

Chapter 4

Housing Plan





Housing Plan

The Housing Plan describes the City of Costa Mesa 2021-2029 policy program. The Housing Plan describes the specific goals, policies, and programs to assist City decision makers to achieve the long-term housing objectives set forth in the Costa Mesa Housing Element. This Plan identifies goals, policies, and programs aimed at providing additional housing opportunities, removing governmental constraints to affordable housing, improving the condition of existing housing, and providing equal housing opportunities for all residents. These goals, policies, and programs further the City's overall housing policy goal is to inspire a more diverse, sustainable, and balanced community through implementation of strategies and programs that will result in economically and socially diversified housing choices that preserve and enhance the special character of Costa Mesa.

Regional Housing Needs Assessment

The Southern California Association of Governments (SCAG) has conducted a Regional Housing Needs Assessment (RHNA) to determine the City's share of the affordable housing needs for the Orange County region. The RHNA quantifies Costa Mesa's local share housing needs for the region by income category. Income categories are based on the most current Median Family Income (MFI) for Orange County. The City's 2021-2029 RHNA growth need is as follows:

- 2,919 units - Very low income (0-50% County MFI)
 - 1,794 units - Low income (51-80% of County MFI)
 - 2,088 units - Moderate income (81-120% of County MFI)
 - 4,959 units - Above moderate income (120% or more of County MFI)
- 11,760 units – Total**

A. Guiding Principles

The City of Costa Mesa followed certain "guiding principles" in developing its approach and strategy for accommodating future housing growth. These guiding principles assist with implementation of the housing goals, policies and programs and will aid overall decision making. The guiding principles are rooted in community engagement and local knowledge and input into the planning process. The guiding principles are as follows:

- The City will plan for future housing primarily along major commercial, industrial, and mixed-use corridors within Costa Mesa that are compatible with growth, while preserving established residential neighborhoods.
- Each neighborhood, community, and district within Costa Mesa has its own unique characteristics and needs. Future housing growth will build upon Costa Mesa's history and complement the diversity and unique characteristics that already exist within each area.
- The City will plan for a diverse range of housing forms, types, and densities to address the housing needs of an inclusive and diverse community and provide housing opportunities that meet the needs of all residents, including low-income households, seniors, multi-generational families, larger households, and special needs groups.



As identified in **Chapter 2**, the City will need to consider the following findings based on the data presented in this Community Profile:

- The Costa Mesa population is showing aging trends – housing goals should consider the needs of seniors who may have less flexible income, need accessibility accommodations, or may seek assisted living options. **The City has established Housing Program 2D to address this finding.**
- Over a quarter of the Costa Mesa population identifies as Hispanic or Latino – housing needs should account for possible cultural needs such as larger or multigenerational housing units. Additionally, housing information should be made available in Spanish to assist in the location of appropriate housing within the community. **The City has established Housing Programs 2E and 4A to address this finding.**
- Approximately 47 percent of the Costa Mesa population earn a lower income, indicating that production of and access to affordable housing including affordable rental options and entry level home ownership facilitation should be considered. **The City has established Housing Programs 2B, 4A, 4B, and 4C to address this finding.**
- Approximately 48.8 percent of renters and 31.8 percent of homeowners are estimated to spend more than 30 percent of their income on housing, indicating a high housing cost burden overall with a higher proportion of renters compared to owners experiencing overpayment. **The City has established Housing Programs 2B, 4A, 4B, and 4C to address this finding.**
- Based on for sale and rental housing prices, a moderate-income household cannot afford to own a home in Costa Mesa, while lower income households cannot afford to own or rent in Costa Mesa without experiencing overpayment. **The City has established Housing Programs 2B, 4A, 4B, and 4C to address this finding.**
- The majority of housing units in Costa Mesa were built over 30 years ago – households in older homes may benefit from assistance in renovating their homes and ensuring safe living environments with access to all utilities. **The City has established Housing Programs 1A and 1B to address this finding.**
- Costa Mesa has a relatively low vacancy rate, indicating high demand for housing and low availability of housing units within the City. **The City has established Housing Programs 2B and 3A to address this finding.**
- 46.5 percent of Costa Mesa households have at least one of the four identified housing problems, which include:
 - Units with physical defects (lacking complete kitchen or bathroom);
 - Overcrowded conditions (housing units with more than one person per room – excluding bathrooms and kitchens);
 - Housing cost burdens, including utilities, exceeding 30 percent of gross income; and
 - Severe housing cost burdens, including utilities, exceeding 50 percent of gross income.

The City has established Housing Programs 1A, 1B, and 4A to address this finding.



