



Agenda Report

Item #: 26-205

Meeting Date: May 5, 2026

TITLE: CALL FOR REVIEW OF THE APPROVAL OF SPECIAL USE PERMIT (PGSH-24-0002) TO ALLOW A SOBER LIVING HOME WITH SIX OR FEWER RESIDENTS TO BE LOCATED AT 1601 BAKER STREET

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION

PRESENTED BY: VICTOR MENDEZ, SENIOR PLANNER

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

RECOMMENDATION:

Staff recommends the City Council:

1. Find that Project (permit) is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Sections 15268 (Ministerial Projects) and 15301 (Existing Facilities).
2. Adopt a resolution upholding the Planning Commission's decision to uphold the Hearing Officer's issuance of the Special Use Permit (PGSH-24-0002) to allow a sober living home with six or fewer persons (not counting the house manager) at 1601 Baker Street.

APPLICANT OR AUTHORIZED AGENT:

The applicant is George Vilagut, the property owner and sole owner of Stephouse Recovery, Inc.

BACKGROUND:

On June 1, 2024, Stephouse Recovery, Inc. submitted a Special Use Permit (SUP) application to operate a sober living home for six or fewer residents, and one house manager, at the property located at 1601 Baker Street. The application was reviewed pursuant to Costa Mesa Municipal Code (CMMC) Section 13-311, which establishes a ministerial review process for issuance of a SUP for group homes, including sober living homes, within the R-1 Single-Family Residential District.

Pursuant to Section 13-311(b), the Director is required to issue the SUP as a ministerial matter, based on the facility's compliance with the adopted standards for location and operation: "The special use permit shall be issued by the director as a ministerial matter if the applicant is in compliance or has agreed to comply with subsections (a)(1) through (a)(14) of [Section 13-311]."

Accordingly, review is limited to the objective standards specified in the Zoning Code. At least 10 days prior to issuing a SUP, written notice is required to be mailed to the owner of record and occupants of all properties within 500 feet of the location of the sober living home. Prior to the issuance of a SUP,

the Director is obligated to hold a hearing for the purpose of receiving information regarding compliance with applicable provisions pursuant to CMMC subsections 13-311(a) and (b).

The purpose of the public hearing for a SUP is to collect information on compliance with the applicable standards in Section 13-311.

For this SUP application to operate a new sober living home, the Director must determine that the proposed use complies with CMMC Section 13-311(a)(1) through (a)(14), as outlined below:

(a) A group home that may otherwise be considered an unpermitted use may locate in an R1 zone with a special use permit provided:

(1) An application for a group home is submitted to the director by the owner/operator of the group home. The application shall provide the following:

- i. The name, address, phone number and driver's license number of the owner/operator;
- ii. If the applicant and/or operator is a partnership, corporation, firm or association, then the applicant/operator shall provide the additional names and addresses as follows and such persons shall also sign the application:
 - a. Every general partner of the partnership,
 - b. Every owner with a controlling interest in the corporation,
 - c. The person designated by the officers of a corporation as set forth in a resolution of the corporation that is to be designated as the permit holder;
- iii. The license and permit history of the applicant(s), including whether such applicant(s), in previously operating a similar use in this or another city, county or state under license and/or permit, has had such license and/or permit revoked or suspended, and the reason therefor;
- iv. The name, address, phone number and driver's license number of the house manager;
- v. A copy of the group home rules and regulations;
- vi. Written intake procedures;
- vii. The relapse policy;
- viii. An affirmation by the owner/operator that only residents (other than the house manager) who are handicapped as defined by state and federal law shall reside at the group home;

- ix. Blank copies of all forms that all residents and potential residents are required to complete; and
- x. A fee for the cost of processing of the application as set by resolution of the city council.

No person shall open a group home or begin employment with a group home until this information has been provided and such persons shall be responsible for updating any of this information to keep it current.

