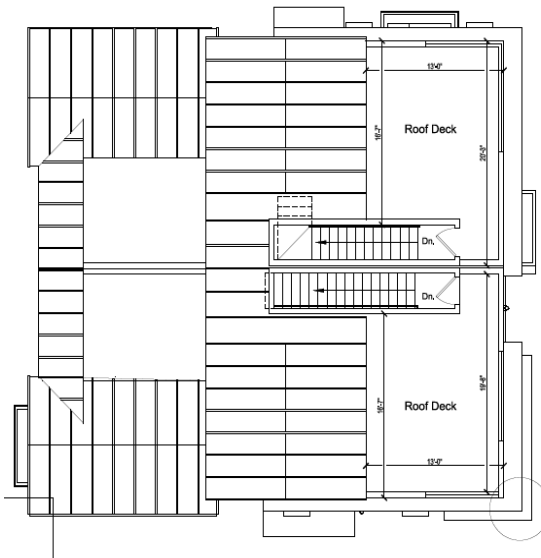
THIRD FLOOR PLAN - DETACHED UNIT
1/4"=1'-0"

Exhibit 3 Duplex Unit Floor Plan

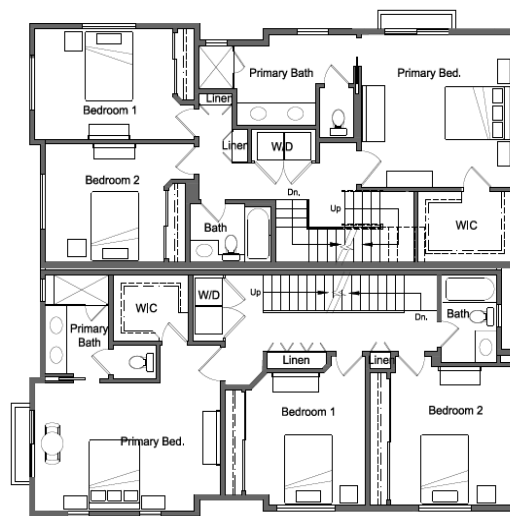
SECOND FLOOR PLAN - DUPLEX UNIT



FIRST FLOOR PLAN - DUPLEX UNIT



SCHEME 1 - ROOF PLAN DUPLEX UNIT

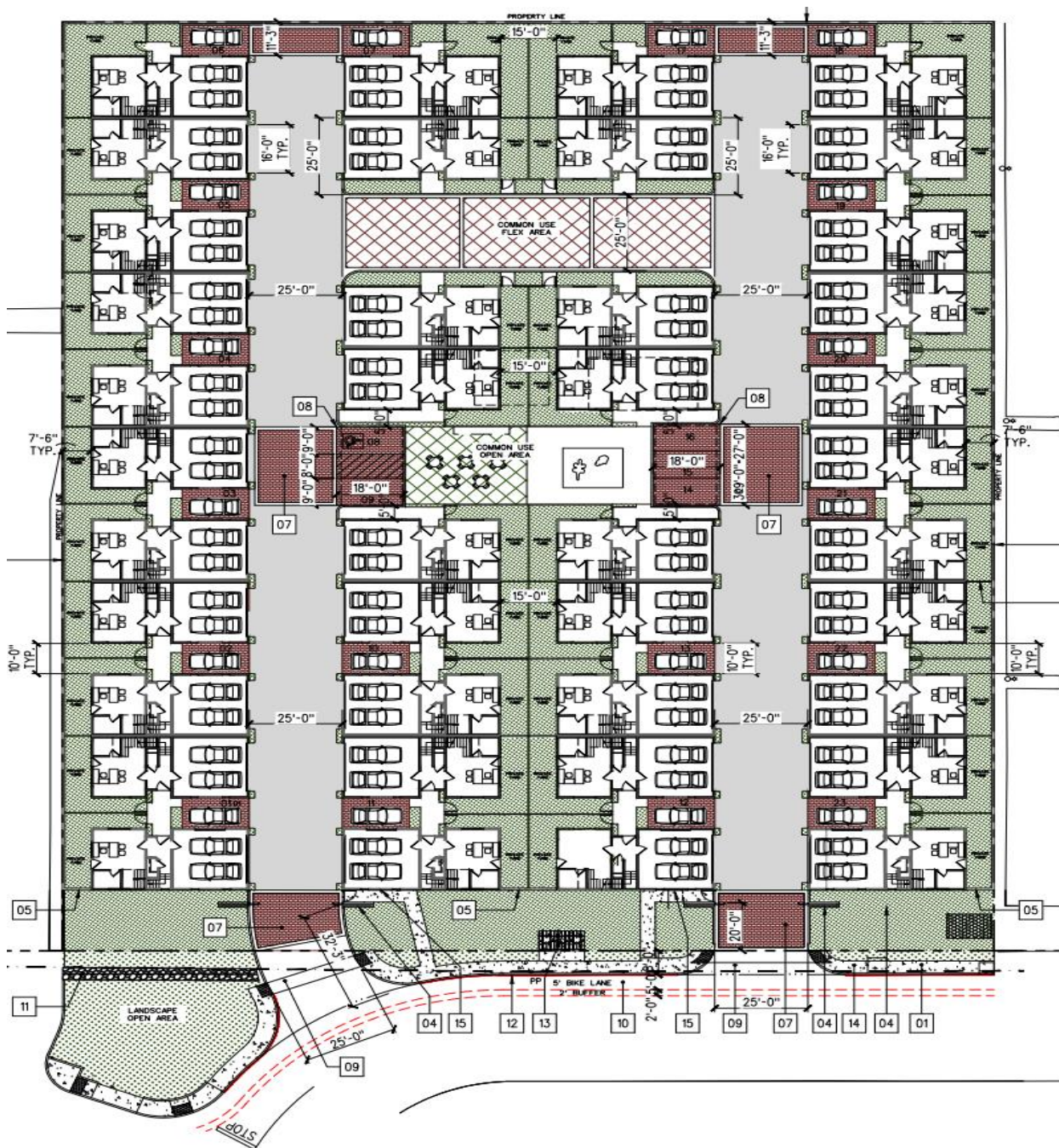


THIRD FLOOR PLAN - DUPLEX UNIT



The duplexes located toward the interior of the site have front doors oriented on the side of the unit, facing the front doors of neighboring units. The project provides five guest parking spaces centrally located within the development, and 18 open parking spaces located between units (see the below Exhibit 4 – Site Plan). As proposed, a total of 103 parking spaces would be available in the two-car garages and adjoining surface parking spaces.

Exhibit 4 Site Plan



Deviations

The RIOD allows for deviations from the requirements to encourage residential development. Deviations require specific findings, including justification that the deviation results in a development that better achieves the goals of the General Plan, that the deviation results in a development which exhibits excellence in design, and that the deviation will not be detrimental to public health. The project proposes the following deviations:

- **Floor Area Ratio (FAR):** The RCID development standards results in a maximum FAR of 0.75. The applicant is requesting a deviation to allow a FAR of 1.43.
- **Common Use Open Space:** The RIOD development standards require a minimum of 50% of the total open space. The applicant is requesting a deviation to allow 32% of common use open space.
- **Building Height:** The RCID development standards limit building height to two stories. The applicant is requesting a deviation to allow three-story residential buildings.
- **Side Setback:** The RIOD development standards require a minimum side setback of 20 feet. The applicant is requesting a deviation to allow a reduced side setback of 7 feet, 6 inches.
- **Rear Setback:** The RIOD development standards require a minimum rear setback of 20 feet. The applicant is requesting a deviation to allow a reduced setback of 11 feet, 3 inches.
- **Landscape Parkway (Interior Private Streets or Common Driveways):** The RCID and RIOD development standards require a landscape parkway along common driveways or interior private streets. The applicant is requesting a deviation to omit the landscaped parkways along the common driveways.
