



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: JULY 14, 2025 ITEM NUMBER: PH-1

**SUBJECT: RECOMMENDATION TO THE CITY COUNCIL ON A MITIGATED
NEGATIVE DECLARATION, GENERAL PLAN AMENDMENT, REZONE,
DESIGN REVIEW, TENTATIVE TRACT MAP, AND DENSITY BONUS
FOR A 142-UNIT, OWNERSHIP RESIDENTIAL DEVELOPMENT AT
3150 BEAR STREET**

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

PRESENTATION BY: CHRIS YEAGER, SENIOR PLANNER

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| FOR FURTHER INFORMATION CONTACT: | CHRIS YEAGER 714-754-4883 Christopher.Yeager@costamesaca.gov |
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RECOMMENDATION:

Staff recommends that the Planning Commission:

1. Adopt a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program; and,
2. Adopt a Resolution recommending that the City Council take the following actions, including:
 - a. General Plan Amendment (PGPA-24-0002): Amend the General Plan Land Use Element including changing the Land Use Designation of the project site from General Commercial to High Density Residential;
 - b. Rezone: Give first reading to an Ordinance approving the rezone of the project site from Administrative and Professional (AP) to Multiple Family Residential (R3);
 - c. Design Review: Approve the Design Review for the development of the project including 142 dwelling units with a maximum height of 4 stories/52 feet;

- d. Tentative Tract Map No. 19334: Approve the Tentative Tract Map to subdivide the property into a residential common interest development; and
- e. Density Bonus: Approve the density bonus which will provide seven very low income units in exchange for a 20 percent density bonus resulting in an additional 20 units.

APPLICANT OR AUTHORIZED AGENT:

The authorized agent is Vanessa Scheidel, representing Meritage Homes.

PLANNING APPLICATION SUMMARY

| | | | |
|------------------|--|----------------------------|---|
| <u>Location:</u> | 3150 Bear Street | <u>Application Number:</u> | MND (SCH No. 2025050135); PGPA-24-0002 |
| <u>Request:</u> | The proposed project would redevelop the 6.12-acre subject property with up to 142 residential ownership units (including a minimum of 7 very low-income units) with 20 single family dwellings and 122 townhomes, and 93,500 square feet of on-site open space. The request includes a General Plan Amendment to change the General Plan land use designation of the subject property from General Commercial to High Density Residential, Rezone to change the site's zoning designation from Administrative Professional (AP) to Multiple Family Residential (R3), Design Review to provide site plan and architectural details, a Tentative Tract Map to allow for individual ownership of the units, and Density Bonus. | | |

SUBJECT PROPERTY:

SURROUNDING PROPERTY:

| | | | |
|-----------------------|--|-----------------------------|--|
| Zone: | Current: Administrative and Professional (AP) Proposed: R3 | North (across the 405 fwy): | PDC (Planned Development Commercial) developed with South Coast Plaza |
| General Plan: | Current: General Commercial Proposed: High Density Residential | South: | PDR-LD (Planned Development Residential - Low Density) developed with single family residences and CL (Commercial Limited) developed with an office building |
| Lot Dimensions: | Irregular - Approximately 469 feet by 600 feet | East: | R1 (Single Family Residential) developed with single family residences |
| Lot Area: | 6.12 acres | West (across Bear Street): | I&R (Institutional and Recreational) developed with Shiffer Park |
| Existing Development: | Office building and event center that was formerly occupied by Trinity Broadcasting Network. | | |

DEVELOPMENT STANDARDS COMPARISON

| <u>Development Standard</u> | <u>Requirement</u> | <u>Proposed/Provided</u> | <u>Compliance</u> |
|------------------------------|----------------------------|---------------------------|------------------------------------|
| Base Dwelling Units per Acre | 20 | 20 | Yes |
| Front Setback | 20 feet | From 7.29 feet to 45 feet | No -Density Bonus Waiver Requested |
| Side Setback (L/R) | (10 ft/5 ft) | (45 ft/15.75 ft) | Yes |
| Rear Setback | 15 ft | 15.5 ft | Yes |
| Distance Between Buildings | 10 Feet for main buildings | 10 Feet | Yes |
| Driveway Width | 16 feet | 26 feet | Yes |

| Development Standard | Requirement | Proposed/Provided | Compliance |
|--|---|---|--|
| Individual Dwelling Unit Minimum Lot Area | 3,000 square feet with an overall average of 3,500 square feet | 2,017 square feet with an overall average of 2,395 square feet | No - Density Bonus Waiver Requested |
| Maximum Building Height | 2 stories 27 FT Maximum | 4 stories 52 feet | No - Density Bonus Waiver Requested |
| Minimum Open Space | 40% | 35% | No -Density Bonus Waiver Requested |
| Individual Dwelling Unit Lot | 40% of indivual lot with minimum 400 square feet and no dimension less than 15 feet | Approx 50% with minimum of approximately 500 square feet and min dimensions of 15.5 feet | Yes |
| Townhome Private Open Space | An adjoining patio required with no dimension less than 10 feet. | Units include minimum 55 square foot balconies | No -Density Bonus Waiver Requested |
| Combined Parkway Width | 10 feet | 0 feet | No - Density Bonus Waiver Requested |
| Storage | 200 cubic feet for townhomes | Minimum 200 cubic feet | Yes - Condition of Approval |
| Parking | | | |
| Residential (Density Bonus) | 236 | 319 | Yes |
| CEQA Status | Mitigated Negative Declaration (SCH No. <u>2025050135</u>) | | |
| Final Action Body | City Council | | |

EXECUTIVE SUMMARY:

Meritage Homes (applicant) has filed applications for the development of a 142-unit residential ownership development located at 3150 Bear Street. The application includes a General Plan Amendment, Rezone, Design Review, Tentative Tract Map, and Density Bonus. The approximately 6.12-acre site is currently designated for commercial uses. The existing development is proposed to be demolished and redeveloped to accommodate the residential development. While the Planning Commission typically serves as the final review authority for a Tentative Tract Map, Design Review, and Density Bonus applications, in this case, all related applications—General Plan Amendment, Rezone, Design Review, Tentative Tract Map, and Density Bonus require City Council approval. As these requests are being processed concurrently, the Planning Commission would provide a recommendation to the City Council for decision.

On September 3, 2024, the City Council reviewed a General Plan screening application for the proposed development and provided feedback. In accordance with the California Environmental Quality Act (CEQA), the project requires approval of a Mitigated Negative Declaration and adoption of a Mitigation Monitoring and Reporting Program (MMRP).

Staff recommends that the Planning Commission make a recommendation to City Council to approve the project.

BACKGROUND:

As shown in Figure 1 below, the project site is located at 3150 Bear Street and is bound by the 405 Freeway to the north, single-family residences to the east and south, a two story office-building to the south, and across Bear Street, to the west, is Shiffer Park. The site has a General Plan Land Use Designation of "General Commercial" and is zoned "Institutional and Recreational" (I&R).

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 must be referred to the ALUC for a consistency determination prior to adoption by the City Council. Following a recommendation from the Planning Commission, ALUC consistency must be confirmed before City Council action. This requirement aligns with Section 21676(b) of the California Public Utilities Code, which mandates that local agencies submit such proposals to the ALUC to ensure compatibility with the Airport Environs Land Use Plan (AELUP). The project will be heard by ALUC at its regular meeting on July 17, 2025.



The project site also resides within a “Measure K” corridor. This Measure, approved by Costa Mesa voters on November 8, 2022, seeks to revitalize commercial corridors by promoting new housing in commercial and industrial areas while preserving the character of adjacent residential neighborhoods. The Measure allows for land use changes within identified corridors including general plan amendments, rezoning, and specific plan amendments without a vote of the people.

Site History

The project site was used for agricultural purposes until the late 1970’s when the existing development was constructed. The site was occupied by Trinity Broadcasting Network (TBN), as their international headquarters for over 20 years. TBN ceased operations in 2017. The site was then occupied as an office space and event center.

General Plan Amendment Screening

City Council Policy 500-2 establishes a procedure for processing privately-initiated General Plan Amendments. This procedure involves a City Council screening of these requests prior to their acceptance for formal processing. The General Plan Screening is not a public hearing but requires a majority vote by the City Council in order for the application to proceed and be evaluated under the City’s entitlement process.

On September 3, 2024, the City Council conducted a General Plan Screening for the proposed development. At that meeting, the City Council on a 7-0 vote directed staff to allow for the submittal of a land use application for a General Plan Amendment. The City Council staff report, minutes, and video of the General Plan Screening are available at these links:

September 3, 2024 City Council staff report :

<https://costamesa.legistar.com/LegislationDetail.aspx?ID=6845949&GUID=403DA47F-9344-43A8-9509-1941A24CED2E>

Minutes from September 3, 2024 City Council meeting:

<https://costamesa.legistar.com/View.ashx?M=M&ID=1213770&GUID=368AD39B-871F-4F01-95A1-02496FFA4FD2>

Video from September 3, 2024 City Council meeting:

https://costamesa.granicus.com/player/clip/4167?view_id=14&redirect=true

Based on the feedback provided in the screening, modifications to the project include reorienting the townhomes along the main entry street to have their front entrances face the street and the inclusion of sidewalks along all private streets. The applicant

discussed improvements to Shiffer Park but has elected to provide payment to the City in lieu of constructing the improvements. Additional discussion is below.

