



Olson Urban Housing, LLC

Attn: Brian Cunningham, Director of
Development

3010 Old Ranch Parkway, Suite 100

Seal Beach, CA 90740

949-244-5672

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07/17/26

City of Costa Mesa
Economic & Development Services
c/o: Martina Caron, Victor Mendez
77 Fair Drive
Costa Mesa, CA 92626

SUBJECT: State Density Bonus Law Letter

Dear Ms. Caron & Mr. Mendez,

PROJECT LOCATION: The proposed project is approximately 0.628 acres and is located at 2075 Harbor Boulevard (Assessor Parcel Number (APN 422-091-11) in the southern portion of the City of Costa Mesa, California. The property was formerly Red-E-Rentals facility, used as an equipment rental and storage yard.

PROJECT APPLICANT: The Olson Company, c/o Brian Cunningham, 3010 Old Ranch Parkway, Suite 100, Seal Beach, CA 90740-2751.

DENSITY: Area of Project Site = 27,340 sf / 0.628 acres. The project consists of 15 dwelling units. Without taking any density increase (pursuant to Government Code § 65915(f)(4) by providing 13 percent moderate-income the project is entitled to receive an eight percent density bonus), the density is 23.89 du/acre (i.e., 15 du/0.628 acres).

ELIGIBILITY FOR INCENTIVES & WAIVERS UNDER STATE DENSITY BONUS LAW:

Pursuant to California Government Code § 65915, the Project qualifies for incentives and waivers by providing at least thirteen percent (13%) of its total units for moderate-income households. Under Government Code § 65915(d)(2), a housing development that includes at least ten percent (10%) moderate-income units is entitled to one (1) incentive or concession as a matter of right. In addition, pursuant to §65915(e)(1), the Project is entitled to receive waivers or reductions of development standards that would otherwise physically preclude the construction of the project at the permitted density and with the approved incentives. The statute does not impose a numerical limit on such waivers, provided the requisite findings for denial cannot be made. Accordingly, the Project is entitled to one incentive and any necessary waivers to facilitate the development as proposed.

INCENTIVE & WAIVERS REQUESTED: SEE ATTACHMENT

If you have any questions during your review, I can be reached at (949) 244-5672 or bcunningham@theolsonco.com.

Sincerely,

Brian Cunningham

Brian Cunningham
Director of Development
The Olson Company

Date: 07/17/26

SDBL Request If Applicable	Category	Comment	Standard	Waiver Requested	Comment
Waiver	Site Plan	Relocate above-ground utilities outside street setback and screen	Costa Mesa Municipal Code – Utility Requirements (§13-71) & 13-105 (a)	Allow Utilities in Street Setback and screened as shown in landscape plan by planting in right of way.	Due to site constraints and the proposed project design, placing the utilities outside the setback area is not feasible. In order to place utilities outside the setback would require a loss of at least one dwelling unit; access to a garage; or driveway access. Therefore, a waiver is requested to avoid physical preclusion of the project as proposed.
Waiver	Site Plan	Relocate Lot 15 to meet 10-ft front setback	10'	Reduce to 8'-4"	Providing a 20 foot front yard setback would require a loss of density since Lot 15's affordable dwelling unit would otherwise be located within the 20 foot setback area. As a result, the development standard would physically preclude the project as proposed. To avoid physical preclusion, the Applicant requests a 8'-4" front yard setback along Harbor Boulevard in lieu of a 20 foot setback. This 8'4" setback accommodate the affordable unit, as well as a small projection to accommodate the gate protecting the community. There would a loss of density without the relief requested, as well as a loss of an important security amenity.
Concession	Engineering	Show undergrounding of overhead utility lines on Charle Street	Standard Condition of Approval	Concession	Undergrounding of the existing overhead utility lines along Charle Street would result in significant costs that are disproportionate to the project and would adversely impact its financial feasibility and the ability to reduce costs to provide for affordable housing. Compliance would result in substantial financial burden, adversely impacting the feasibility of the project and its ability to deliver the proposed affordable units. Accordingly, the Applicant requests a concession pursuant to SDBL for relief from this requirement.
Waiver	Res CID Standards	Common Lot Required - All projects shall be designed with a minimum of one lot to be held in common ownership and maintained by a homeowners association. This lot shall be used for common driveways, parking areas, and at least 10 feet of street setback landscaped areas.	Res CID 13-41 (b)	See Comment	The Project meets the one lot standard. With respect to at least a ten foot landscaped setback, as noted in the waiver requests above, the Project requests a waiver to allow a 9'6" rear yard setback to accommodate Lot 1. As such, it is physically impossible to meet this ten foot setback development standard because there would be a loss of livable space for the affordable unit that would abut Charle Street. Nevertheless, the proposed site plan substantially meets the minimum 10-foot landscaped street setback requirement. Minor encroachments occur at limited locations, including utility closets at Unit 1, the gate pocket at Unit 15, and portions of the revised wall layout serving Units 1 and 2. These elements are necessary for site functionality, access, and utility coordination. There is physical preclusion that prevents compliance with this development standard due to site constraints and the proposed project design therefore, a waiver is requested pursuant to State Density Bonus Law.
Waiver	Res CID Standards	Driveway Width	Min. 10'	Reduce to 8.33'	Due to site constraints and the proposed project design, this requirement is not feasible. Providing wider driveways would result in the need to reduce driveway width on adjacent townhomes and/or to reduce the passageways between buildings which would create building code issues due to a reduced passageway area. Therefore, due to physical preclusion, a waiver is requested pursuant to State Density Bonus Law.
Waiver Waiver	Res CID Standards Planning	Storage Usable Common Open Space	200 Cubic Feet of securable storage exterior to unit Min. 30% of Lot	Reduce to 0 Cubic Feet See Comment (13.8%)	The proximity of the adjacent dwelling units, limited setbacks, provided open space, provided circulation areas, and building location physically preclude an area for 200 cubic feet of storage area for each dwelling units. As a result of these site constraints and the proposed project design, this requirement is not feasible; therefore, a waiver is requested pursuant to State Density Bonus Law. The word "Usable" has been added to the private open space description. The block wall description has been removed.
Waiver	Planning	RCID Building to Building Setback Standard - 10'	10' Building to Building Setback	Reduce to 5'-0"	Pursuant to California Government Code Section 65915, the Applicant requests a waiver from the requirement requiring a minimum 10-foot setback between main buildings. Strict application of this standard would physically preclude the project as proposed by reducing the site's buildable area and eliminating residential units necessary to achieve the project density permitted under State Density Bonus Law. The requested waiver would not create any public health or safety concerns, as the project will continue to comply with all applicable Building and Fire Code requirements while maintaining adequate separation between structures and a high-quality site design.
Waiver	Planning	Landscape Parkway Requirement	Combine width of 10', but not less than 3' on one side, shall be provided along the sides of the interior private streets.	See Comment	Pursuant to California Government Code Section 65915, the Applicant requests a waiver from the landscape parkway requirement applicable to Residential Common Interest Developments. Strict application of this standard would physically preclude the project as proposed by reducing the site's buildable area and limiting the project's ability to achieve the residential density permitted under State Density Bonus Law. The requested waiver would not create any public health or safety concerns, as the project will continue to provide enhanced landscaping throughout the community consistent with the overall design intent of the development.