- **Parking:** The City's Residential Off-Street Parking Standards require this development to provide 150 parking spaces including 130 parking spaces and 20 guest parking spaces. The applicant requests a deviation to allow for a total of five guest parking spaces including 98 parking spaces for a total of 103 parking spaces.
- **Garage Dimensions:** The City's Residential Off-Street Parking Standards require a minimum unobstructed interior garage dimension of 20 feet wide by 20 feet long. The applicant requests a deviation to allow an interior garage dimension of 19 feet, six inches wide by 20 feet long for each unit.
- **Parking Stalls Between Buildings:** The City's Parking Design Standards require that parking stalls (open and carports) with vertical restrictions at the side (walls, fences, shrubs, etc.) to be increased in width by one foot beyond the standard requirement. For residential uses, the standard parking stall dimension is eight feet, six inches wide by 18 feet long. The applicant is requesting a deviation to allow a minimum parking stall width of 10 feet.

The analysis and specific findings for the requested development deviations are provided below in the *Master Plan* and *Deviation from Development Standards Findings* sections of this report.

The project proposes two-unit types, Duplex and Detached. Similar to other residential developments throughout the City, each unit includes a two-car garage, home office, and a bathroom on the first floor. The second floor is dedicated to living area and includes a half bathroom, kitchen, dining area, living room, and balcony at the rear of each unit. The third floor of each unit is dedicated to bedrooms. Each plan includes three-bedrooms, two-bathrooms, and a laundry closet. There is also an open roof deck that includes an enclosed stairway.

Elevations

As shown in Exhibit 5 below, the proposed residential project has been designed with contemporary design features including modern elements such as large windows, and a mixture of exterior building materials which contributes to the variety of vertical and horizontal articulations.

Exhibit 5 Street Elevations



As shown in Exhibit 6 below, the duplex and detached units are oriented toward a shared driveway aisle, with front elevations and garages facing one another.