PROJECT DESCRIPTION

As shown in Figure 2 below, the project proposes to demolish the existing development and construct a Residential Common Interest Development (RCID) consisting of 20 two-story, detached, single-family dwellings along the southern and eastern project limits, and 122 stacked townhomes within eight, four-story buildings. The project proposes to include 93,500 square feet of on-site open space. (i.e., common recreation area, passive recreation areas, decorative plantings, and private balconies). An additional 13,278 square feet of passive recreation area is proposed within the public right-of-way, which is maintained by the property owner through an existing maintenance agreement. All proposed infrastructure improvements would be located on-site with lateral connections located in the public right-of-way. For additional details refer to the project plans provided as Exhibit C to Attachment 2.



Vehicular access to the development is in the same general area on Bear Street as the existing entrance but the project proposes a new drive approach and traffic signal to be installed. An existing emergency access gate will be reconstructed at the project intersection with Olympic Avenue. Pedestrian access is provided by sidewalks accessing the public right-of-way and an additional pedestrian gate accessing Olympic Avenue. The pedestrian gate will be locked outside of the operating hours of Shiffer Park.

The proposed development requires the following planning applications:

- General Plan Amendment
 - Existing Land Use Designation: General Commercial
 - Proposed Land Use Designation: High Density Residential
- Zone Change
 - Existing Zoning District: Institutional and Recreational.
 - Proposed Zoning District: R3 - Multiple Family Residential.
- Design Review - Required for construction which results in three or more dwelling units on residential zones except for planned development.
- Tentative Tract Map - Proposed to establish easements and allow for individual ownership of the units.
- Density Bonus- Request to provide 122 units, with 5% affordable income units at the very low income level (7 units proposed) for a 20% density bonus. The request includes waivers to deviate from development standards related to maximum height, front setback, open space, parkways, and individual unit lot size, and side-by-side units. A concession is requested to deviate from the residential design guidelines. The project also proposes to utilize density bonus parking ratios.
- Mitigated Negative Declaration - Environmental analysis stating that the project will not have significant environmental impacts after specific mitigation measures are implemented pursuant to California Environmental Quality Act ("CEQA").

ANALYSIS

General Plan Amendment and Rezone

As shown in Figure 3 below, the project site has a current General Plan land use designation of "General Commercial" which is intended to permit a wide range of

commercial uses that serve both local and regional needs. The overall City-wide land area dedicated to “General Commercial” is 614.44 acres (this proposed site accounts for approximately one-percent of the City’s “General Commercial” land use area).

To allow for the development of the project, an amendment to the Land Use Element of the General Plan is proposed. The amendment would change portions of the text, graphics, and tables within the Land Use Element; all other General Plan elements would remain the same. The Land Use Element would be amended to change the site’s existing General Commercial land use designation to High Density Residential. High Density Residential land use designations are intended for residential development with a density of up to 20 units to the acre.

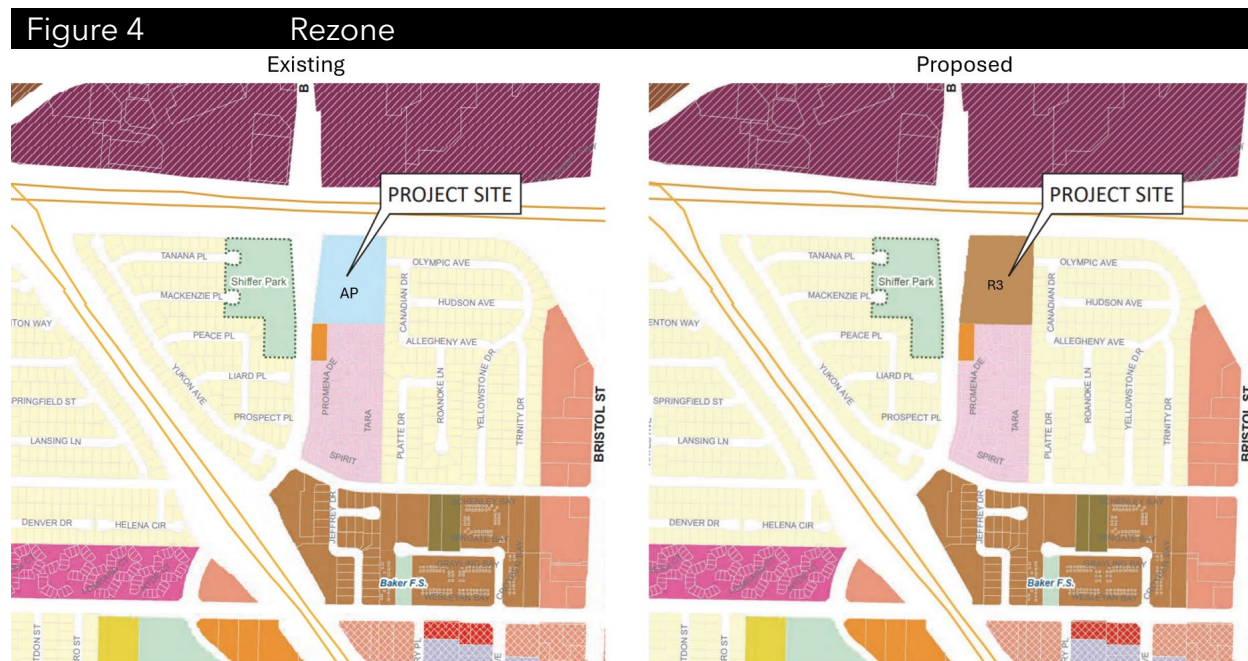
Figure 3 General Plan Amendment



As shown in Figure 4 below, the proposed rezone would replace the site’s current AP zoning district with R3 to allow residential uses. Pursuant to Costa Mesa Municipal Code (CMMC) Section 13-20, *Zoning Districts*, R3 districts are intended to promote the development of multi-family rental as well as ownership dwelling units.

According to the City’s General Plan Land Use Element, areas designated as High Density Residential are intended for residential development with a density of up to 20 dwelling units per acre with some exceptions. The proposed base density for the project complies with a proposed 20 units per acre. These exceptions include “density bonuses” or density as permitted through approved Specific Plans or Master Plans. The General Plan includes a policy that “High-Density Residential areas should be in proximity to transportation

routes, especially those served by public transit, and also within convenient distances to shopping and employment centers. Although proximity to transportation routes can result in a residential development being subject to impacts, High-Density Residential development can be less susceptible to impacts when visual and acoustical shielding techniques are incorporated into the project.”



The site is generally consistent with this policy in that it is located in proximity to major streets and transportation routes including Bear Street, Bristol Street, Baker Street, and South Coast Drive. The project site is also easily accessible to the Interstate 405 freeway and the State Route 73 freeway. The Orange County Transportation Authority (OCTA) operates the 55 bus route nearby with two bus stops located approximately a half mile away on Baker Street. There are also on-street Class 2 bike lanes on Bear Street which connects to the City’s bicycle infrastructure. The project site is surrounded primarily by residential uses with the exception of an existing office building to the south of the project site. To the north of the project, across from the 405 freeway, is a variety of commercial and retail uses including South Coast Plaza and Metro Pointe. Additional resident serving retail and restaurants exist in the area along Bristol Street, Baker Street, and Paularino Avenue.

Fiscal Review:

Due to the unique nature of the proposed project including a General Plan Amendment and Rezone, staff evaluated the project’s fiscal impact to the City. A fiscal impact analysis is attached and was prepared by Zimmerman Group and was reviewed by the City’s Finance Department. The analysis projects the expenditures and revenue directly to the City as a result of the project. If a project has a net fiscal surplus, then it has a fiscal benefit

to the City. 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 net review to the City of approximately \$78,058 annually. Zimmerman Group determined that the property tax and sales tax revenue would exceed the projected annual city expenditures related to public services.

Design Review

As shown in the proposed site plan (Figure 2), the project includes eight four-story buildings including 122 dwelling units, and an additional 20 single family dwellings along the south and west property lines, for a total of 142 units. Pedestrian circulation is provided by sidewalks and pathways throughout the project site. Raised crosswalks are included near the central amenity area which will act as a walkway across the street and a speed bump for vehicles. The project includes the reconstruction of the vehicular entrance on Bear Street and the emergency access gate accessing Olympic Avenue. Within the project site, easement access is provided for various utility agencies.



Detached Units

As shown in Figure 6 below, the 20 detached units consist of two plan types with craftsmen and farmhouse architectural elements. All units are proposed to include an attached two-car garage with ground floor living space. Each proposed detached unit would have its own private open space in the form of private back yards. Each unit will include stucco, stone veneer, wood like siding, flat roof tiles, and traditional fenestration patterns. Each unit is proposed to be two stories with a maximum height of 27 feet which complies with the maximum permitted height.

Figure 6 Detached Units



Plan 1 proposes to include three bedrooms on the second floor as well as a laundry room and two bathrooms. Plan 1 is proposed with a modern farmhouse architectural element. It includes elements such as board-and-batten siding, a steep gable roof, and a welcoming front porch with simple columns.

Plan 2 proposes to include one bedroom on the first floor and three additional bedrooms on the second floor. Plan 2 includes Contemporary Craftsman architectural elements. It has a more streamlined appearance with stucco and vertical siding, a modest front porch entry, and decorative elements like the over-garage trellis.