- (2) The group home has six or fewer occupants, not counting a house manager, but in no event shall have more than seven occupants. If the dwelling unit has a secondary accessory unit, occupants of both units will be combined to determine whether or not the limit of six occupants has been exceeded.
- (3) The group home shall not be located in an accessory secondary unit unless the primary dwelling unit is used for the same purpose.
- (4) The group home has a house manager who resides at the group home or any multiple of persons acting as a house manager who are present at the group home on a 24-hour basis and who are responsible for the day-to-day operation of the group home.
- (5) All garage and driveway spaces associated with the dwelling unit shall, at all times, be available for the parking of vehicles. Residents and the house manager may each only store or park a single vehicle at the dwelling unit or on any street within 500 feet of the dwelling unit. The vehicle must be operable and currently used as a primary form of transportation for a resident of the group home.
- (6) Occupants must not require and operators must not provide "care and supervision" as those terms are defined by Health and Safety Code section 1503.5 and section 80001(c)(3) of Title 22, California Code of Regulations.
- (7) Integral group home facilities are not permitted. Applicants shall declare, under penalty of perjury, that the group home does not operate as an integral use/facility.
- (8) If the group home operator is not the property owner, written approval from the property owner to operate a group home at the property.
- (9) The property must be fully in compliance with all building codes, municipal code and zoning.
- (10) At least 48 hours prior to an occupant's eviction from or involuntary termination of residency in a group home, the operator thereof shall:
 - i. Notify the person designated as the occupant's emergency contact or contact of record that the occupant will no longer be a resident at the home;

- ii. Contact the Orange County Health Care Agency OC Links Referral Line and/or another entity designated by the City to determine the services available to the occupant, including, but not limited to, alcohol and drug inpatient and outpatient treatment;
 - iii. Notify the City's Network for Homeless Solutions that an occupant is no longer a resident at the home, and determine the services available therefrom;
 - iv. Provide the information obtained from paragraphs ii and iii of this subsection (a)(10) and any other treatment provider or service to the occupant prior to his or her release on a form provided by the City and obtain the occupant's signed acknowledgement thereon;
 - v. Provided, however, that if the occupant's behavior results in immediate termination of residency pursuant to rules approved by the City as part of the special use permit for that facility, the operator shall comply with paragraphs i through iv of this subsection (a)(10) as soon as possible.
- (11) Prior to an occupant's eviction from or involuntary termination of residency in a group home, the operator thereof shall also:
- i. Make available to the occupant transportation to the address listed on the occupant's driver license, state-issued identification card, or the permanent address identified in the occupant's application or referral to the group home;
 - ii. Provided, however, that should the occupant decline transportation to his or her permanent address or otherwise has no permanent address, then the operator shall make available to the occupant transportation to another group home or residential care facility that has agreed to accept the occupant.
- (12) The group home operator shall maintain records for a period of one year following eviction from or involuntary termination of residency of an occupant that document compliance with subsections (a)(10) and (a)(11) of this section; provided, however, that nothing herein shall require an operator of a group home to violate any provision of state or federal law regarding confidentiality of health care information. The group home operator may not satisfy the obligations set forth in subsection (a)(11) of this section by providing remuneration to the occupant for the cost of transportation.
- (13) All drivers of vehicles picking up or dropping off persons at a group home shall comply with all applicable provisions of this Code and the Vehicle Code, including, but not limited to, those provisions regulating licensure and parking, standing and stopping.
- (14) In addition to the regulations outlined above, the following shall also apply to sober living homes:
- i. The sober living home is not located within 650 feet, as measured from the closest property lines, of any other sober living home or a state licensed alcoholism or drug abuse recovery or treatment facility.