Exhibit 6 Typical Side Elevations for Interior and End Units



The project site is currently designated “General Commercial” by the City’s Land Use Element of the General Plan, and is zoned “C2, General Business District.” These designations do not support a residential use of the property but instead allow for office and retail/service uses. However, the project site is located within a “Measure K” corridor that runs along Newport Boulevard. “Measure K” was passed by Costa Mesa voters on November 8, 2022, for the purpose of revitalizing commercial corridors by encouraging new housing in commercial and industrial areas while preserving the character of existing residential neighborhoods. Because the current property zoning does not allow for residential development, the applicant is requesting the City re-zone the property with a residential incentive overlay designation to allow for residential development.

A conventional residential rezone would not have facilitated the project because the proposed density of 22.6 dwelling units per acre exceeds the limits of nearly all standard residential zones in the City, which generally cap at 20 dwelling units per acre, and the project does not include affordable housing units that would otherwise qualify for density bonuses or related waivers. Additionally, the City’s residential zones limit building heights to two stories or 27 feet, which the proposed project exceeds. Moreover, even under a traditional residential rezone, the project would be required to comply with two sets of development standards — those of the proposed zoning district and the RCID standards as this is a condominium project. This dual compliance can often create the appearance of numerous deviations, as the project must comply with both standards. Pursuing a traditional residential zone would also trigger the need for multiple variances—including for density, height, and setbacks — none of which could reasonably meet the required findings for approval based on special circumstances applicable to the property.

In contrast, the RIOD overlay provides a clear and established framework that allows for increased density (up to 30 du/acre) and greater flexibility in deviating from development standards without relying on variances or variance-type findings. The RIOD is not a workaround; rather, it is a tailored zoning solution that enables the City to facilitate more infill development in appropriate locations, consistent with the General Plan's goals for housing production and efficient land use. The City's original intent was to provide flexibility to property owners to either retain current commercial or residential uses or to redevelop sites over time with new residential housing at densities specified in the overlay zone. Sites proposed for the RIOD were targeted at locations along Harbor Boulevard and Newport Boulevard to take advantage of transit routes and proximity to goods and services. The RIOD also expands development opportunities on commercial property not developed to their full potential or supporting outdated building and underperforming uses. Moving forward, the City's rezoning process will continue to look at the City's zoning regulations and create new development standards that are better suited to the type of housing demand and projects that the City is seeing.

General Plan Amendment

The existing Land Use designation of "General Commercial" does not need to be changed to facilitate the proposed RIOD for the project in that the General Plan Land Use Element specifies that the RIOD is a consistent zoning classification in the "General Commercial" Land Use District. However, a General Plan amendment is needed to modify the Land Use Element maps, figures, text and tables to update the Land Use Element to specifically identify the subject property with a RIOD designation. The proposed Land Use Element update would result in a fifth property location being designated with this "Overlay" and enable residential development on the property up to 30 dwelling units per acre.

Rezone

A Zoning Code Amendment is required to re-zone the project site from C2 – General Business District to RIOD to implement the General Plan RIOD. The Zone Code Amendment will apply a specific set of zoning provisions outlined in Costa Mesa Municipal Code (CMMC) Article 12, *Residential Incentive Overlay District*, to the proposed RCID.

As an "overlay district", the property's base land use and zoning designations do not change. Pursuant to CMMC Section 13-83.64, development standards of the base zoning district still apply to properties that are designated with RIOD; however, are superseded by the overlay district standards when residential development is proposed. Only two RIOD sites have been developed: (1) The Lux Apartments, and (2) a section of the southeast portion of Newport Boulevard and Albert Place was converted from a "Motel 6" to apartments. (See Exhibit 7 and Exhibit 8 below).

Exhibit 7 Lux Apartments (2277 Harbor Boulevard)**Exhibit 8 Mesa Vista Apartments (2274 Newport Boulevard)*****Tentative Tract Map***

A Tentative Tract Map is a preliminary subdivision map required under the California Subdivision Map Act when a property is proposed to be divided into five or more lots, including for condominium developments. Although typically associated with dividing land into multiple parcels, a Tentative Tract Map is also required when a project proposes a condominium subdivision of airspace units, even if the underlying land results in just one legal lot. In this case, the applicant proposed to merge three existing parcels, approximately 1.77 acres, and create a one-lot subdivision for the development of residential condominium units, common areas, and private streets.

Since the residential units will be developed as condominiums, and pursuant to the RIOD development standards, the project is required to be developed as a "common interest development" that allows for individual ownership. The Tentative Tract Map proposes "air-space" subdivisions for each residential unit, meaning each owner would control the interior space of their unit (including any dedicated ground-floor open space areas), while all common areas would be jointly owned and maintained through a homeowners' association (HOA). As such, approval of the Tentative Tract Map is required to merge

the existing parcels and establish the airspace subdivision, in compliance with the to the Costa Mesa Municipal Code and Subdivision Map Act.