Attached Units

122 of the units are proposed to be spread across eight, four-story buildings with a maximum height of 52 feet. As proposed, and discussed further below, the project requests a waiver to allow for the maximum building height to exceed the CMMC standard. Specifically, the townhome portion of the project would have a maximum height of four stories/52-feet (two stories and 25 feet above the CMMC maximum height). The townhome component has been located as far as possible (greater than 120 feet) from the established residential units to reduce any privacy or shade impacts.

Figure 7 Attached Unit Architecture



As shown in Figures 5 and 7 above, the townhomes include modern craftsmen architectural styles. Key architectural elements include the varied gabled rooflines with dormer accents which reference modern craftsmen and farmhouse forms. The buildings feature a combination of vertical board-and-batten siding and horizontal lap siding which creates visual interest and breaks up the massing, typical of contemporary craftsmen and farmhouse aesthetics. The project will feature a mix of neutral earth tones (grays, whites, and natural wood-like finishes) which results in a clean, modern appearance, while maintaining warmth. The repeated rectangular windows with simple trim and awnings provide a modern, functional feel. The use of wooden trellis-style structures, and integrated balconies, contributes to a pedestrian-friendly and layered facade.

As shown in Figure 8 below, each unit is accessed via a ground floor entry and is proposed to include an attached, tandem, two-car garage. The units include the following characteristics:

- Plan 1 (green) includes an entry on the first-floor with the remainder of the living space being located on the second-floor. The plan includes two bedrooms, two bathrooms, an open main living space, and a private balcony.
- Plan 2 (pink) includes an entry on the first-floor with the remainder of the living space being located on the second-floor. The plan includes three bedrooms, two full bathrooms, one half bathroom, open living space, and a private balcony.
- Plan 3 (blue) includes an attached, tandem, two-car garage and ground floor entry. The main living space for the unit is located on the third and fourth floor and includes an open living area and multiple balconies. The plan proposes to have three bedrooms and three bathrooms.
- Plan 4 (orange) includes an attached, tandem, two-car garage and ground floor entry. The main living space for the units is located on the third and fourth floor and includes an open living area and multiple balconies. The plan proposes to have four bedrooms and three bathrooms.

Figure 8 Attached Unit Floor Plans



Design Guidelines:

The project is subject to design review consistent with the City of Costa Mesa residential design guidelines ("Guidelines"). The Guidelines are intended to promote design excellence in new residential construction. The Guidelines encourage architectural diversity that considers the existing neighborhood character and anticipated trends and development. It recognizes that there will be instances when these guidelines may yield

an unsatisfactory design and that an applicant may propose a design that meets the intent of these design guidelines but not the specific criteria. In these instances, overriding consideration will be given to meeting the intent of the Residential Design Guidelines and promoting design excellence.

The immediately surrounding neighborhoods features a diverse collection of architectural styles including other residences with traditional design elements including two-story Spanish eclectic homes and one-story post-war cottages. The proposed design of the detached and attached units meets the intent of the City's Residential Design Guidelines including the following:

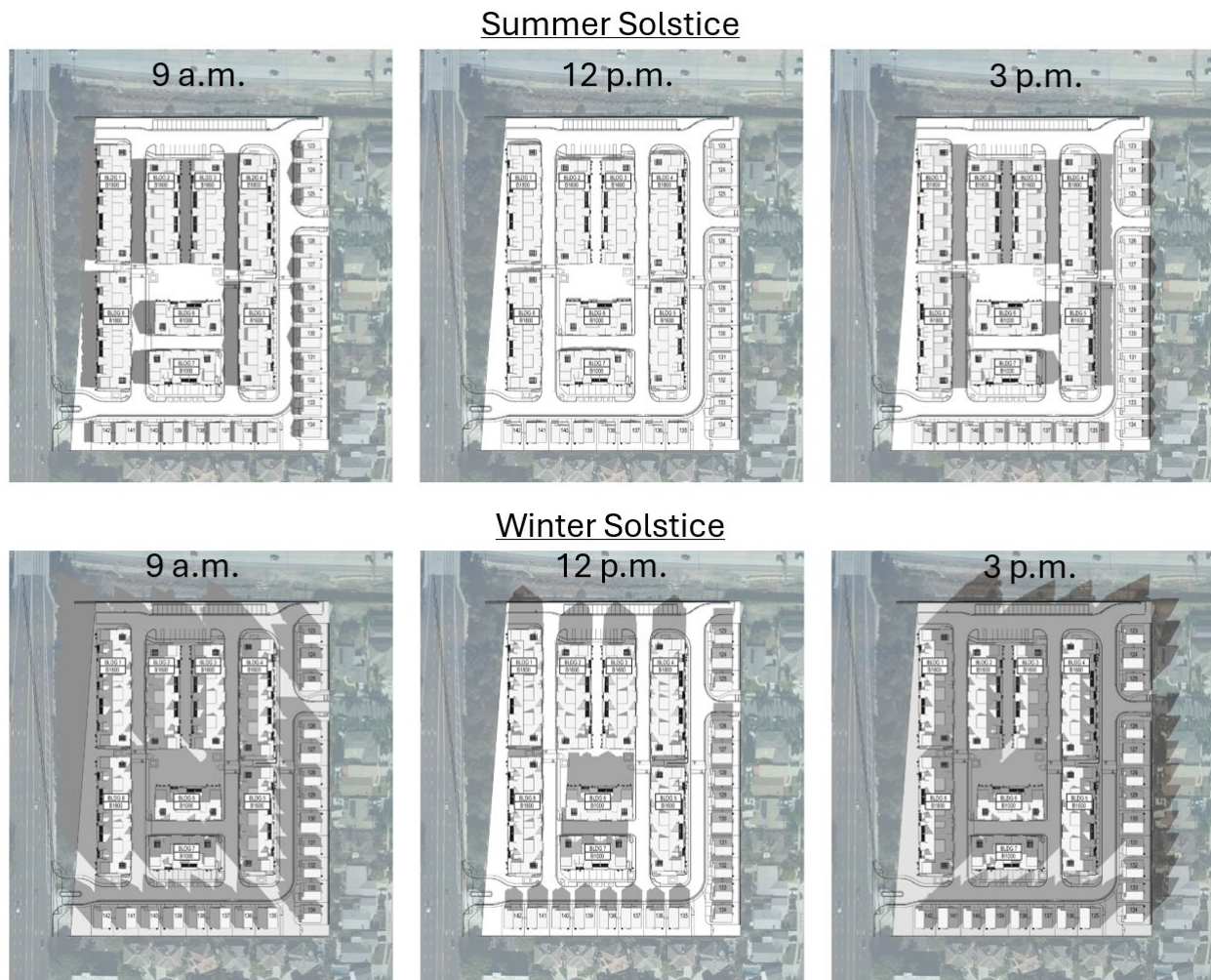
- **Second Story Design:** The Guidelines identify that two story structures shall be designed with articulation and off-sets on all elevations to avoid a boxy appearance from the street and neighboring views. In addition, second-story floor area should not exceed 100 percent of the first-floor area. The second story floor to ceiling dimension should be similar to the first floor so that the second story does not appear out of proportion.

The detached units have been designed in a simple, traditional architectural elements. The two-story structures include enhanced detailing on the front elevations including front porches, multiple cladding materials, and gabled roof forms. Plan 1 includes a setback second story and Plan 2 features a wood trellis over the garage which provides additional interest on the front elevations. Although the side and rear elevations will be minimally visible to the neighboring properties, a waiver is requested to allow for a flat elevation on the side and rear elevations and is further discussed below. The side and rear facades will be largely screened by landscaping from the neighboring properties. The second floor area of the units is less the first-floor area. The second story floor to ceiling height is the same as the first floor and complies with the guidelines. The attached dwellings have been designed with articulation and off sets on the various elevations to avoid boxy appearances and complies with the guidelines. Balconies, insets and articulation are provided.

- **Building Mass:** The Guidelines establish that long, unbroken facades should be avoided. Variety should be accomplished through variation in building heights and forms. Pursuant to CMMC Section 13-41(2)(b), structures having dwelling units attached side by side shall avoid the long-row effect with a break in the facade by having an offset in the front building line of at least four feet for every two dwelling units within such structure. Both the Guidelines and the CMMC identify that alternative designs which accomplish the same purpose may be approved by the final review authority. Finally, consideration should be given on light, air, and privacy of the of adjoining properties.

The detached units are small in scale and would not result in long unbroken facades. The townhome component of the project includes articulation and setbacks between units, however, the applicant is requesting a waiver to deviate from the requirements for side-by-side units which is discussed in the Density Bonus section below. The attached townhomes are located in buildings with up to 16 units in a row. To meet the intent of the guidelines, the end two units on each side of the buildings project out 4 feet 6 inches. In addition, every two units for the interior units includes a 1 foot 6 inch offset in the buildings. In addition to the offsets, landscaping is provided between each individual garage door. The project also includes balconies, additional insets above the first floor, and multiple cladding materials which further helps to avoid a long, row like affect. To reduce building mass, the fourth floor is included as a pop-up within the roof form of the building which reduces the overall mass of the building.