B. Housing Goals

The City of Costa Mesa has identified the following housing goals as part of this Housing Element Update:

Housing Goal #1: Preserve and enhance the City’s existing housing supply.

Housing Goal #2: Facilitate the creation and availability of housing for residents at all income levels and for those with special housing needs.

Housing Goal #3: Identify adequate, suitable sites for residential use and development to meet the City’s Regional Housing Needs Assessment (RHNA) at all income levels and promote a range of housing types to meet the needs of all segments of the Costa Mesa community.

Housing Goal #4: Provide housing opportunities to residents of all social and economic segments of the community without discrimination on the basis of race, color, religion, sex, sexual orientation, disability/medical conditions, national origin or ancestry, marital status, age, household composition or size, source of income, or any other arbitrary factors.

The goals listed above are described below and on following pages with accompanying policies and programs to achieve them.

C. Housing Policies and Programs

This Housing Element expresses the Costa Mesa’s overall housing goals and supporting policies, quantified objectives, and the housing programs to achieve the objectives. The stated Housing Programs are based on a review of past performance of the prior 2013-2021 Housing Element, analysis of current constraints and resources, and input from Costa Mesa residents and stakeholders.

Housing Goal #1
Preserve and enhance the City’s existing housing supply.

POLICIES HOU-1

HOU-1.1 Assist low and moderate-income homeowners and renters through housing assistance programs as long as funds are available.

HOU-1.2 Minimize the displacement risk for existing residents when considering approval of future redevelopment and public projects.

HOU-1.3 Prioritize enforcement of City regulations regarding derelict or abandoned vehicles, outdoor storage, substandard or illegal construction and establish regulations to abate blighted or substantially unmaintained properties, particularly when any of the above is deemed to constitute a health, safety, or fire hazard.

HOU-1.4 Establish housing programs and code enforcement as a high priority and provide adequate funding and staffing to support those programs.



HOUSING GOAL 1 IMPLEMENTATION ACTIONS

PROGRAM 1A: Owner-Occupied Housing Rehabilitation

This program is designed to assist qualified property owners to improve single-family residential properties. Improvements include, but are not limited to, health and safety repairs such as mechanical, plumbing, electrical, roofing, security, medical emergency requirements, and/or aid the mobility of the physically disabled and/or elderly. The program provides rehabilitation loans (up to \$50,000) and grants (up to \$14,000). The loan offers **deferred** payment that will accrue three percent (3%) simple interest per annum and will be fully deferred without principal repayment until the sale or transfer of all or any interest in the Property, or the occurrence of any other default by the property owner identified in the terms and conditions of the Loan Agreement. Maximum loan-to-value is 85 percent of the current market value. The City will continue to provide information materials on the owner-occupied housing rehabilitation program and encourage the participation of seniors, veterans, and disabled residents in this program.

The City will periodically evaluate the effectiveness of this program and modify program characteristics as needed to best achieve program goals.

Timeframe: Ongoing/Periodic Review
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Housing and Community Development Division
Funding Source: Federal HOME funds

PROGRAM 1B: Mobile Home Rehabilitation

The City encourages the preservation of mobile homes as an affordable housing resource. Specifically, the City provides financial assistance (up to \$10,000) as a grant to eligible owner-occupants to rehabilitate existing dwelling units. The City will continue to provide financial assistance as long as funding from CDBG funds remains available.

Timeframe: Ongoing
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Housing and Community Development Division
Funding Source: Community Development Block Grants (CDBG) Funds

PROGRAM 1C: Monitoring and Preservation of At-Risk Housing Units

The City shall provide for regular monitoring of deed-restricted units that have the potential of converting to market-rate during the planning period. The City will continue to work with the property owners of Casa Bella on potential extensions past the current 2025 agreement.

Timeframe: Ongoing/Annual Review
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Housing and Community Development Division and Planning Division
Funding Source: CDBG, Golden State Acquisition Fund (GSAF), Multifamily Housing Program (MHP)



Housing Goal #2
Facilitate the creation and availability of housing for residents at all income levels and for those with special housing needs.

POLICIES HOU-2

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.

HOU-2.2 Promote the use of State density bonus provisions to encourage the development of affordable housing for lower and moderate-income households, as well as senior housing through the dissemination of informational materials and discussions with project applicants.

HOU-2.3 Monitor the implementation of the City’s ordinances, codes, policies, and procedures to ensure they comply with State requirements for “reasonable accommodation” for disabled persons and all fair housing laws.

HOU-2.4 Encourage housing programs and future actions that address the need for affordable housing options as well as the housing needs of Costa Mesa’s senior resident population and the large households population.