Master Plan

A Master Plan approval is required for all new development within the RIOD. The Master Plan process establishes the project's overall design framework including consideration of deviations from development standards in exchange for high-quality projects. The proposed Master Plan proposes a mix of three-attached and detached residential condominiums, each featuring a two-car garage, with surface parking between the residential buildings. The development consists of 40 residential condominium units, comprised of 18 attached duplex buildings (36 units) and four detached units. In response to City Council feedback the project incorporates several communal amenities, including a centrally located barbecue area, a children's play area, and a flexible-use space, as shown in the site plan.

Also, in response to City Council's comments regarding activation and revitalization of the landscape peninsula, along Victoria Place, the applicant is proposing a new passive recreation area along this frontage. The design includes seating areas, shade trees, landscaping, and a bioswale, which contribute to pedestrian amenities and provide stormwater management functions along the streetscape. Although the area will be situated within the City's right-of-way, its ongoing maintenance will be the responsibility of the future residential homeowners' association (HOA), ensuring its upkeep and integration with the community. This area will be open to the general public, providing a welcoming space for all community members to enjoy, not just residents of the development. As part of the Master Plan process, the project must comply with specific Master Plan findings.

Pursuant to the RIOD provisions, Section 13-83.63(e), deviations from the RIOD development standards may be approved through the Master Plan process provided that the following findings can be made:

1. Strict interpretation and application of the overlay district's development standards would result in practical difficulty inconsistent with the purpose and intent of the General Plan, while the deviation to the regulation allows for a development that better achieves the purposes and intent of the General Plan;
2. The granting of a deviation results in a development which exhibits excellence in design, site planning, integration of uses and structures and compatibility standards for residential development; and
3. The granting of a deviation will not be detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.

Site Design

The condominium development is proposed on a 1.77-acre site, which meets the minimum lot size requirement of 0.5 acres as established in the RIOD standards. The project provides a minimum 10-foot building separation, meeting the required standard for building-to-building separation. The site also includes a 20-foot landscape setback along Victoria Place, in compliance with both the RIOD and RCID standards for front yard setbacks. These components demonstrate the project's compliance with applicable site design requirements related to minimum lot size, building separation, and front yard landscaping.

Deviation for Reduced Side and Rear Setbacks

The RIOD development standards require a minimum side setback of 20 feet. The project proposes a side setback of 7 feet, 6 inches, which does not meet the RIOD standard. However, the project complies with the RCID standard, which permits a minimum side setback of five feet. Since the project qualifies as a RCID and proposes to apply the RIOD designation to the site, it is subject to both sets of standards. As such, the applicant is requesting a deviation from the RIOD side setback requirement to allow a reduced side setback of 7 feet, 6 inches.

The RCID rear setback standard does not apply to this project, as the proposed development consists of three-story residential units and is not located within the R2-MD, R2-HD, or R-3 zoning districts. Therefore, no minimum rear setback is required under the RCID standards. However, the RIOD development standards require a minimum rear setback of 20 feet. The project proposes a rear setback of 11 feet, 3 inches, which does not meet the RIOD requirement. As such, the applicant is requesting a deviation from the RIOD rear setback standard to allow a reduced setback of 11 feet, 3 inches.

The intent of side and rear yard setbacks is to provide adequate separation between buildings for light, air circulation, and privacy between adjacent uses. The proposed side setback reduction from 20 feet to 11 feet, 3 inches would continue to meet this intent based on the surrounding context. To the west, the adjacent property is an automobile service center with a building located approximately 30 feet from the shared property line; to the east, the adjacent office building is set back approximately 50 feet. To the north, the nearest residential units within the adjacent multi-family development are approximately 20 feet from the shared property line.

Density

The project site is currently zoned C2 – General Business District. However, the applicant proposes to apply the RIOD to the site to allow for residential development and to be subject to the RIOD's development standards. The RIOD is unique in that it establishes a maximum residential density of 30 dwelling units per acre, which is the highest residential density permitted by the City's development standards. Additionally, because the project is a RCID, it is also subject to the RCID development standards.

The project proposes a density of 22.6 dwelling units per acre. This proposed density is in compliance with the RIOD, which allows a maximum density of up to 30 dwelling units per acre. As such, the project meets the applicable density standards established under the RIOD.

Pursuant to Costa Mesa Municipal Code Section (CMMC) 13-41, Table 13-41(b) (Residential Common Interest Development Standards), the maximum density is tied to the underlying zoning district. Since the C2 – General Business District does not prescribe a maximum residential density, the closest applicable standard is the maximum Floor Area Ratio (FAR). Based on the site's General Plan land use designation of General Commercial and the allowable vehicle trip generation thresholds, a maximum FAR of 0.75 applies.

Deviation for Floor Area Ratio

The proposed project includes a Floor Area Ratio of 1.43 and a residential density of 22.6 dwelling units per acre. Although the FAR exceeds the maximum 0.75 FAR standard, the proposed residential density is well within the 30 dwelling units per acre permitted by the RIOD. Additionally, the applicant has provided a trip generation memorandum demonstrating that the existing traffic infrastructure is adequate to support the proposed project without causing adverse impacts.