- ii. All occupants, other than the house manager, must be actively participating in legitimate recovery programs, including, but not limited to, Alcoholics Anonymous or Narcotics Anonymous and the sober living home must maintain current records of meeting attendance. Under the sober living home's rules and regulations, refusal to actively participate in such a program shall be cause for eviction.
 - iii. The sober living home's rules and regulations must prohibit the use of any alcohol or any non-prescription drugs at the sober living home or by any recovering addict either on or off site. The sober living home must also have a written policy regarding the possession, use and storage of prescription medications. The facility cannot dispense medications but must make them available to the residents. The possession or use of prescription medications is prohibited except for the person to whom they are prescribed, and in the amounts/dosages prescribed. These rules and regulations shall be posted on site in a common area inside the dwelling unit. Any violation of this rule must be cause for eviction under the sober living home's rules for residency and the violator cannot be re-admitted for at least 90 days. Any second violation of this rule shall result in permanent eviction. Alternatively, the sober living home must have provisions in place to remove the violator from contact with the other residents until the violation is resolved.
 - iv. The number of occupants subject to the sex offender registration requirements of Penal Code section 290 does not exceed the limit set forth in Penal Code section 3003.5 and does not violate the distance provisions set forth in Penal Code section 3003.
 - v. The sober living home shall have a written visitation policy that shall preclude any visitors who are under the influence of any drug or alcohol.
 - vi. The sober living home shall have a good neighbor policy that shall direct occupants to be considerate of neighbors, including refraining from engaging in excessively loud, profane or obnoxious behavior that would unduly interfere with a neighbor's use and enjoyment of their dwelling unit. The good neighbor policy shall establish a written protocol for the house manager/operator to follow when a neighbor complaint is received.
 - vii. The sober living home shall not provide any of the following services as they are defined by section 10501(a)(6) of Title 9, California Code of Regulations: detoxification; educational counseling; individual or group counseling sessions; and treatment or recovery planning.
- (b) The special use permit shall be issued by the director as a ministerial matter if the applicant is in compliance or has agreed to comply with subsections (a)(1) through (a)(14) of this section. At least 10 days prior to issuing a special use permit, the director shall cause written notice to be mailed to the owner of record and occupants of all properties within 500 feet of the location of the group home. Prior to issuance of the special use permit, the director shall hold a public hearing for the purpose of receiving information regarding compliance with the applicable provisions of subsections (a) and (b) of this section. The issuance of the special

use permit shall be denied upon a determination, and if already issued shall be denied or revoked upon a hearing, by the director that any of the following circumstances exist:

- (1) Any owner/operator or staff person has provided materially false or misleading information on the application or omitted any pertinent information;
- (2) Any owner/operator or staff person has an employment history in which he or she was terminated during the past two years because of physical assault, sexual harassment, embezzlement or theft; falsifying a drug test; and selling or furnishing illegal drugs or alcohol.
- (3) Any owner/operator or staff person has been convicted of or pleaded nolo contendere, within the last seven to 10 years, to any of the following offenses:
 - i. Any sex offense for which the person is required to register as a sex offender under California Penal Code section 290 (last 10 years);
 - ii. Arson offenses—Violations of Penal Code Sections 451—455 (last seven years);
or
 - iii. Violent felonies, as defined in Penal Code section 667.5, which involve doing bodily harm to another person (last 10 years).
 - iv. The unlawful sale or furnishing of any controlled substances (last seven years).
- (4) Any owner/operator or staff person is on parole or formal probation supervision on the date of the submittal of the application or at any time thereafter.
- (5) The owner/operator accepts residents, other than a house manager, who are not handicapped as defined by the FHAA and FEHA.
- (6) A special use permit for a sober living home shall also be denied upon a determination, and if already issued, any transfer shall be denied or revoked, upon a hearing, by the director that any of the following additional circumstances exist:
 - i. Any owner/operator or staff person of a sober living home is a recovering drug or alcohol abuser and upon the date of application or employment has had less than one full year of sobriety.
 - ii. The owner/operator of a sober living home fails to immediately take measures to remove any resident who uses alcohol or illegally uses prescription or non-prescription drugs, or who is not actively participating in a legitimate recovery program from contact with all other sober residents.
 - iii. The sober living home, as measured by the closest property lines, is located within 650 feet of any other sober living home or state licensed alcoholism or drug abuse recovery or treatment facility. If a state-licensed alcoholism or drug abuse recovery or treatment facility moves within 650 feet of an existing sober living home this

shall not cause the revocation of the sober living home's permit or be grounds for denying a transfer of such permit.

- (7) For any other significant and/or repeated violations of this section and/or any other applicable laws and/or regulations, including, but not limited to, failure to comply with the provisions of subsections (a)(10) through (13).
- (8) Revocation shall not apply to any group home, which otherwise would cause it to be in violation of this section, that has obtained a reasonable accommodation pursuant to section 13-200.62

Staff reviewed the application and supporting materials and determined that the project satisfies the provisions and requirements of CMMC Section 13-311, subsections (a) and (b). Based on this review, no disqualifying grounds have been identified at this time.