HOUSING GOAL 2 IMPLEMENTATION ACTIONS

PROGRAM 2A: Inclusionary Housing Ordinance

As of adoption of the 6th Cycle Housing Element, the City of Costa Mesa is analyzing the market impacts and potential affordability requirements for an inclusionary housing requirement for specific projects. The City has hired a consultant to evaluate and make recommendations regarding the structure of a potential inclusionary housing ordinance, including the affordability percentage requirement, potential for an in-lieu fee option, and other factors. As part of this effort, the City will consider the applicability of establishing a local preference policy. The City will consider adoption of an inclusionary housing ordinance within two years of adoption of the 6th cycle Housing Element.

<p>Timeframe: Within 24 months of adoption of the of adoption of the 2021-2029 Housing Element Update</p> <p>Responsible Agency: City of Costa Mesa Economic and Development Services Department/Housing and Community Development Division and Planning Division</p> <p>Funding Source: In Kind, General Fund</p>

PROGRAM 2B: Affordable Housing Development

Pursue State and regional funding and local partnerships with affordable housing organizations to encourage the development of housing affordable to all segments of the population. In addition, Costa Mesa understands that there may be local procedures or standards that could impact the development of affordable housing. The development process relies on a number of factors working together, including timing, fees and flexibility in design components required of a project. The City will analyze potential development incentives for affordable housing projects, including:

- Deferral of fees
- Priority processing



- Modified Development standards (potentially including deviations above and beyond what is permitted under Density Bonus)

Timeframe: Ongoing
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Housing and Community Development Division and Planning Division
Funding Source: HOME, General Fund, State Department of Housing and Community Development Funds, Low Income Housing Tax Credits and CalHFA

PROGRAM 2C: Supportive Services for Persons with Special Needs

The City recognizes certain segments of the population require additional assistance to secure decent housing and supportive services. Special needs groups in Costa Mesa include: seniors, persons with disabilities (including developmental disabilities), persons at-risk of experiencing or experiencing homelessness, and low-income families (including large households and female-headed households).

Through the annual action plan process for the CDBG program, the City evaluates the needs of various special needs groups and allocation CDBG Public Service dollars accordingly. The City will continue to expend available CDBG funds in a manner that addresses local needs and augments the regional continuum of care system in Orange County.

Timeframe: Ongoing
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Housing and Community Development Division
Funding Source: CDBG

PROGRAM 2D: Facilitate Development of Senior Housing Options

Senior residents, generally defined as those over 65 years of age, make up approximately 10.7% of the population in Costa Mesa while 7.5% of all households within the City are seniors living alone. While the percentage of the total population is lower than that of most of the surrounding cities and the County of Orange as a whole, 10.7% does represent a large component of the community.

City staff will identify opportunities for Senior Housing developments within Costa Mesa, including working with developers who specialize in the development of Senior Housing. The City has identified a candidate housing site within the sites analysis on the current Senior Center parcel and will continue to pursue opportunities or senior housing on this and/or other sites within the City.

Timeframe: Ongoing
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Housing and Community Development Division
Funding Source: HOME, In Kind

PROGRAM 2E: Encourage Development of Housing Options for Large-Family Households

Large households are defined as those consisting of five or more members. These households comprise a special need group because many communities have a limited supply of adequately sized and affordable housing units. To save for other basic necessities such as food, clothing, and medical care, it is common for lower income large households to reside in smaller units with inadequate number of bedrooms, which may result in overcrowding and can contribute to fast rates of deterioration.



In Costa Mesa, approximately 10% of all households meet the definition of a large-family household. The majority of large-family households are renter-occupied (62.8%) as opposed to owner-occupied (37.2%). This is compounded by the fact that single-family detached households, which generally tend to be owner-occupied in Costa Mesa, are more likely to be able to accommodate five or more people while apartment complexes rarely develop units larger than 3 bedrooms.

In an effort to meet the City’s goal of providing adequate housing for all households, including large-family households, the City will work with applicants who propose for-rent residential projects to encourage 4-bedroom units as part of proposed developments. The City will also review development standards to determine if any pose an impediment to the development of larger units. If it is found that certain standards present an impediment, the City will consider amendments to the Zoning Code to alleviate those impediments.

Timeframe: Ongoing
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Housing and Community Development Division
Funding Source: HOME funds, In Kind

PROGRAM 2F: Persons with Physical and Developmental Disabilities

As identified in **Chapter 2**, the City of Costa Mesa has a total of 9,224 persons reported having some sort of physical or developmental disability based on the 2018 American Community Survey 5-year estimates. This number may include persons reporting having one or more disabilities. Percentages include persons reporting having more than one disability and are not additive.