Unlike commercial development where FAR controls intensity and traffic impacts, residential projects are better evaluated through density standards (dwelling units per acre), especially under an overlay district such as the RIOD that is intended to facilitate residential opportunities. The proposed development's density aligns with the existing residential character along Victoria Street, where similar densities are observed. Furthermore, the project includes a defined site layout with integrated community amenities, and contributes to the City's goals of expanding homeownership opportunities. The project intensity is compatible with the purpose and intent of the RIOD and it would not exceed the capacity of existing public infrastructure.

Open Space, Common Open Space and Private Open Space

The project proposes a total of 32,437 square feet of open space, which represents approximately 42% of the total site area. This amount exceeds the minimum open space requirement of 40% as established by both the RIOD and the RCID standards. The project also complies with the common open space requirement, which requires that common open space areas be designed and located within the development to allow maximum use by all residents. The proposed site plan includes a centrally located barbecue and play area, along with a flexible-use space, all of which are accessible to residents and designed to support active and passive recreational use. In addition, the project meets the minimum private open space standards by providing private decks or patios for each unit. These private spaces exceed the required minimum of 100 square feet with no dimension less than 10 feet, as the proposed roof decks are approximately 230 square feet each, and each unit also includes private open space at the ground level.

Deviation to Common Use Open Space

In addition to the overall open space requirement, the RIOD standards require that at least 50% of the required open space (or 15,420 square feet) be designated as *common use open space* and include recreational amenities for children. The project proposes 9,817 square feet (32%) of common use open space, which falls short of the RIOD's minimum standard.

However, the project does incorporate key recreational amenities, including a centrally located children's play area, a barbecue area, and a flexible-use open space, consistent with the intent of both the RIOD and RCID standards for community-oriented spaces. Furthermore, while an off-site passive recreation area is not a required development standard, the applicant is voluntarily proposing one along Victoria Place. The area will feature landscaping, shade trees, seating areas, and a bioswale—a landscaped draining feature that helps manage stormwater by filtering runoff and allowing it to absorb into the ground. While the passive recreation area cannot be formally counted toward the common use open space calculation because it is located outside the development boundary, if considered, the total area dedicated to open space would be significantly closer to meeting minimum RIOD requirement. Since the project qualifies as a RCID and proposes to apply the RIOD designation, it must comply with

both sets of standards. Therefore, the applicant is requesting a deviation to allow for 9,817 square feet of common use open space.

Exhibit 9 Off-Site Passive Recreation Area



Building Height and Architecture

The maximum building height allowed within the RIOD is three stories, with rooftop terraces permitted and not counted as an additional story. The project proposes three-story residential units with rooftop terraces, resulting in a total height of approximately 39 feet, six inches. The design includes a contemporary architectural style featuring varied rooflines, building setbacks, and articulation along the facades, which collectively help to break up the visual scale and massing of the buildings. As proposed, the project complies with the RIOD height standard.

Deviation to Building Height

While the RIOD permits a maximum height of three stories, the RCID standards limit building height to two stories. As such, the applicant is requesting a deviation from the RCID height limitation to allow for three-story buildings.

Landscaping

The project proposes approximately 16,368 square feet of on-site landscaping. Per the City's Landscaping Standards (CMMC Chapter VII), landscape areas must consist of drought-tolerant plant materials and meet minimum diversity requirements based on total landscape square footage. The site

plan demonstrates that private yards will be landscaped, with trees and shrubs planted throughout the community, including along roadways for shade, screening, and aesthetic enhancement.

The project features a diverse plant palette, including Hopseed Bush, Afghan Pine, Bloodgood London Plane, Compact Carolina Cherry Laurel, and Brisbane Box trees. Drought-tolerant shrubs such as Blue Flame Agave, Emerald Blanket Natal Plum, Flax Lily, and Aprilgrun Fescue, along with native and drought-tolerant ground covers, are proposed to ensure a sustainable and visually appealing landscape. Exhibit 10 provides the full plant count, and the landscape palette is included on Plan Sheet L1.02. As part of the building permit plan check, final landscape plans will be reviewed and certified by a licensed California landscape architect to confirm compliance with CMMC and the City's Water Efficiency Landscape Guidelines.

Exhibit 10 Landscaping Count

	Requirement	Proposed
Tree Count	82 (one 15-gallon tree or larger per 200 square feet of landscape area)	87 (24 are proposed at 36- inch box)
Shrub Count	656 (one shrub for every 25 square feet of landscape area)	695

As part of the building permit plan check review, final landscape plans shall be prepared and certified by a California licensed landscape architect confirming that they comply with the Costa Mesa Municipal Code (CMMC) and water efficiency landscape guidelines.