Figure 9 Shade Analysis



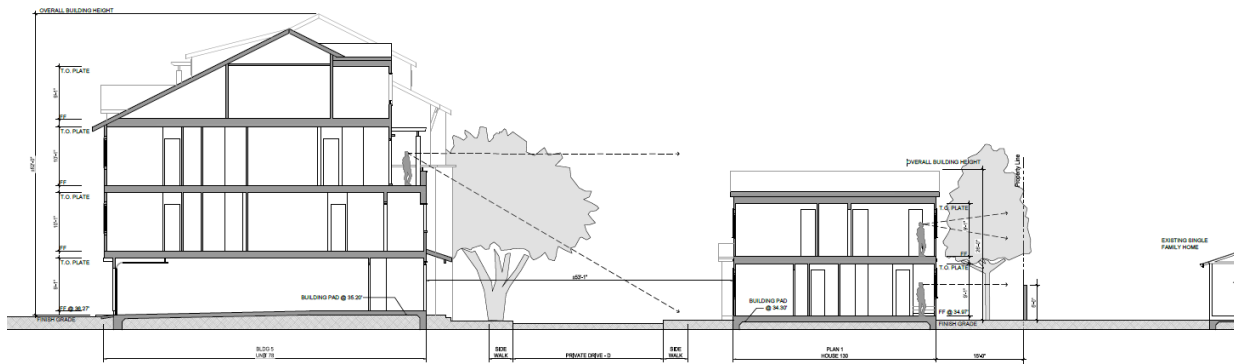
In accordance with CMMC Section 13-41(2)(c), consideration has been given to the effect of proposed development on the light and air of adjacent properties.

The applicants supplied a shade study (Figure 9 above) which shows additional shading created by the project, but due to the placement of the four-story townhomes approximately 120 feet away from the existing neighborhoods, the majority of the new shade created would fall on Bear Street and within the project site while existing and proposed landscaping would shade the properties to the east in the evening hours.

- **Second-Story Side Setbacks:** According to the Residential Design Guidelines, the project is required to provide a 10-foot average side yard setback. The proposed right side yard setback is 15.75 feet and the left side setback is 45 feet. In addition, the Guidelines outline that two-story construction with less than 2,700 square feet of living space are exempt from the second story side setback requirement. The detached units include a maximum of 1,946 square feet of living space and are therefore exempt. The four-story buildings are located approximately 120 feet from the existing neighborhoods.
- **Elevation Treatments:** The guidelines prescribe architectural projections, stepped forms to soften and provide transitions, emphasis on street facing elevations, and the incorporation of multiple building planes and offsets. The detached units include enhanced elevations facing the streets. In addition, the front elevations of Buildings 1 and 8 both face Bear Street and provide additional detailing as discussed above. Building 7 is located on the main entry to the project site and also faces the private street with the enhanced front elevation. The townhome structures include a variety of insets and projections consisting of awning, overhangs, and trellis elements. Landscaping is also thoughtfully placed to soften the appearance of the structures.
- **Roof Form:** The Guidelines establish that variation should be provided in roof form, orientation, and pitch to provide visual interest, and outlines that the maximum building height of 27 feet should only be for sloped roofs. The detached units include gable roofs with Plan 1 including a secondary gable at the front elevation, and Plan 2 including a secondary gable above the entry. Plan 1 also includes an awning roof above the 1st floor where the second floor is setback. The roof forms provide interest from the street. The attached units include a main gable roof in which the fourth floor is located. Additional gables are provided on the front and rear elevation and awning roof pop ups are also located on the rear elevations. The roof form utilized a variety of roof types and placements to accomplish the intent of the Guidelines.
- **Window Placement:** Pursuant to CMMC Section 13-41(2)(c), consideration shall be given to the effect of proposed development on the privacy of adjacent properties. As shown in Figure 10 below, the sight line visibility study indicates that any privacy impacts of the four-story townhomes would be reduced do to the fact that the two story detached units are located between the townhomes and the

existing neighborhoods. Additionally, new trees will be planted in the rear yards of the detached units to provide additional privacy to the existing neighborhood. Conditions have been provided which require that the new screen trees be installed in rear yards of the detached units.

Figure 10 Line of Sight



- Site Planning Considerations:** The Guidelines establish that the location and orientation of all buildings should be designed and arranged to preserve natural features by minimizing the disturbance to the natural environment. The existing Bear Street slope is proposed to be maintained in a natural state by the development. The flat area adjacent to the slope will be a passive recreation area which will allow for enjoyment of the slope.
- Consistency in Architectural Design:** The proposed design includes contemporary craftsmen and modern farmhouse architectural features including consistent materials and finishes of stucco, wood like siding, and accents which are durable and require minimal maintenance. In addition, the facades feature a variety of overhangs, materials, and roof forms, which provides visual interest and façade articulation. The top floor has been incorporated into the roof which reduces the perceived height of the structures.

Unit Breakdown

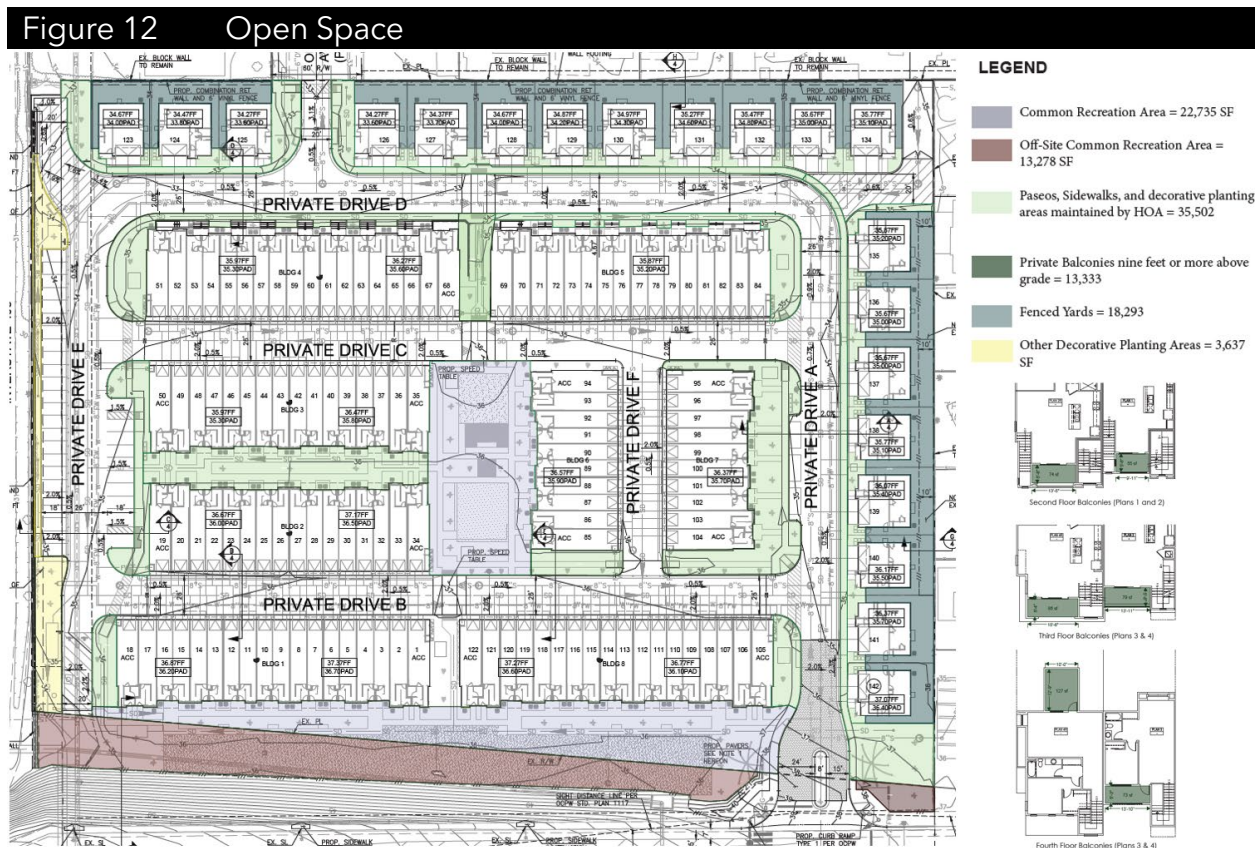
The proposed unit mix includes detached units and attached units. A summary of the unit type and unit breakdown is shown in Table 1 below.

| <u>Unit Type</u> | <u>Bedrooms</u> | <u>Baths</u> | <u>Unit SF</u> | <u>Private Open Space</u> | <u>Unit Count</u> |
|------------------|-----------------|--------------|----------------|---------------------------|-------------------|
| Detached 1 | 3 | 2.5 | 1,442 SF | Approx. 600 SF | 13 (9%) |
| Detached 2 | 4 | 3 | 1,946 SF | Approx. 600 SF | 7 (5%) |
| Attached 1 | 2 | 2 | 1,062 SF | 55 SF | 45 (32%) |
| Attached 2 | 3 | 2.5 | 1,436 SF | 74 SF | 16 (11%) |

| Table 1 Proposed Unit Breakdown | | | | | |
|---------------------------------|---|---|----------|--------|----------|
| Attached 3 | 3 | 3 | 1,832 SF | 159 SF | 45 (32%) |
| Attached 4 | 4 | 3 | 2,364 SF | 194 SF | 16 (11%) |

Open Space

As shown in Figure 12 below, the proposed project includes a total of 93,500 square feet of public and private open space located on the subject property. Each unit is afforded a minimum 55 square foot balcony or private back yard space. An additional 13,278 square-feet of open space is proposed within the public right-of-way located along the east side of Bear Street where an existing maintenance agreement is in place (see the off-site common recreation area within Figure 12, below). The maintenance agreement allows the property owner to utilize the space while maintaining and accepting liability for any use of the area.