The Regional Center of Orange County tracks consumer counts, or those receiving services, by zip code and not jurisdiction. Approximately 932 people identified as receiving services through RCOG associated with a developmental disability in May 2021 in Costa Mesa’s primary two zip codes, though the number is likely to be slightly higher when considering small portions of the City which fall in other zip codes. The City understands that people with developmental disabilities may have unique needs when looking for housing accommodation and is committed to assisting residents.

The City will continue to take actions to accommodate ADA retrofit efforts, ADA compliance and/or other measures where appropriate through the implementation of Title 24 as well as reviewing and amending its procedures to comply with State law as necessary.

Timeframe: Review Annually and Address as Requested
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Housing and Community Development Division
Funding Source: HOME, CDBG, In Kind

PROGRAM 2G: Safety Element Update and adoption of Environmental Justice Policies

SB 1035 requires that the City, after the initial revision of the safety element to identify flood hazards and address the risk of fire in certain lands upon each revision of the housing element, review and, if necessary, revise the safety element to identify new information relating to flood and fire hazards that was not previously available during the previous revision of the safety element. The City will revise the current safety element and take the document to City Council for adoption within 12 months of adoption of the 6th Cycle Housing Element.



SB 1000 (2018) requires that the City incorporate environmental justice policies within the General Plan. The City will amend portions of the General Plan to include environmental justice policies within 12 months of adoption of the 6th Cycle Housing Element.

Timeframe: Within 12 months of adoption of the 2021-2029 Housing Element Update
Responsible Agency: City of Costa Mesa Development Services Department/Planning Division
Funding Source: State and Federal Grant Funds (e.g., SB2 LEAP funds), In Kind, General Fund

PROGRAM 2H: Farmworker Housing

Per California Health and Safety Code Sections 17021.5 and 17021.6, the City is required to permit farmworker housing by-right, without a conditional use permit (CUP), in single-family zones for six or fewer persons and in agricultural zones with no more than 12 units or 36 beds. The City will amend the current zoning code to meet this requirement.

Timeframe: Ongoing
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Source: In Kind

PROGRAM 2I: Promote State Density Bonus Incentives

The City of Costa Mesa will continue to evaluate and update its Density Bonus Ordinance to be consistent with State law. Density bonus is an effective incentive to aid in the development of affordable housing units within Costa Mesa through providing concessions to proposed developments that meet specific affordability criteria. These concessions may take the form of additional residential units permitted beyond the density allowed in the base zoning, a relaxed parking standard, as well as the ability to deviate from development standards. Currently the maximum number of concessions a project can receive through density bonus is three. The City’s current Density Bonus Ordinance remains compliant by deferring to State law by reference.

Timeframe: Updated when necessary to meet requirements of State law
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Source: In Kind/General Fund

Housing Goal #3

Identify adequate, suitable sites for residential use and development to meet the City’s Regional Housing Needs Assessment (RHNA) at all income levels and promote a range of housing types to meet the needs of all segments of the Costa Mesa community.

POLICIES HOU-3

HOU-3.1 Encourage the conversion of existing marginal, underutilized, or vacant motels, commercial, and/or industrial land to residential, where feasible and consistent with environmental conditions that are suitable for new residential development.

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.



HOU-3.3 Actively engage and partner with large employers, the Chamber of Commerce, and major commercial and industrial developers to identify and implement programs to balance employment growth with the ability to provide housing opportunities affordable to the incomes of the newly created job opportunities.

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.

HOU-3.5 Encourage residential and mixed-use development along transportation routes and major commercial/mixed use corridors.

HOUSING GOAL 3 IMPLEMENTATION ACTIONS

PROGRAM 3A: Adequate Sites

The City will maintain an inventory of vacant and underutilized sites and provide this inventory to interested developers. The City will monitor its status of meeting the Regional Housing Needs Allocation (RHNA) annually and ensure that the City has adequate sites available to accommodate its RHNA. The City will consider and promote various incentives to encourage development of housing, live/work, and mixed-use development in its Urban Plan and Specific Plan areas.

Timeframe: Ongoing
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Sources: In Kind

PROGRAM 3B: Fairview Development Center – State Property

Fairview Development Center, owned by the State of California, is a 102-acre property located at 2501 Harbor Boulevard in Costa Mesa. This property historically housed adults with intellectual and developmental disabilities but is closed and has been identified as surplus property by the State. The City has engaged with the State Department of General Services regarding the future use of the property as a master planned residential/mixed use community with a substantial affordable housing component and other community amenities.