Deviation for Landscape Parkway

The RCID and RIOD development standards require a combined 10-foot-wide landscape parkway (minimum three feet on one side) along common driveways or interior private streets. In this case, to preserve the proposed residential unit count and maintain functional and efficient drive aisles, the project does not include the landscaped parkways along the private driveways. Therefore, the applicant is requesting a deviation from the RCID and RIOD parkway requirement.

The intent of landscape parkways within a condominium development is to enhance the visual character of the neighborhood, provide a buffer between pedestrian and vehicular areas, and contribute to the overall livability of the site. In this case, the applicant is requesting to omit traditional landscape parkways; however, the project incorporates landscaping between garages, private side yards, tree wells, common open spaces, and walkways entering the site that are surrounded by landscaping and trees.

Exhibit 11 Aerial View**Parking**

Pursuant to the RIOD, required parking for the proposed residential units is based on the City's Off-Street Parking Standards in the CMMC. The City's Residential Off-Street Parking Standards require that units with three or more bedrooms provide 3.5 parking spaces per unit and 0.5 guest parking spaces. However, if covered parking—such as garages or carports—is provided, the parking requirement can be reduced by 0.25 spaces per unit. In this proposal, all 40 units three-bedroom units include attached two-car garages, qualifying as covered parking. Therefore, the development requires 130 parking spaces and 20 guest parking spaces, totaling 150 spaces.

Deviations to Parking

The applicant proposes 103 parking spaces, with a proposed parking ratio of 2.58 spaces per unit, resulting in a shortfall of 47 parking spaces.

The proposed parking ratio would be consistent with other nearby developments along Victoria Street, such as Victoria Gardens (2.57 spaces per unit) and Ocean Breeze Villas (2.5 spaces per unit). Although a formal parking demand analysis specific to this project was not prepared, the proposed reduction in parking is supported by several contextual and project-specific factors. For example, a similar residential project of comparable size, unit count, and parking configuration was approved by the Planning Commission on February 10, 2025, for a 38-unit live/work condominium development located at 960 West 16th Street. That project included 100 total parking spaces—76 within private garages and 24 as open parking/driveway spaces. As part of the review, a parking study was

conducted using empirical data from two existing live/work developments in the City: the Lighthouse Community (89 units) and the Level 1 development on Industrial Way (60 units). The study identified a peak mid-day parking demand of 2.57 spaces per unit.

The proposed project provides a parking ratio of 2.58 spaces per unit, consistent with comparable projects in the City. Additionally, public on-street parking is available along the south side of Victoria Place, which may serve as supplemental parking if needed. The project is also close to bike lanes and transit, providing access to car-free travel.

Deviations to Garage Dimensions

The City's Residential Off-Street Parking Standards require that all two-car garages provide a minimum unobstructed interior dimension of 20 feet wide by 20 feet long. The proposed project includes a two-car garage for each residential unit; however, the garages are designed with interior dimensions of 19 feet, six inches wide by 20 feet long, which does not fully meet the City's minimum requirement.

As a result, the applicant is requesting a deviation to allow an interior garage dimension of 19 feet, six inches by 20 feet for each unit.

Deviation to Parking Stalls Located Between Buildings

The City's Parking Design Standards require that parking stalls (open and carports) with vertical obstructions on the sides—such as walls, fences, or landscaping—be increased by one foot beyond the standard width. For residential uses, the standard parking stall size is eight feet, six inches wide by 18 feet long; therefore, where vertical obstructions are present on both sides, the minimum required stall width is 10 feet, six inches. In this case, the project proposes open parking stalls located between residential units, where vertical obstructions are present on both sides. The proposed parking stall widths range from 10 feet to 11 feet, which does not fully meet the minimum width requirement in all instances. As such, the applicant is requesting a deviation to allow a minimum parking stall width of 10 feet. Of the 18 proposed parking stalls adjacent to vertical obstructions, 14 are proposed to be less than the required width of 10 feet, six inches—representing approximately 78% of the affected open stall count. The requested deviation is minor in nature, reflecting a reduction of only six inches, or approximately 4.8%, from the required stall width.

Trip Generation

CMMC Section 13-275(e) indicates that any increase in traffic generation by a change of use that is required to obtain a discretionary permit, shall be subject to review by the appropriate reviewing authority, which may impose fees to address increased trip generation. If required, the fee collected is used to fund the City's comprehensive transportation system improvement program. The purpose of the program is to ensure that the City's transportation system has the capacity to accommodate additional trips. The Citywide Traffic Impact Fee related to new and expanding developments is determined using estimated Average Daily Trips (ADT), which is the combined total number of vehicular trips both in and out of a development generated throughout an average weekday. The applicant submitted a trip generation study that has been reviewed by the City's Transportation Division. The trip generation study indicated that the project would result in approximately 298 daily trips and would generate more trips compared to the existing commercial uses. Therefore, a traffic

impact fee will be required and is conditioned as part of the project. The fee calculation would be finalized during the building permit plan check process and be paid prior to building permit issuance.

