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# Housing Element Update

## 2021-2029

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*City Council / Planning Commission  
Study Session  
April 27, 2021*



# Agenda

- Housing Element Update Process
- Opportunities and Constraints
- Costa Mesa's 6<sup>th</sup> Cycle Sites Analysis
  - Community Outreach Guidance
  - Residential Density Examples
  - Subarea Analysis
  - Accessory Dwelling Units
- Sample Program Language
- Next Steps



An aerial photograph of a city skyline at dusk. The sky is a mix of soft orange, pink, and grey tones. Several tall, modern skyscrapers are visible, some with lights beginning to glow. The foreground shows a dense residential area with many smaller buildings and trees. The overall scene is dimly lit, creating a serene and urban atmosphere.

# Housing Element Update Process

# Housing Element Features

- The Housing Element contains the following major components:
  - Community Profile
  - Opportunities and Constraints Analysis
  - Goals, Policies, and Objectives
  - Implementation Program
  - Appendices:
    - Review of Past Performance
    - Summary of Community Outreach
    - Sites Analysis



# Costa Mesa RHNA Allocation

| Income Category       | % of Area Median Income (AMI) | Affordable Monthly Rent <sup>1</sup> | Income Range <sup>2</sup> |           | RHNA Allocation (Housing Units) |
|-----------------------|-------------------------------|--------------------------------------|---------------------------|-----------|---------------------------------|
|                       |                               |                                      | Minimum                   | Maximum   |                                 |
| Very Low Income       | 0 - 50% AMI                   | \$961-\$1,281                        | --                        | \$64,050  | 2,919 units                     |
| Low Income            | 51 – 80% AMI                  | \$2,561                              | \$64,051                  | \$102,450 | 1,794 units                     |
| Moderate Income       | 81 – 120% AMI                 | \$3,090                              | \$102,451                 | \$123,600 | 2,088 units                     |
| Above Moderate Income | >120% AMI                     | > \$3,090                            | \$123,601                 | --        | 4,959 units                     |
| <b>TOTAL:</b>         |                               |                                      |                           |           | <b>11,760 units</b>             |

1. 30% gross household income is “affordable” for a family of 4 and includes utilities/services such as basic water, sewer, and trash.
2. Income range is based on HCD’s State Income Limits for 2020 for Orange County (based on a median of \$103,000 for a family of 4).

# Current Households by Income Category Estimates



## Households by Income Category, 2020

| Income Category (% of Orange County's AMI) | No. of Households | Percent     |
|--|-------------------|-------------|
| Extremely Low (30% AMI or less)            | 6,610             | 16.3%       |
| Very Low (31 to 50% AMI)                   | 5,220             | 12.9%       |
| Low (51 to 80% AMI)                        | 7,325             | 18.1%       |
| Moderate or Above (over 80% AMI)           | 21,405            | 52.8%       |
| <b>Total</b>                               | <b>40,555</b>     | <b>100%</b> |

Source: Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS), 2013-2017.

An aerial photograph of a city skyline at dusk. The sky is a mix of dark blue and orange, with some clouds. Several tall, modern skyscrapers are visible, some with lights on. In the foreground, there are green trees and a road. The text "Opportunities & Constraints" is overlaid in the center in a white, sans-serif font.

# Opportunities & Constraints

# Opportunities & Constraints

- Potential governmental constraints
  - Local regulations and processes, such as fees or project review periods
  - Development standards
  - Local initiatives, such as Measure Y
- Potential non-governmental constraints
  - Land and construction costs
  - Protected land or unsuitable land





# Opportunities & Constraints

- The Housing Element also looks at opportunities and resources to potentially lessen or remove identified constraints
- Potential resources and opportunities
  - Inclusionary Housing Ordinance
  - State Density Bonus Laws
  - Streamlined application processing
  - Review of development standards
  - Housing Programs (examples discussed later in the presentation)