The project includes various amenities including an approximately 10,000 square foot tot lot and shaded BBQ area, and an approximately 12,000 square feet passive recreation turf area. The project also proposes a pedestrian gate to Olympic Avenue which would be opened during Shiffer Park hours. An operations plan for the gate will be reviewed by the City prior to the issuance of building permits. In addition, an access easement is proposed which would allow for residents of the exiting established neighborhood to walk or bike through the project site to access Bear Street and Shiffer Park across.

Conditions have been included which require the gate to be locked in both directions outside of park hours and that the CC&Rs prohibit parking in the adjacent neighborhood.

Park Improvements

The project is not providing dedicated parkland and therefore is required to pay parkland impact fees for all new units. Prior to submitting the application, the applicant had proposed providing various improvements to Shiffer Park (pickleball court, improved playgrounds, shade structures) in conjunction with the new signalized intersection. These improvements would have been financed by a Mello-Roos tax on the new residents which would have increased the new resident costs. To reduce new resident costs, the applicants have modified their proposal to provide the signalized intersection without a Mello-Roos tax and therefore, have elected to provide \$250,000 to the City in-lieu of constructing the park improvements.

Landscaping

Landscaping is proposed to be included throughout the project site including within the front setback, along all roads and sidewalks, between garage doors, and within the open space areas. The project includes a combination of street trees, shade trees, specimen trees, flowering trees, and screening trees in addition to a variety of shrubs and ground covers. Figure 13, below, outlines the projects landscaping which is consistent with CMMC standards.

Figure 13 Landscaping



The project site includes an existing hedge of mature Ficus trees along the southern property line abutting the existing single-family neighborhood. The trees are overgrown and poorly maintained and are therefore proposed to be removed as part of the project. A new hedge of either Carolina Cherry Laurel or Yew Pine is proposed to be planted along the property line which will provide screening between the project sight and neighboring properties. The existing east property line includes a variety of trees and shrubs that will also be removed. New screening trees will be placed in the rear yard of the single-family dwellings to block direct views into the neighboring properties. In addition to the backyard screening trees, the project proposes to include 186 additional trees throughout the project site (178 required). The project includes new landscaping between the 405 freeway and the proposed development. Fifteen trees are proposed to be located between the new sound wall and the new buildings which will help reduce noise and pollution and would soften the appearance of the structures from the freeway.

An arborist report was submitted with the project outlining the feasibility of retaining on-site trees. The report found that the project would require the removal of 138 existing trees throughout the property because they are within the proposed building footprints. Twenty-nine trees will be protected in place and be preserved in their current location on the undisturbed slope adjacent to Bear Street.

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

Lighting is required to be provided in all parking areas, vehicular access areas, and on major walkways. The applicant will be required to submit lighting and photometric plans with the building plans demonstrating that there is limited to no spillover of lighting onto neighboring properties.

In addition, fences and walls are proposed throughout the project site and are conditioned to comply with the visibility and development standards.

Parking

Density Bonus projects are permitted to utilize reduced parking standards consistent with the State Law. Two- and three-bedroom units are required to provide 1.5 parking spaces per unit, and four-bedroom units are required to provide 2.5 parking space per unit. In addition, tandem parking is permitted. Therefore, the project is required to provide a minimum of 236 parking spaces. The project exceeds the requirement by proposing 319 parking spaces including 284 tandem garage spaces (two per unit) and 35 open parking spaces (0.25 per unit). Use of these parking standards is not considered an incentive or concession and must be allowed for projects proposing density bonuses.

Traffic and Vehicular Circulation

Vehicular traffic to the site is provided from Bear Street through the one driveway at the southwest corner of the property. Private two-way streets are proposed throughout the site. Raise crosswalks are provided adjacent to the common open space areas which double as a speed table to reduce traffic speed.

A trip generation assessment was prepared to compare the trip generation of the existing site use with the proposed project. The findings of the assessment are below in Table 2. City of Costa Mesa guidelines require a Level of Service (LOS) based traffic study for development projects that generate 50 or more vehicle trip ends during a peak-hour. The proposed project is anticipated to generate fewer than 50 net new peak-hour trips in either peak-hour, which falls below the City's threshold. As such, no further analysis is required beyond what was analyzed in the project-specific Trip Generation Memorandum which is provided under Attachment 5.

| Table 2 Trip Generation Comparison | | | | | | | |
|------------------------------------|--------------|-----------|------------|--------------|------------|-----------|------------|
| Land Use | AM Peak Hour | | | PM Peak Hour | | | Daily |
| | In | Out | Total | In | Out | Total | |
| Existing TBN Building | 90 | 7 | 97 | 8 | 79 | 87 | 530 |
| Residential Use | 16 | 47 | 63 | 51 | 30 | 81 | 1,000 |
| Net Change in Trips | -74 | 40 | -34 | 43 | -49 | -6 | 470 |

The project is subject to the City's traffic impact fees based on the project's net trips currently at \$235 per net increase in trips. Payment of traffic impact fees is required by the CMMC and is also included as a condition of approval.

Bicycle access to the site is available on the driveway, sidewalks, and through the pedestrian gate on Olympic Avenue.

Traffic Signal

In coordination with the Public Works and Parks Departments, the project proposes to install a new traffic signal at the intersection of Bear Street and the project entrance. The new signal will allow for signalized turning in and out of the project and a new crosswalk for pedestrians to safely walk across Bear Street to access Shiffer Park. The new signal will result in one vehicular entrance to Shiffer Park being closed. The closed driveway will be replaced by landscaping. The new signal will still allow for unobstructed circulation for the office building to the south of the project.

Fire and Emergency Access

To ensure timely and adequate emergency responses, the project is conditioned to prepare and submit a Fire Master Plan (FMP) to the Costa Mesa Fire and Rescue

Department for approval prior to the issuance of building permits. The FMP will include, but is not limited to identifying the designated on-site emergency access routes and lanes, all access points to every building, roof access ladders, location of hydrants, and location of stairways.

Noise

Residential uses are considered sensitive land uses, and the location of such sensitive uses should be considered with the site planning and building design. The City's noise ordinance (Chapter VIII of the Zoning Code) requires specific sound ratings within structures. The project is adjacent to the 405 freeway which generates traffic noise. The applicants are proposing to include a 12-foot sound wall on top of a 4-foot retaining wall along the northern property line shared with the 405 Freeway. Conditions of approval have been included requiring that a Noise Study be submitted prior to issuance of building permits. Should the study require any additional project design features to ensure compliance with the Noise Ordinance, then the design features shall be incorporated into the project design which will be reviewed during plan check.

Tentative Tract Map

A Tentative Tract Map (TTM) is a preliminary subdivision map. The TTM outlines the proposed division of land subject to review and approval by the local agency before final mapping and development. The project's TTM proposes to allow for individual ownership of each unit as a condominium. The TTM would establish the required common lot in which all units would be constructed upon. In addition, the Tract Map establishes easements located throughout the property for utilities, access, and for public pedestrian access to pass through the lot from Olympic Avenue to Bear Street. A draft Declaration of Covenants, Conditions and Restrictions (CC&Rs) have been provided as part of the application submittal. Prior to issuance of permits, the CC&Rs will be reviewed and approved by the City Attorney's Office and the Planning Division to ensure compliance with all required laws and conditions of approval.

Density Bonus

California's Density Bonus Law allows a developer to increase the maximum number of dwelling units permitted on a property if the project meets certain criteria. In exchange for the increased density, a certain number of the new affordable dwelling units must be provided. As shown in Table 3 below, the base density of the project site would allow for 122 dwelling units. By providing 5 percent of the units at a very low-income level, the applicant is entitled to a 20 percent density bonus which would allow for a total of 147 dwelling units.

The law also allows for reductions in required development standards, known as incentives, concessions, or waivers. Greater benefits are available for projects that reach higher percentages of affordability. Under Density Bonus Law, an ownership affordable unit maintains its affordability for 55 years through a recorded density bonus agreement or resale restriction. This agreement is recorded against the property and ensures that the unit is sold only to income-qualified buyers at an affordable price, with restrictions on resale value and buyer eligibility enforced by the City or designated monitoring entity throughout the 55-year term.

| Table 3 Density Bonus Calculations | |
|------------------------------------|---|
| Category | Value |
| Base Project Units (20 du/acre) | 122 Units |
| Affordable Units Provided | 7 units (5% of base units, very low-income) |
| Applicable Density Bonus | 20% (Per CA Gov. Code §65915) |
| Bonus Units Allowed | 25 |
| Total Units Allowed | 147 |
| Total Units Proposed | 142 |

Besides granting rights to housing developments to increase density, the law provides three provisions that require local governments to grant qualifying projects:

- 1) Incentives or concessions which result in identifiable and actual cost reductions;
- 2) Waivers of development standards that would physically preclude the development of a project at the density permitted and with the incentives granted; and,
- 3) Reductions in parking requirements.

Concession

The applicant is requesting one incentive/concession to deviate from the design guidelines for the detached units which would result in an identifiable and actual cost reduction.