On October 23, 2025, a hearing was held before a hearing officer acting as the designee of the Director of Economic and Development Services to consider SUP Application No. PGSH-24-0002. The purpose of the hearing was to receive information and testimony regarding the Applicant's compliance with the objective standards set forth in subsections (a) and (b) of Section 13-311.

On January 5, 2026, after reviewing the application materials, hearing testimony and re-submittal of certain information by the applicant, the SUP was issued by the Hearing Officer.

On January 7, 2026, Mayor Stephens submitted a timely "application for review" of the approval pursuant to CMMC Section 2-302. Mayor Stephens listed concerns regarding "impacts to neighborhood of sober living home operations" (Attachment 4).

On February 23, 2026, the Planning Commission upheld the decision of the Hearing Officer's approval of Special Use Permit (PGSH-24-0002) to allow a sober living home with six or fewer persons (not counting the house manager).

On March 2, 2026, Council Member Buley submitted a timely "application for review" of the Planning Commission's decision pursuant to CMMC Section 2-302. The request was made to provide the community with an opportunity to voice concerns before the City Council and to allow the Council to review any opposition or request additional information regarding the Special Use Permit (Attachment 10).

ANALYSIS:

Section CMMC 13-311 establishes a ministerial review process for the Special Use Permit. As stated in the Hearing Officer's determination, the permit complies with CMMC Sections 13-32, 13-85 and 13-311, as shown in Table 1 above. The home will accommodate six recovery residents and one full-time house manager ensuring adherence to the maximum occupancy limit. The group home will be in the primary dwelling unit, with no accessory dwelling unit on the property, meeting zoning standards that prohibit group homes in accessory units unless both units serve the same purpose. Parking requirements are satisfied, as the five-bedroom home requires a minimum of four parking spaces, and the property provides five on-site spaces—two in the garage and three in the driveway. Additionally, there are no other sober living homes or state-licensed alcoholism or drug abuse recovery or treatment

facilities within a 650-foot radius of the proposed residence, ensuring compliance with the required separation distance. Furthermore, the application includes all required documentation in compliance with CMMC Section 13-311, including the written intake procedures and relapse policy.

Based on the information initially provided and subsequently revised, the SUP application was approved, subject to the following conditions:

1. Prior to operation of the sober living home, the applicant shall schedule and pass an inspection by the Costa Mesa Fire and Rescue Department to verify that the property meets the basic fire and life safety requirements for a single-family dwelling, including but not limited to the installation of smoke detectors and carbon monoxide (CO) detectors.
2. Failure to comply with the requirements listed in CMMC Section 13-311 may result in the revocation of this permit.

Planning Commission Review

In its review of the project, the Planning Commission considered the SUP to allow a sober living home with six or fewer persons (not counting the house manager).

During deliberations, the Planning Commission inquired about Stephouse Recovery's operation, seeking clarification on whether it functions as a treatment facility or sober living home and if it is currently operating. Commissioners also questioned staff regarding CMMC requirements, separation requirement of any other sober living home or a state licensed alcoholism or drug abuse recovery or treatment facility, and issues raised at the Hearing Officer hearing. Staff responded to the Commission's inquiries, clarifying that Stephouse Recovery is not currently operating as a sober living home at this location and is not located within 650-feet from another of any other sober living home or a state licensed alcoholism or drug abuse recovery or treatment facility. The Commission questioned whether as a de novo hearing if they could consider all aspects of the application including if their review is not limited to the question raised in the call up for review if there is an impact to the neighborhood or not. The City Attorney's Office explained that the Planning Commission's review is limited to determining whether the applicant complies with the requirements set forth in Section 13-311 of the CMMC.

Seven members of the public provided comments and noted their concerns about the potential operation of Stephouse Recovery, emphasizing neighborhood safety, compatibility with the single-family residential area, and possible increases in traffic, noise, and crime associated with a congregate recovery residence. Several speakers also questioned the applicant's compliance with the Municipal Code and consistency of information provided.