# Potential Constraint


- Measure Y requires voter approval of projects which meet certain criteria, including:
  - General Plan Amendment, Specific Plan Amendment, or Rezone; and
  - Exceeds 40 units, 10,000 square feet of new building area, or other specific criteria
- Introduces risk to the housing development process which discourages investment
- In mid-2020, the City Council voted to explore forming a citizen advisory committee to discuss Measure Y



# Potential Opportunity

- Revisions to Density Bonus Law (AB 2345 - January 1, 2021) expanded and enhanced development incentives for projects with affordable and senior housing.
  - Density Bonus from 35% to 50%
- Density Bonus projects must set aside at least:
  - 15% of units for very low-income households, or
  - 24% of units for low-income households, or
  - 44% of for-sale units for moderate income households.
- There have not been any Density Bonus projects in Costa Mesa in recent years



An aerial photograph of Costa Mesa, California, showing a dense urban landscape with several prominent skyscrapers in the background. The sky is a mix of soft orange and grey, suggesting dusk or dawn. The foreground is filled with a mix of green trees and grey buildings.

# The Story of Costa Mesa's 6<sup>th</sup> Cycle Housing Element Sites Analysis

# Sites Story Table of Contents

- Community Outreach Guidance
- Density Examples
- Subarea Walkthrough & Sites Strategies
- Accessory Dwelling Units
- Potential Programs



# Community Feedback Related to Sites

- Community Surveys helped to determine approximate housing locations/types
- District Specific Meetings used maps and community discussions to focus on potential candidate sites within each district at the corridor or parcel level
- Subject Matter Expert Meetings
  - Home Builders/Developers
  - Housing Advocacy Groups
  - Homeless Services Providers

# Community Feedback Related to Sites

- Focused Meetings
  - Major property owners
  - Affordable and market-rate developers with local experience
  - Costa Mesa Affordable Housing Coalition
  - Housing advocates
  - Faith-based leaders/community
- Additional follow-up meetings are planned to finalize sites strategies for specific areas



An aerial photograph of a city skyline at dusk. The sky is a mix of dark blue and orange, with some clouds. In the foreground, there are green trees and a road. In the background, several tall skyscrapers are visible, some with lights on. The text "Residential Density Examples" is overlaid in the center in a white, sans-serif font.

# Residential Density Examples



# The Reason to Discuss Density

- The potential sites strategies analyze housing at different densities
- Housing built at low densities are typically single-family, while higher densities typically indicate multi-family housing or smaller unit sizes
- Depending on where in the City housing is planned, different densities are appropriate in different areas or contexts



# Residential Density Examples

## *Warm Springs*

### **Mixed-Use/Apartments**

Combination for-rent, for-sale, and affordable

Density: 38 du/ac

Number of Units: 2,206

Site Area: 110.9 ac

Parking: 1.9 sp/unit

Leasable Area: 703k SF

5 Ac School

4 Ac Park



Location: Fremont, CA

Source: KTGy, <https://ktgy.com/work/>

# Residential Density Examples

## *Downtown Superior*

### **Mixed-Use/Apartments**

Density: 56 du/ac

Unit Plan Sizes: 600 – 1,250 SF

Number of Units: 603

Site Area: 10.72 ac

Number of Stories: 3 to 4

Parking: 1.9 sp/unit



Location: Superior, CO

Source: KTGy, <https://ktgy.com/work/>

# Residential Density Examples

## *Halcyon House (Symphony)*

### **Apartments**

Density: 81 du/ac

Unit Plan Sizes: 750 – 1,392 SF

Number of Units: 393

Site Area: 4.96 ac

Number of Stories: 5 (podium)

Parking: 1.5 sp/unit



Location: Costa Mesa, CA

Source: KTGy, <https://ktgy.com/work/>

# Residential Density Examples

## *580 Anton*

### **Apartments**

Density: 125 du/ac

Unit Plan Sizes: 506 – 1,223 SF

Number of Units: 250

Number of Stories: 7 (5 story podium)

Parking: 1.45 sp/unit for tenants, 75 sp total for guests



Location: Costa Mesa, CA

Source: City of Costa Mesa, [580anton.com](http://580anton.com)