Lastly, CMMC Section 13-275(a), specifies that “a traffic impact study shall be required for all development projects estimated by the Public Works Department to generate one hundred (100) or more vehicle trip ends during a peak hour.” The highest peak hour trips in either the AM or PM are used to estimate the number of vehicular trips generated both in and out of a new or expanded development, known as vehicle trip-ends during a peak hour. The City’s Transportation Services staff determined that the proposed project would result in approximately 21 AM and 35 PM peak hour trips, and thus a traffic study was not required.

Fire and Emergency Access

Based on the Fire and Rescue Department’s review of the project, there does not appear to be any significant issues that would preclude the project from moving forward. The Department has evaluated the proposed development for compliance with fire safety standards, including access for emergency vehicles, water supply for firefighting, and the design of fire protection systems. All identified requirements will be incorporated during the building permit phase to ensure the project meets all applicable requirements of the California Fire Code.

GENERAL PLAN CONFORMANCE

To make a decision regarding the general plan conformance, the City Council must consider whether the proposed residential development is consistent with the goals, objectives, and policies of the General Plan. The includes evaluating that the project’s contribution to balance land use pattern, new housing opportunities, and compatibility with surrounding uses.

ZONING AND RESIDENTIAL INCENTIVE OVERLAY DISTRICT CONFORMANCE

The project site is currently zoned C2 – General Business District. This zoning permits a broad range of commercial uses. The applicant proposes a Zoning Code Amendment to rezone the site from C2 to the RIOD. This change aims to implement the General Plan’s Residential Incentive Overlay designation and facilitate a residential development through a Master Plan.

FINDINGS

Pursuant to Title 13, Section 13-29(g), Findings, of the Costa Mesa Municipal Code, in order for the City Council to make a decision on the project, it must determine whether the evidence presented in the administrative record substantially meets specified findings as follows.

General Plan Amendment (PGPA-24-0001)

According to Costa Mesa Municipal Code Section 13-29(g), there are no specific findings required for a General Plan Amendment. 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 the RIOD designation to the subject property. The underlying land use designation of General Commercial would remain unchanged. Moreover, the development incorporates design features that provide community-oriented amenities

such as a barbecue area, children's play area, flex-use space, and proximity to an adjacent off-site passive recreation area. These features contribute to the City's objective of expanding homeownership opportunities. The project's intensity is consistent with the purpose and intent of the RIOD and is designed to operate within the capacity of existing public infrastructure.

Rezone

Pursuant to Title 13, Section 13-29(g)(11), Findings, of the CMMC, in order for the City Council to make a decision on the project, it must determine whether 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.

Tentative Tract Map No. 19351

Pursuant to Title 13, Section 13-29(g)(13), Findings, of the CMMC, in order for the City Council to make a decision on the project, it must determine whether 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 proposed use of the subdivision is compatible with the general plan.
- 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 design of the subdivision provides, to the extent feasible, for future passive or natural heating and cooling opportunities in the subdivision, as required by California 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 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).

Master Plan

Pursuant to Title 13, Section 13-29(g)(5), Findings, of the CMMC, in order for the City Council to make a decision on the project, it must determine whether 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.
- 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.
- 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.

Master Plan for Residential Incentive Overlay District

Pursuant to Title 13, Section 13-83.63(c), Findings, of the CMMC, in order for the City Council to make a decision of the project, it must determine whether the evidence presented in the administrative record substantially meets the following applicable required **Master Plan for Residential Incentive Overlay District findings**:

- The project is consistent with the General Plan and meets the purpose and intent of the residential incentive overlay district.
- The project includes adequate resident-serving amenities in the common open space areas and/or private open space areas in areas including, but not limited to, patios, balconies, roof terraces, walkways, and landscaped areas.
- The project is consistent with the compatibility standards for residential development in that it provides adequate protection for residents from excessive noise, odors, vibration, light and glare, toxic emanations, and air pollution.
- The proposed residences have adequate separation and screening from adjacent commercial uses through site planning considerations, structural features, landscaping, and perimeter walls.

Deviations from Residential Incentive Overlay District Development Standards

Pursuant to Title 13, Section 13-83.63(e), Findings, of the CMMC, in order for the City Council to make a decision on the project, it must determine whether the evidence presented in the administrative record substantially meets the following applicable required **Deviation from Residential Incentive Overlay District Development Standards findings**:

- Strict interpretation and application of the overlay district's development standards would result in practical difficulty inconsistent with the purpose and intent of the General Plan, while the deviation to the regulation allows for a development that better achieves the purposes and intent of the General Plan.

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

ENVIRONMENTAL DETERMINATION:

A Draft Mitigated Negative Declaration (MND) has been prepared in accordance with the California Environmental Quality Act (CEQA). The MND examines 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 MND examines all stages of the project, including construction and operation.

The MND evaluated the proposed project's potential environmental impacts on various topics (e.g., air quality, aesthetics, hydrology and water quality, land use, etc.) and identified specific mitigation measures to lessen environmental impacts whenever feasible. In accordance with CEQA Guidelines section 15072 the Draft MND was made available for a public comment period beginning on April 1, 2025, and ending at 5:00 p.m. on April 30, 2025. Copies of the Initial Study, the proposed MND, and supporting materials were available for public review at City Hall and other public facilities including online.