1. **Detached Unit Second Story Design.** The applicant requests a concession of the City's Residential Design Guidelines that require articulation and offsets on all building elevations to avoid a boxy appearance and mandate consistent architectural treatment on all sides of the structure. The requested waiver applies to detached Units Plan 1 and Plan 2. While both plans incorporate articulation on the front elevations—such as a stepped-back second story (Plan 1), a front porch and wrapping band feature (Plan 2)—the side and rear elevations do not include the same level of articulation or material treatment, as required by the guidelines.

However, these elevations are largely screened by landscaping. Strict compliance with these design standards would reduce the interior square footage of the units, which are already modest in size, thereby reducing their functionality and affordability. Furthermore, requiring offsets on all elevations would increase design complexity, construction costs, and potentially result in a reduction in the number of units achievable on the site. As such, the enforcement of the standard would physically preclude the applicant from constructing the density bonus units permitted under state law. Therefore, the requested incentive is necessary to physically accommodate the density, including the affordable units.

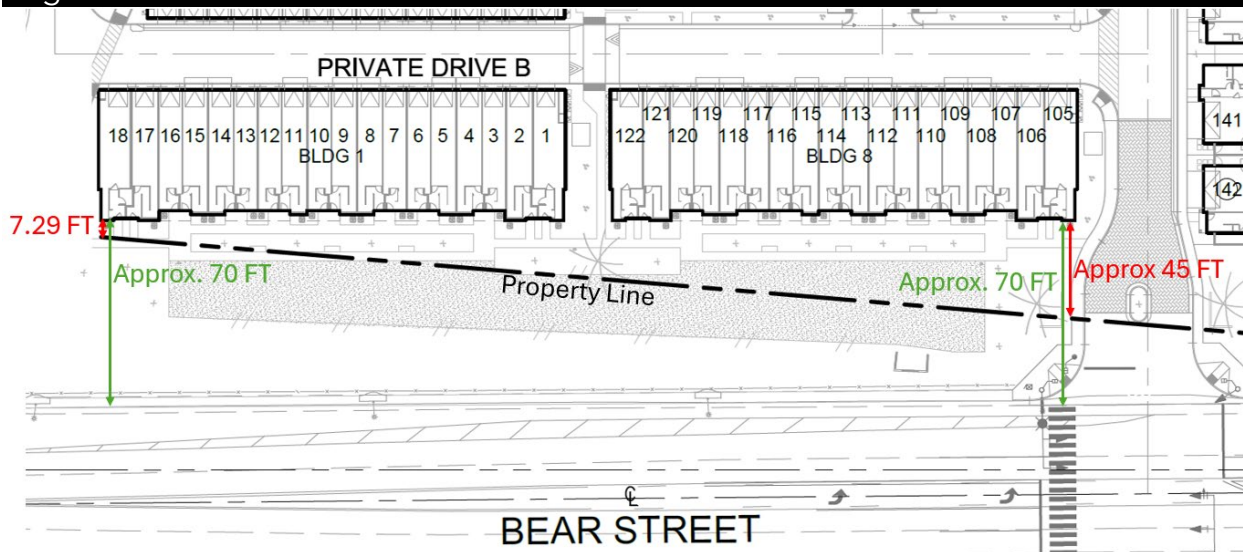
Waivers

The applicant is requesting six waivers or a reduction of a development standard including: 1) a waiver to increase the maximum height for the townhomes, 2) reduce the front setback, 3) to not include landscaped parkways, 4) to include reduced common and private open space, 5) to allow for a reduced individual lot size for the detached units, and 6) to deviate from the design guidelines for the detached units.

The waivers are requested because the development standards have the effect of physically precluding the construction of the proposed project at its permitted density. The City is not permitted to apply any development standard which physically precludes the construction of the project at its permitted density. The City is not required to waive or reduce development standards that would cause a public health or safety problem, cause an environmental problem, harm historical property, or would be contrary to law. The details of the requested waivers are as follows:

1. **Maximum Building Height.** The R3 zoning district allows for buildings to be constructed up to 2 stories and 27 feet. The project proposes 20 compliant single-family dwellings. The townhomes are proposed to be four stories and 52 feet. The waiver from the maximum height would allow additional units to be constructed within the townhome portion of the project and therefore would allow the project to be constructed at the proposed density.
2. **Front Setback.** The R3 zoning district requires a front setback of 20 feet. As shown in Figure 13 below, the property is uniquely shaped which results in a varying front setback of approximately 45 feet near the project driveway down to 7.29 feet. While the actual proposed setback is less than 20 feet for a portion of the project, the visible setback from Bear Street is 70 feet for the townhomes. If the 20 front setback was maintained along the entirety of the front property line, it would result in a reduction of the buildable lot and would reduce the allowable number of dwelling units.

Figure 13 Front Setback



3. **Landscape Parkways.** In all residential zones, except R1, landscape parkways with a combined width of 10 feet, but not less than three feet on one side, are required to be provided along the sides of interior private streets and/or common driveways. After the City Council screening, the applicant modified the plans to include sidewalks along all interior streets to allow for safe interior pedestrian circulation. The intent of the parkway requirement is to provide lush and attractive public spaces. While the project does not include the parkways at all streets, the intent is accomplished with the inclusion of enhanced landscaping and shade trees throughout the project site. If a 10-foot combined parkway was installed with the sidewalks, the developable lot would reduce and it would result in a reduction of units.
4. **Open Space.** The R3 zoning designation requires that 40% of the total lot area be provided as open space. This would result in a requirement of 106,722 square feet of open space. The project proposed 93,500 square feet (35%) of on-site open space including tot lot, BBQ area, passive recreation, and decorative plantings and landscaping. The project includes 13,278 square feet of additional off-site passive recreation area within the public right of way adjacent to Bear Street. This landscape area is already maintained by the subject property through a maintenance agreement. The inclusion of the off-site open space would provide 106,778 square feet of open space which is six square feet more than the requirement. If 40% open space was provided on-site it would reduce the size of the developable lot which would result in a reduction of units. The required open space can be provided with the inclusion of the open space in the maintenance agreement area.

The application also requests a waiver for individual unit open space requirements for the townhome component of the project. The CMMC requires that the townhome units would be provided a patio with no dimension less than 10 feet. The requirement is meant to allow townhomes to have a ground level outdoor space. The proposed townhome units are stacked to allow for the project to develop the number of units allowed pursuant to the Density Bonus Law. The stacked units do not allow for adjoining patio areas. Instead of a ground floor patio, balconies have been included with each individual unit. The square footage of balconies per unit ranges from 55 square feet to 194 square feet. If the adjoining patio was provided, the buildable lot area would be reduced which would reduce the allowable units on site.

5. **Individual Dwelling Unit Minimum Lot Area.** Individual units on residential common interest developments are required to be located on a minimum 3,000 square foot lot with an average lot area of 3,500 across the project. The project includes a range of lot areas from 2,017 square feet to 2,608 square feet with an average individual lot area of 2,395 square feet. While the lots are smaller than required, they still include the conforming private open space. The project proposed to include 20 single family dwellings along the perimeter of the project site to buffer any impacts of the project to the neighboring single family dwellings. The lot sizes are reduced to allow for the number of units allowed pursuant to the Density Bonus Law.
6. **Side by Side Units.** Residential Common Interest Developments should not have more than six dwelling units attached side by side to avoid long row effects. In additional dwellings with side by side units shall include breaks in the façade by having an offset in the front building line of at least four feet for every two dwelling units within the structure. The CMMC indicates that the final review authority may allow for alternative designs which accomplish the same purpose. The project proposes up to 16 units in a row within the townhome buildings. As discussed above, the project meets the intent of the requirements by providing offsets on the end two units on each side of the buildings project out 4 feet 6 inches. In addition, every two units for the interior units includes a 1 foot 6 inch offset in the buildings. The project also includes balconies, additional insets above the first floor, and multiple cladding materials which further helps to avoid a long, row like affect. If the project included a maximum of six units in side by side configuration, the buildable area of the lot would be reduced which would reduce the allowable units on the site.

Staff has reviewed the waiver requests and found that the proposed waivers will not create any unsafe conditions. The waivers increase the square footage dedicated to dwelling units which allows for the project to provide the number of units permitted by Density Bonus Law. The final Density Bonus Agreement is subject to the terms within this report, will be drafted by the applicant, and reviewed by the City Attorney's Office and Development Services division. The agreement shall be recorded prior to issuance of any building permits.

GENERAL PLAN CONFORMANCE

The following analysis evaluates the proposed project's consistency with specific goals, objectives, and policies of the General Plan including the Land Use, Housing, Circulation, and Open Space Elements.

Policy LU-1.3: *Strongly encourage the development of residential uses and owner-occupied housing (single-family detached residences, condominiums, townhouses) where feasible to improve the balance between rental and ownership housing opportunities.*

Consistent. Table HOU-12 in the City's General Plan Housing Element indicates that 43 percent of Costa Mesa households are owners while 57 percent are renters. The proposed development would provide 142 additional ownership housing units that will reduce the gap between ownership and rental housing in the City.

Policy LU-6.1: *Encourage a mix of land uses that maintain and improve the City's long-term fiscal health.*

Consistent. The conducted fiscal analysis found that once the project is fully occupied, it would generate approximately \$78,058 annually of net new revenue to the City.