# Residential Density Examples

## *AMLI Uptown Orange*

### **Apartments**

Density: 60 du/ac

Unit Plan Sizes: 570 – 1,385 SF

Number of Units: 334

Site Area: 5.57 ac

Number of Stories: 4

Parking: 1.8 sp/unit



Location: Orange, CA

Source: KTGy, <https://ktgy.com/work/>

# Residential Density Examples

## *Solaira at Pavilion Park*

### **55+ Affordable Apartments**

Density: 31.5 du/ac

Unit Plan Sizes: 530 – 735 SF

Number of Units: 221

Site Size: 7.01 ac

Number of Stories: 3

Parking: 1 sp/unit



Location: Irvine, CA

Source: KTGy, <https://ktgy.com/work/>

# Residential Density Examples

## *Project Statistics*

### *Camden at Playa Vista*

For-Sale Stacked Flats

Density: 24 du/ac

Unit Plan Sizes: 1,601 – 2,192 SF

Number of Units: 72

Site Size: 3.11 ac

Number of Stories: 4

Parking: 2 sp/unit



Location: Playa Vista, CA

Source: KTGy, <https://ktgy.com/work/>



# Costa Mesa Density Examples

| High Density Developments in Costa Mesa |                |               |                 |
|---|----------------|---------------|-----------------|
| Address                                 | Project Name   | Density       | Number of Units |
| 1500 Mesa Verde                         | Azulan         | 30.5 du /acre | 224             |
| 421 Bernard                             | BlueSol        | 40 du/acre    | 113             |
| 125 Baker Street                        | Baker Block    | 58 du/acre    | 240             |
| 580 Anton                               | 580 Anton      | 125 du/acre   | 250             |
| 595 Anton                               | Halcyon House  | 81 du/acre    | 393             |
| 2277 Harbor Blvd.                       | LUX Costa Mesa | 54 du/acre    | 200             |
| 3400 Avenue of the Arts                 | 3400           | 40 du/acre    | 770             |



An aerial photograph of a city skyline at dusk. The sky is a mix of soft orange, pink, and grey tones. Several tall, modern skyscrapers are visible, their windows reflecting the low light. In the foreground, there is a dense area of green trees and a road with some traffic. The overall scene is a mix of urban architecture and natural elements.

# Subarea Walkthrough & Sites Strategies

# Recommended Strategies

- The City will identify sites within each corridor/area as part of the Housing Element, but the boundary and development characteristics of those areas will be determined through programs following adoption of the Housing Element



# Recommended Strategies

- Amendments to Specific Plans, Urban Plans, and Overlays within the City as the mechanism for making zoning changes
- Accessory Dwelling Units (ADUs) estimate, to be built over the next 8 years
- Identifying capacity in new areas not previously considered



# No Net Loss (SB 166)

- No Net Loss requires cities to maintain an adequate inventory of identified sites to meet their remaining RHNA at all time throughout the planning period
- If No Net Loss comes into effect, the City has 180 days to find additional capacity through identification of more sites or rezoning
- City must make realistic assumptions of future development and/or include a buffer to try and avoid
- If City cannot find additional sites to identify, analyze, and get approval from HCD, the Housing Element will be out of compliance



# Current vs. Potential

| Urban Plan/Specific Plan/Overlay      | Current   | Site Area Identified  |
|---------------------------------------|---|---|
| <b>North Costa Mesa Specific Plan</b> | <b>Size:</b> 37 acres<br><b>Density:</b> 30-100 du/ac<br><b>Potential Units:</b> 535    | <b>Density Proposed:</b> 80-90 du/ac<br><b>Potential Units:</b> 11,750 – 12,500 |
| <b>Newport Blvd Specific Plan</b>     | <b>Size:</b> 68 acres<br><b>Density:</b> 17.4 du/ac<br><b>Potential Units:</b> 159      | <b>Density Proposed:</b> 50 du/ac<br><b>Potential Units:</b> 900 - 950          |
| <b>SoBECA Plan</b>                    | <b>Size:</b> 32 acres<br><b>Density:</b> 40 du/ac<br><b>Potential Units:</b> 450        | <b>Density Proposed:</b> 60 du/ac<br><b>Potential Units:</b> 750 - 800          |
| <b>Fairview Developmental Center</b>  | <b>Size:</b> 102 acres<br><b>Density:</b> Up to 40 du/ac<br><b>Potential Units:</b> 535 | <b>Density Proposed:</b> 60 du/ac<br><b>Potential Units:</b> 1500 - 2500        |