MND Including Response to Comments

A total of two comments were received from public agencies, one from the California Department of Transportation and the other from Department of Toxic Substances Control. Copies of all comments received and responses to the comments are provided as an attachment to this staff report. The Final MND consists of the response to comments, errata and Mitigation Monitoring and Reporting Program (MMRP). The response to comments is responses to the public comments received during the public review period of the Draft MND. The errata makes minor changes to the Draft MND that do not affect the overall conclusions of the environmental document. The MMRP is a comprehensive list of all mitigation measures identified in the Draft MND.

Summary of Significant Environmental Impacts and Mitigation Measures

The MMRP lists the mitigation based on each environmental topic with mitigation measures required in order to reduce the project's potentially significant impacts. The MMRP also specifies which City department is responsible for monitoring and ensuring compliance with the mitigations. The MMRP also includes timing of when the mitigation measure applies e.g. prior to issuance of building permits, during ground disturbance activities, etc. The MMRP includes mitigation measures for environmental impacts that were found to be less than significant with mitigation incorporated for the following environmental factors identified in the Draft MND:

- Geology and Soils
- Cultural Resources
- Transportation
- Hazards and Hazardous Materials
- Tribal Cultural Resources

ALTERNATIVES:

City Council alternatives include the following:

1. Deny the project. The City Council could accept the Planning Commission's recommendation and deny the application, provide facts in support of denial, and direct staff to incorporate the findings into a Resolution. If the project is denied, the applicant could not submit substantially the same type of application for six months from the City Council's decision for denial.
2. Approve the project. The City Council could elect to adopt the MND and approve the General Plan Amendment, Rezone, Master Plan, and Tentative Tract Map, subject to conditions of approval and findings, and give first reading to the Ordinance for the Rezone. A set of draft decisions documents are attached if the City Council elects this option.
3. Approval of the project with modifications. The City Council may suggest specific project changes that are necessary to alleviate concerns. If any of the additional requested changes are substantial, the hearing could be continued to a future meeting to allow a redesign or additional analysis. Should significant modifications occur, staff would return with a revised resolution and/or ordinance incorporating new findings and/or conditions for consideration by the City Council.

FISCAL REVIEW:

The City anticipates the following fees: 1) approximately \$553,160 for Park Development Impact Fees, or a rate of \$13,829 per unit for the development of the 40 units; 2) estimated Traffic Impact Fee of \$20,315; 3) an approximate Drainage Impact Fee of \$31,568; The project would also require building permit fees of approximately \$101,005 and building plan check fees of approximately \$6,006.

LEGAL REVIEW:

The draft Resolutions and Ordinance and this report have been approved as to form by the City Attorney's Office.

PUBLIC NOTICE:

Pursuant to Title 13, Section 13-29(d), of the Costa Mesa Municipal Code, three types of public notification are required to be completed no less than 10 days prior to the date of the public hearing.

1. **Mailed notice.** A public notice was mailed to all property owners and occupants within a 500-foot radius of the project site on Wednesday, June 25, 2025. The required notice radius is measured from the external boundaries of the property.
2. **On-site posting.** A public notice was posted on the street frontage of the project site on Wednesday, July 2, 2025.
3. **Newspaper publication.** A public notice was published once in the Daily Pilot newspaper on Sunday, June 22, 2025.

Any public comments received for the July 15, 2025 City Council meeting, may be viewed at this link: [CITY OF COSTA MESA - Calendar \(legistar.com\)](https://legistar.com/calendar/city-of-costa-mesa)

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the City Council Goals to “Diversify, stabilize and increase housing to reflect community needs”.

CONCLUSION:

Approval of the project would facilitate the development of 40 new for-sale condominium units, expanding homeownership opportunities and contributing to the City’s market-rate housing supply in alignment with the goals of the General Plan and Housing Element. The applicant has incorporated City Council feedback provided during the screening process, and the proposed development is consistent with the General Plan, Zoning Code, State Law, and all necessary findings can be made. The site is adequately served by existing infrastructure and falls within a Measure K corridor, which encourages new housing in commercial and industrial zones while preserving the character of existing residential neighborhoods. The residential use is compatible with surrounding land uses and is not anticipated to conflict with existing or future development. Inclusion of this site in the RIOD zone would provide a clear and flexible regulatory path to accommodate the proposed infill housing project without reliance on variances. The overlay is a deliberate planning tool designed to unlock housing potential along key corridors like Newport Boulevard, consistent with the City’s long-term land use and housing strategies. While staff initially recommended approval of the project based on its consistency with applicable standards and General plan, the Planning Commission ultimately recommended denial. As City Council is the final review authority, it may consider the Commission’s recommendation along with the staff analysis in determining whether to deny, approve, or approve the project with modifications.