The Planning Commission voted 7-0, to uphold the Hearing Officer's issuance of Special Use Permit (PGSH-24-0002) and adopted Resolution No. PC-2026-06 (Attachment 7). As part of motion discussion, several commissioners expressed the limited scope of the Commission's review, with members emphasizing that the decision was ministerial and confined to determining whether the applicant complied with municipal code requirements. Two Commissioners stated they did not find new evidence that would justify overturning the approval and noted their role is to apply existing City Council policies, not create or modify them. While acknowledging and expressing empathy for neighbors' concerns about safety and neighborhood impacts, two Commissioners reiterated that the application

met the code standards before them. One Commissioner indicated they would support the motion based on compliance with the established regulations, despite reservations about broader policy issues.

Call for Review of Planning Commission's Approval

On March 2, 2026, a call for review of the Planning Commission's approval of the project was filed by Council Member Buley. The application for review noted that the request was made to provide the community with an opportunity to voice concerns before the City Council and to allow the Council to review any opposition or request additional information regarding the SUP.

Appeal and Call to Review Procedures

CMMC Title 2, Chapter IX, governs the City's appeal and review procedures. Section 2-309(4) states that an appeal from a decision of any committee or commission shall be made to the City Council. Any appeal must be filed in accordance with the procedures set forth in the Municipal Code and accompanied by the applicable processing fee.

Section 2-303(4) states that an appeal hearing shall consist of a new (i.e., de novo) hearing on the matter by the person or body specified in Section 2-309. The appeal hearing shall be based on the following evidence:

- (a) Any relevant evidence, including staff reports, etc., submitted at the time of the prior decision and at the appeal hearing; and
- (b) Findings, if any, and decision of the person or body whose decision is being appealed.

As a de novo hearing, the City Council may consider new evidence. However, the Council's review is limited to determining whether the applicant complies, or has agreed to comply, with the objective standards set forth in subsections (a) and (b) of Section 13-311.

Pursuant to CMMC Chapter IX, Section 2-303(6), the applicant for the original decision shall have the burden of proof to support the granting of the approval action at the appeal.

Staff has attached a draft City Council resolution for approval based on the Planning Commission's February 23, 2026, decision. Notwithstanding this, should the City Council determine to overturn the Planning Commission's decision, staff requests that the City Council articulate its reasons for denial so staff can incorporate these into a written resolution.

The City Council's action to uphold or overturn the Planning Commission's decision would constitute the final administrative decision of the City. Any court challenge to the decision must be filed within the time limits established by California Code of Civil Procedure Section 1094.6 and California Government Code Section 65009.

ENVIRONMENTAL DETERMINATION:

The project (permit) is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Sections 15268 (Ministerial Projects) and 15301 (Existing Facilities).

ALTERNATIVES:

City Council alternatives include the following:

1. Uphold the decision of the Planning Commission upholding the Hearing Officer's decision.
2. Determine that the application does not meet the requirements of Section 13-311, overturn the Planning Commission's decision, and thereby deny the permit.

FISCAL REVIEW:

There is no fiscal impact to the adoption of a resolution upholding the Planning Commission's decision.

LEGAL REVIEW:

The City Attorney's Office has reviewed this report and the resolution and approves them both as to form.

PUBLIC NOTICE:

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

1. **Mailed notice.** A public notice was mailed to all property owners and occupants within a 500-foot radius of the project site on Wednesday, April 22, 2026. The required notice radius is measured from the external boundaries of the property.
2. **On-site posting.** A public notice was posted on the street frontage of the project site on Thursday, April 23, 2026.
3. **Newspaper publication.** A public notice was published once in the Daily Pilot newspaper on Friday, April 24, 2026.

As of the date of this report, no written public comment has been received. See Attachment 5 for the Hearing Officer public comments and see Attachment 9 for the Planning Commission public comments.

Any public comments received for the May 5, 2026, City Council meeting, may be viewed at this link: [CITY OF COSTA MESA - Calendar \(legistar.com\)](https://legistar.com/CITY_OF_COSTA_MESA)

CONCLUSION:

Based on the evidence in the record, the Hearing Officer determined that the application complies with CMMC Section 13-311. Upon review, and based on the evidence in the record, the Planning Commission determined that the application complies with CMMC Section 13-311. Therefore, staff recommends the City Council uphold the Planning Commission's decision to uphold the Hearing Officer's issuance of Special Use Permit (PGSH-24-0002).