# Current vs. Potential

| Urban Plan/Specific Plan/Overlay               | Current   | Proposed   |
|--|---|--|
| <b>Residential Incentive Overlay</b>           | <b>Size:</b> 12 acres<br><b>Density:</b> 30 du/ac<br><b>Potential Units:</b> 473            | <b>Density Proposed:</b> 50 du/ac<br><b>Potential Units:</b> 1,075 – 1,125 |
| <b>Harbor Blvd. Mixed Use Overlay</b>          | <b>Size:</b> 24.5 acres<br><b>Density:</b> 40 du/ac<br><b>Potential Units:</b> 491          | <b>Density Proposed:</b> 50 du/ac<br><b>Potential Units:</b> 1,350 – 1,400 |
| <b>Mesa West Residential Ownership Overlay</b> | <b>Size:</b> 129 acres<br><b>Density:</b> 20 du/ac<br><b>Potential Units:</b> 282 remaining | Propose to remove.   |
| <b>19 West Urban Plan</b>                      | <b>Size:</b> 129 acres<br><b>Density:</b> 20 du/ac<br><b>Potential Units:</b> 282 remaining | <b>Density Proposed:</b> 50 du/ac<br><b>Potential Units:</b> 750 – 800     |
| <b>Mesa West Bluffs Urban Plan</b>             | <b>Size:</b> 277 acres<br><b>Density:</b> 20 du/ac<br><b>Potential Units:</b> 562 remaining | <b>Density Proposed:</b> 40 du/ac<br><b>Potential Units:</b> 2,080 – 2,120 |



# New Potential Opportunity Areas

| Potential Overlays                 | Current                                | Proposed   | Considerations   |
|------------------------------------|--|--|--|
| <b>17<sup>th</sup> Street East</b> | Residential not currently permitted.   | <b>Density Proposed:</b> 60 du/ac<br><b>Potential Units:</b> 250 – 275   | <ul style="list-style-type: none"> <li>• Walkability and proximity to services</li> <li>• High cost of land</li> <li>• Commercial corridor</li> </ul>        |
| <b>Airport Area</b>                | Residential not currently permitted.   | <b>Density Proposed:</b> 80 du/ac<br><b>Potential Units:</b> 825 – 875   | <ul style="list-style-type: none"> <li>• Large parcels</li> <li>• Proximity to major freeways</li> <li>• Proximity to airport and industrial uses</li> </ul> |
| <b>Church Properties</b>           | Residential not currently anticipated. | <b>Density Proposed:</b> 10 - 30 du/ac<br><b>Potential Units:</b> 129 (all assumed to be affordable at low/very low level) | <ul style="list-style-type: none"> <li>• Potential for partnership with affordable housing providers</li> <li>• Proximity to low density housing</li> </ul>  |





An aerial photograph of a city skyline at dusk. The sky is a mix of dark blue and orange, with some clouds. In the foreground, there are green trees and a road. In the background, several tall buildings are visible, including a prominent one in the center. The text "Accessory Dwelling Units (ADUs)" is overlaid in white, sans-serif font across the middle of the image.

# Accessory Dwelling Units (ADUs)

# ADU Draft Methodology

- Accessory Dwelling Units are an important way for Costa Mesa to create housing that may be more affordable
- The City has determined there is the potential for **approximately 850 accessory dwelling units** to be built within the next 8 years
  - City saw an increase from 6 ADUs in 2019 to 19 in 2020
  - To date in 2021, the City has received 34 applications for ADUs
  - Projected to continue to increase as new laws are implemented and the City considers programs which promote ADU development



Source: American Planning Association (APA)

# Accessory Dwelling Units

- The City will likely be subject to a 2-year “check-in” to track ADU development.
- If the City is not developing ADUs at a proportionate rate, it may be required to take additional action



An aerial photograph of a city skyline at dusk. The sky is a mix of dark blue and orange, with scattered clouds. Several tall, modern skyscrapers are visible, some with lights on. The foreground is filled with a dense canopy of green trees, and a road with a few cars is visible in the lower left. The text "Housing Programs" is overlaid in the center in a white, sans-serif font.