Policy LU-7.1: *Endeavor to create mixture of employment opportunities for all economic levels of residents and businesses.*

Consistent. The project will amend the General Commercial land use removing approximately 6.12 acres of land (0.1%) from the General Commercial land use designation. Although the project includes a General Plan amendment to the modify the land use designation, it remains consistent with Table LU-3 (Land Use Designation Table) because the reduction is minimal (0.1%). See Attachment 2, Exhibit A1 for details. In keeping with this policy, the City will need to retain a sustainable level of commercial land uses to create a mixture of employment opportunities for all economic levels of residents and businesses. Although there may be incrementally fewer employment opportunities with the residential proposal in comparison with the

current Administrative and Professional use, considering the State and regional objective to increase housing supply, housing units may be considered a higher local/regional priority at the Council's discretion. In addition, employment patterns have changed over the past five years where more employees are telecommuting, reducing the necessity for office space.

Policy HOU-2.1: *Facilitate the development of housing that meets the needs of all segments of the population including affordable housing and households with specialized needs.*

Consistent. The project proposes to include 142 residential units including 7 very low income units. The project will be required to meet all building code requirements including the provision of accessible units.

Policy HOU-3.2: *Encourage the development of well-planned and designed residential or mixed-use projects which, through vertical or horizontal integration, provide for the development of compatible residential, commercial, industrial, institutional, or public uses within a single project, neighborhood, or geographic area within the City.*

Consistent. The project is subject to the development standards of the R3 zone. The project proposes a mixture of single family and multiple family dwelling units. As proposed, the project places the smaller, detached single family units adjacent to the existing established neighborhoods to reduce any impacts. The design elements proposed are high quality and internally consistent and complementary to the surrounding area. The project incorporates public realms including the active and passive recreation areas and provides additional connectivity to the established neighborhood by providing a pedestrian access gate which provides convenient access to Shiffer Park and Bear Street.

Policy HOU-3.4: *Consider the potential impact of new housing opportunities and their impacts on existing residential neighborhoods when reviewing development applications affecting residential properties.*

Consistent. As proposed, the project places the smaller, detached units adjacent to the existing established neighborhoods to reduce massing impacts. The design elements as proposed are high quality and internally consistent and complementary to the surrounding area. The project incorporates public realms including the active and passive recreation areas and provides additional connectivity to the established neighborhood by providing a pedestrian access gate which provides convenient access to Shiffer Park and Bear Street. Additionally, new screening trees are proposed along the south and east property lines which further reduces the aesthetic impacts of the project on the existing neighborhoods.

Policy OSR-1.18: *Provide a minimum of 4.26 acres of parkland per 1,000 residents.*

Consistent. Parkland requirements may be met with land dedication or by paying in-lieu fees. The applicant proposes to pay the in-lieu fees. In addition, the project is providing additional access to Shiffer Park with a new pedestrian gate connecting the project site to Olympic Avenue, constructing a new intersection to allow for better pedestrian connectivity, and modifying the Shiffer Parks entry. The project applicant is also submitting a one-time public benefit payment of \$250,000 for the City's sole use of improving Shiffer Park.

Policy CD-9.5: *Promote new types of urban housing that could be target-marketed to people seeking alternative housing choices in proximity to a major commercial area.*

Consistent. The project proposes a mix of single family and multiple family units. The unique mix is intended to be starter homes. In addition, the project is also in close proximity to major commercial corridors and retail centers including South Coast Plaza, Metro Pointe, and commercial corridors along Baker Street, Bristol Street, and Paularino Avenue.

FINDINGS

Pursuant to Title 13, Section 13-29(g), Findings, of the Costa Mesa Municipal Code, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets specified findings as follows.

General Plan Amendment

There are no specifically required findings required for a General Plan Amendment. However, amendments must be internally consistent and not conflict with other regulatory documents. 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 High Density Residential land use designation to the subject property. The justification in support of the proposed General Plan amendment is below:

- *The proposed project would contribute to the City meeting its City's 6th cycle RHNA allocations.*

The City of Costa Mesa's 6th Cycle (2021-2029) Housing Element identifies specific sites to meet the State-mandated Regional Housing Needs Allocation (RHNA) of 11,760 units. The proposed project site is not designated as a housing opportunity site but would still contribute to the City's required RHNA allocation. Specifically, the project will provide seven very low-income units and 135 above moderate units.

- The proposed base density at 20 du/acre is appropriate given the property's location, site size, and design of the project.

The project location and design fosters a pedestrian-friendly environment, allowing residents to access nearby amenities and commercial corridors. The location is appropriate because of the proximity to South Coast Plaza, Metro Pointe, and other commercial corridors along Baker Street, Bristol Street, and Paularino Avenue. The project provides option to walk or bike to retail centers, coffee shops, and entertainment uses because the internal sidewalk network connects to the existing sidewalks on Bear. The higher density townhome component of the project is located away from existing established neighborhoods to reduce massing impacts. In addition, the site was identified as an area for development since it was included in Measure K.

Rezone

Pursuant to Title 13, Section 13-29(g)(11), Findings, of the CMMC, in order to approve the project, the Planning Commission must find that 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.

Consistent. The proposed rezone is consistent with the Zoning Code, the proposed General Plan amendment, and applicable planning documents. Specifically, the applicant is requesting to rezone the project site by applying the R3 zoning district. This rezone would allow for the development of the 142 dwelling unit project pursuant to the provisions of Article 1 (Residential Districts) of Chapter V of the Zoning Code.

To facilitate this rezoning, a General Plan amendment is also proposed to formally apply the zoning districts to the site. The General Plan amendment would modify the Land Use Element maps, figures, text, and tables to reflect the new High-Density Residential land use designation. Per *Table LU-19: General Plan and Zoning Consistency* of the General Plan Land Use Element, the zoning districts are considered consistent with the High-Density Residential land use designation. Therefore, the proposed rezone and General Plan Amendment align with the City's land use framework and are necessary to support the proposed residential development.

Tentative Tract Map No. 19334

Pursuant to Title 13, Section 13-29(g)(13), Findings, of the CMMC, in order to approve the project, the Planning Commission must find that 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 Zoning Code.*

Consistent. The creation of the subdivision aligns with the amendment land use designation of the General Plan by promoting residential ownership. Additionally, the subdivision complies with the local Zoning Code, amended zoning district, and State laws by conforming to established development regulations. The proposed map will allow for each individual unit to be sold separately.

- *The proposed use of the subdivision is compatible with the General Plan.*

Consistent. The proposed development aligns with the General Plan by addressing the critical need for housing options within the community. Located near commercial corridors, this development promotes the City's goals of increasing residential density while enhancing accessibility to essential services and transportation.

- *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.*

Consistent. The proposed project is an in-fill development and is located in an urbanized area. The site meets the minimum lot size requirement that can accommodate the density and necessary utilities. There are no wildlife habitat or bodies of water on the site or nearby, further ensuring that the development will not result in substantial environmental damage. This strategic location allows for the efficient use of already developed land, minimizing the need for additional site disturbance and preserving green spaces elsewhere in the community.

- *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 State Government Code section 66473.1.*

Consistent. The design of the proposed development thoughtfully considers the orientation of the lot, aligning in a manner that maximizes solar exposure, ensuring

natural passive heating during colder months. Each townhome unit has operable windows and doors on each side of the building which will allow for airflow through the units allowing for natural heating and cooling opportunities. All buildings are spaced a minimum 10 feet apart which allows for airflow between buildings throughout the project site. Additionally, the layout incorporates various outdoor amenity areas at the center of the development and green spaces to promote natural airflow and cooling, minimizing the need for artificial heating or air conditioning. This approach reflects the principles outlined in State 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.

Consistent. The proposed development has been designed to ensure that all existing public entity and utility rights-of-way and easements within the subdivision remain accessible and unobstructed. Coordination with utility providers and the City will be maintained throughout the development process to avoid any disruptions and ensure that essential services can continue to operate efficiently.

- 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).

Consistent. The discharge of sewage from this infill project into the existing public sewer system will not violate the requirements of the State Regional Water Quality Control Board pursuant to Division 7 of the State Water Code (commencing with Section 13000), as the project site is currently served by existing utilities with adequate capacity, and the proposed development will not exceed the design limitations of the existing sewer infrastructure or treatment facilities.

In addition, pursuant to Section 66474 of the California Subdivision Map Act, a proposed subdivision must be denied if one or more of the below findings are made:

1. "That the proposed map is not consistent with applicable general and specific plans as specified in Section 65451;
2. That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans;
3. That the site is not physically suitable for the type of development;
4. That the site is not physically suitable for the proposed density of development;

5. That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat;
6. That the design of the subdivision or type of improvements is likely to cause serious public health problems; and
7. That the design of the subdivision or the type of improvements will conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision. In this connection, the governing body may approve a map if it finds that alternate easements, for access or for use, will be provided, and that these will be substantially equivalent to ones previously acquired by the public. This subsection shall apply only to easements of record or to easements established by judgment of a court of competent jurisdiction and no authority is hereby granted to a legislative body to determine that the public at large has acquired easements for access through or use of property within the proposed subdivision."

None of the above findings of Section 66474 can be made or associated with the proposed subdivision.

Design Review

Pursuant to Title 13, Section 13-29(g)(14), Findings, of the CMMC, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets the following applicable required Design Review findings:

- The project complies with the City of Costa Mesa Zoning Code and meets the purpose and intent of the residential design guidelines, which are intended to promote design excellence in new residential construction, with consideration being given to compatibility with the established residential community. This design review includes site planning, preservation of overall open space, landscaping, appearance, mass and scale of structures, location of windows, varied roof forms and roof plane breaks, and any other applicable design features.