# Housing Programs

# Housing Element Programs

- Housing Programs are actions the City will commit to take within specified time periods during the 6<sup>th</sup> cycle to support our housing goals
- These may be specific, such as an amendment to a Specific Plan area, or broader, such as continued ADU education
- The City reports progress on programs each year in the Annual Progress Report (APR) to the State



# Potential Housing Programs

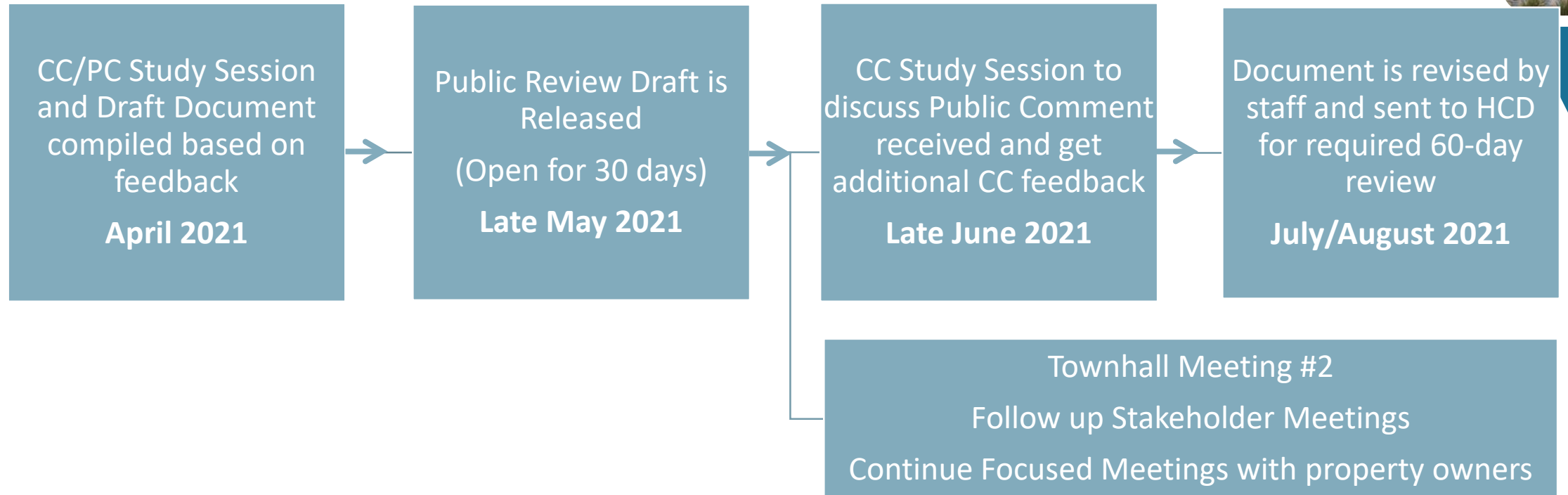
- The following are potential Housing Element programs:
  - Zoning amendments to identified specific plans, urban plans, and overlays
  - Inclusionary Housing Ordinance
  - Promote accessory dwelling units
  - Review of development standards and processes
  - Create and distribute housing educational materials (Regular videos, pamphlets, online resources)
  - Fair Housing Analysis
    - Outreach to underrepresented communities regarding housing opportunities
  - Co-living Housing Types
  - Senior Housing/Assisted Living
  - Rehabilitation of Housing Units



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# Next Steps

# Remaining Project Timeline





# Next Steps

- Feedback from City Council and Planning Commission on Opportunity Areas and recommended densities
- Staff will take feedback and complete a preliminary public review draft of the Housing Element