Consistent. The proposed complies with the Zoning Code and meets the purpose and intent of the residential design guidelines. The proposed development has been design with modern craftsmen features including varied roof forms, horizontal and vertical articulation, and the scale has been kept as low as possible by incorporating the fourth floor into the roof. The placement of the attached units has been kept as far as possible from the existing established single family dwellings and privacy and light impacts have been considered.

- The visual prominence associated with the construction of a two-story house or addition in a predominantly single-story neighborhood has been reduced through appropriate transitions between the first and second floors and the provision of second floor offsets to avoid unrelieved two-story walls.

Consistent. Although the project exceeds 2-stories (waiver requested) the project provides appropriate transitions to reduce visual prominence. The project includes construction of a multiple family neighborhood with attached townhomes and detached single family units. The neighborhood will be constructed with two-story homes and four-story townhomes. The proposed two-story detached dwellings have been designed with traditional architectural elements including stucco and wood siding, variety roof forms, and articulation in the form of entries. Plan 1 includes a second floor which is stepped back from the first floor at the front elevation. Plan 2 includes a front porch on the first floor which provides relief on the front elevation. The plan also includes other architectural elements which provide transitions between the first and second floor including a trellis above the garage and a band wrapping the home. While the rear elevations of the units do not offer second story offsets, landscaping is used to soften the appearance of the structures and to screen the development from the established neighborhoods to the east and south of the project site. In addition, the units are modestly sized with the rear and side walls not exceeding 30 feet width. The units feature gable roofs which range from 27 feet in height to 20 feet in height which also reduces the build of the structures. A concession is requested and discussed further below in the Density Bonus section to deviate from the design guidelines. The detached units buffer the existing neighborhoods from the attached units.

- 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.

Consistent. The proposed development includes 142 residential ownership units including seven very low income units for no less than 55 years. The project complies with the maximum density standards allowed pursuant to the proposed General Plan in that the base density is 20 dwelling units per acre which is permitted. The inclusion of the affordable units provides the project a 20 percent density bonus which would allow for 147 dwelling units on the property. The project proposes four less than the maximum allowed and therefore complies with density standards.

Density Bonus

Pursuant to Title 13, Section 13-29(g)(3), Findings, of the CMMC, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets the following applicable required Density Bonus findings:

- The request is consistent with State Government Code section 65915 et. seq. regarding density bonuses and other incentives, the general plan, any applicable specific plan, and Chapter IX special regulations, Article 4 density bonuses and other incentives.

Consistent. The requested density bonus agreement is consistent in that the applicants are requesting a 20 percent density bonus with the inclusion of 5 percent very-low-income units (7 units). Pursuant to the Government code, the request allows the developer to request one incentive and unlimited waivers. The request also allows the developer to utilize reduced parking ratios as established by the government code. The request is consistent with General Plan Land Use Land Use Policies LU-1.3, 6.1, 7.1, and Housing Element Policies HOU-2.1, 3.2, 3.4.

- The requested density bonus and incentive or concession constitute the minimum amount necessary to provide housing at the target rents or sale prices and/or a child care facility.

Consistent. The requested density bonus would allow the project to develop up to 147 dwelling units with the 20 percent density bonus. The project proposed 142 units while still including the 5 percent units dedicated to very low income units. The requested concession is a request to deviate from the design guidelines. The concession request constitutes the minimum deviation necessary to allow for the project to provide seven affordable units at the very low income level.

- The granting of the incentive or concession is required in order to provide for affordable housing costs, as defined in Health and Safety Code section 50052.5 or for rents for the targeted units.

Consistent. The requested concession is related to the residential design guidelines. Strict compliance with these design standards would reduce the interior square footage of the units, which are already modest in size, thereby reducing their functionality and increasing the costs of the development. Furthermore, requiring offsets on all elevations would increase design complexity, construction costs, and potentially result in a reduction in the number of units achievable on the site. As such, the enforcement of the standard would physically preclude the applicant from constructing the density bonus units permitted under state law because the market rate units subsidize the affordable units. Therefore,

the requested concession is necessary to physically accommodate the density, including the affordable units.

- The granting of the incentive or concession and/or the waiver or reduction of development standards does not have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Government Code section 65589.5 upon health, safety, or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact.

Consistent. The requested waivers are for maximum building height, front setback, landscaped parkways, open space, individual unit lot area, and side by side units. The requested concession is related to design guidelines related to second story design. The requested waivers are minimal in that they will not impact the circulation or safety of the proposed development. The waivers are necessary to increase the number of units on the site to meet the density afforded per the density bonus. The buildings will be required to be constructed in compliance with the Building Code. Therefore, granting the waivers will have no negative impacts on the health, safety, or physical environment of the project site.

- The granting of the incentive or concession and/or the waiver or reduction of development standards does not have an adverse impact on any real property that is listed in the California Register of Historical Resources.

Consistent. The proposed project is not located in proximity to real property listed in the California Register of Historic Resources and will therefore have no impacts.

ENVIRONMENTAL DETERMINATION

A Draft Mitigated Negative Declaration (MND) has been prepared in accordance with the California Environmental Quality Act (CEQA). The MND is an information document that 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 impacts on various environmental factors (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 May 1, 2025, and ending at 5:00 p.m. on May 31, 2025. Copies of the Initial Study, the proposed MND, and supporting materials were available for public review at City Hall, Mesa Verde Library, and Costa Mesa Library. The MND was also posted online and was filed with the State Clearinghouse (SCH NO. 2025050135).

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. An additional comment was provided by a resident. Copies of all comments received and responses to the comments are provided under Exhibit B to Attachment 1 of this staff report. The Final MND consists of the response to public comments received during the public review period of the Draft MND, errata, and Mitigation Monitoring and Reporting Program (MMRP). 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. The mitigation measures have been incorporated into the Conditions of Approval within Exhibit A3 of Attachment 2.

Summary of Significant Environmental Impacts and Mitigation Measures

The MMRP lists the mitigation measures required based on each environmental topic 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

For additional details, the MMRP and details of the mitigation measures can be found under Exhibit B to Attachment 1.

ALTERNATIVES:

Planning Commission determination alternatives include the following:

1. Recommend that the City Council approve the project. The Planning Commission may recommend approval the project as proposed, subject to the conditions outlined in the attached Resolution.

2. Recommend that the City Council approve the project with modifications. The Planning Commission may suggest specific 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. In the event of significant modifications to the proposal, staff will return with a revised Resolution incorporating new findings and/or conditions. (If the Planning Commission direction includes a reduction in the proposed project density, the below specified Government Code Section 65589.5 provisions are applicable.)
3. Recommend denial of the project. If the Planning Commission believes that there are insufficient facts to support the findings for approval, the Planning Commission should recommend denial the application, provide facts in support of denial, and direct staff to incorporate the findings into a Resolution for City Council denial. 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. However, because this project is subject to the Housing Accountability Act (Government Code Section 65589.5), if the Planning Commission denies or directs a reduction in the proposed density of the housing project, and the development is determined to be consistent with applicable, objective general plan, zoning, and subdivision standards and criteria, including design review standards, the Planning Commission must make the following written findings:
 - The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density; and
 - There is no feasible method to satisfactorily mitigate or avoid the adverse impact, other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density. (Feasible means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

LEGAL REVIEW

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

PUBLIC NOTICE

Pursuant to government Code Section 65854(a), three types of public notification have been completed no less than 20-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 June 24, 2025. The required notice radius is measured from the external boundaries of the property.
2. **On-site posting.** A public notice was posted on each street frontage of the project site on June 23, 2025.
3. **Newspaper publication.** A public notice was published once at least 20 days before the Planning Commission meeting in the Daily Pilot newspaper on Saturday June 21, 2025.

As of the date of this report, no written public comments have been received. Any public comments received prior to the July 15, 2025, Planning Commission meeting will be forwarded separately to the Planning Commission.

CONCLUSION:

The proposed residential ownership project would redevelop an existing office building into a high quality, 142 dwelling units project including 7 very low income units. Staff recommends that the Planning Commission conduct a public hearing and recommend that the City Council approve the project, subject to conditions of approval.

ATTACHMENTS

1. Draft Resolution (IS/MND)
 - Exhibit A to Attachment 1 - Draft IS/MND (Under Separate Cover)
 - Exhibit B to Attachment 1 - Final IS/MND (Under Separate Cover)
2. Draft Resolution (Project)
 - Exhibit A1 to Attachment 2 - General Plan Amendment
 - Exhibit A2 to Attachment 2 - Project Findings
 - Exhibit A3 to Attachment 2 - Recommended Conditions of Approval
 - Exhibit B to Attachment 2 - Engineering Conditions of Approval (Under Separate Cover)
 - Exhibit C to Attachment 2 - Draft Ordinance (Rezone) (Under Separate Cover)
 - Exhibit D to Attachment 2- Project Plans (Under Separate Cover)
 - Exhibit E to Attachment 2 - Tentative Tract Map No. 19334 (Under Separate Cover)
3. Applicant Letter
4. Density Bonus Letter
5. Trip Generation Memo
6. Existing Site Photos
7. Fiscal Analysis
8. Arborist Report
9. Draft CC&Rs
10. Vicinity Map and Zoning Map

11. Shiffer Park Dedication Commitment