The City will partner with the State to pursue compatible development on the Fairview Development Center site consistent with the sites analysis to permit residential development at the identified densities.

Timeframe: Ongoing
Responsible Agency: City of Costa Mesa/State of California
Funding Sources: State and Federal Grant Funds, In Kind

PROGRAM 3C: Update the North Costa Mesa Specific Plan

The North Costa Mesa Specific Plan is an existing specific plan located north of the 405 Freeway, containing a mixture of residential, commercial, office, and cultural/arts uses. Development in this area is typically of higher densities/intensities than other areas in Costa Mesa. This area is a key component of the City’s sites strategy for future housing growth.



The City will complete the required zoning code/Specific Plan amendments to update the North Costa Mesa Specific Plan based on the sites analysis to permit residential development at the identified densities. These updates will reflect the densities identified within the Sites Analysis for sites located within the North Costa Mesa Specific Plan and may include amending the boundary of the Specific Plan area as well as revising development standards.

Timeframe: Within 36 months of adoption of the 2021-2029 Housing Element Update
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Sources: State and Federal Grant Funds (e.g. SB2 LEAP funds), In Kind, General Fund

PROGRAM 3D: Update the City’s Urban Plans and Overlays

The City has adopted Urban Plans and overlays that apply to specific planning areas and corridors within the City. These plans are intended to encourage compatible development through modified development standards and guidelines specific to a localized area of the City. The City will complete the required zoning code amendments to update the existing Urban Plans and Overlays based on the sites analysis to permit residential development at the identified densities. These updates will reflect the densities identified within the Sites Analysis for sites located within the various Urban Plans and Overlays and may include amending the boundary of the Specific Plan area as well as revising development standards. Densities for residential development in the separate Urban Plans and Overlays are anticipated to differ depending on the surrounding context and are listed in **Appendix B**. Based on City Council’s concerns with displacement of long-term tenants and to preserve the existing housing stock on the west side, the Mesa West Residential Ownership Overlay is proposed to be removed.

The City will make amendments to the following existing Urban Plans and Overlays:

- 19 West Urban Plan
- SoBECA Urban Plan
- Mesa West Bluff Urban Plan
- Residential Ownership Urban Plan (Proposed to be Removed)
- Residential Incentive Overlay
- Harbor Mixed-Use Overlay

Timeframe: Within 36 months of adoption of the 2021-2029 Housing Element Update
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Sources: State and Federal Grant Funds (e.g., SB 2 LEAP funds), In Kind, General Fund

PROGRAM 3E: Promote the Development of Accessory dwelling units (ADUs)

Costa Mesa has single-family residential neighborhoods which create the environment for accessory dwelling units to be built. The City has updated the current zoning code (as of adoption of the 6th Cycle Housing Element) to be compliant with current State laws regarding ADU development. As discussed in the analysis in **Chapter 3**, these laws, combined with relaxed development standards such as waiver of parking requirements along with increased educational efforts by the City have resulted in an increased number of ADUs being permitted and constructed since 2018. The City anticipates continued growth in ADU development as the concept becomes more common within Southern California.



The City will evaluate potential programs with the intent of promoting the development of accessory dwelling units within the 6th cycle. These potential programs may include:

- Coordinating with the County on implementation of a permit-ready ADU program
- Post a user-friendly FAQ on the City’s website to assist the public
- Waiving certain permitting fees to make ADU development
- Creating an expedited plan check review process to ease the process for homeowners
- Explore potential State and Regional funding sources for affordable ADUs

Timeframe: Ongoing
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Sources: In Kind, General Fund

PROGRAM 3F: Motel Conversions, Efficiency Units, and Co-living Housing Types

The City does not currently have a definition or standards within the Zoning Code that address permitting co-living units, efficiency units, or other development types with small unit sizes and shared facilities. Motel conversions to permanent housing are referenced in the Zoning Code but policies and standards have not been updated for many years and may serve as an impediment to conversions. Participants in the City’s community outreach process expressed that these types of units may meet a need for students, young professionals, seniors, or anyone within the community who may desire a smaller housing unit options that are more affordable. Additionally, the City’s analysis in **Chapter 2** showed that non-family households made up an estimated 40.2% of total households within Costa Mesa in 2018. Non-family households consist of a householder living alone or where the householder shares the home exclusively with people to whom he/she is not related. Co-living or flexibility in housing types may present increased housing options at different affordability levels for this large portion of households in Costa Mesa.

The City will complete an evaluation analyzing the potential benefits of motel conversions, co-living, and efficiency housing options within Costa Mesa and how the existing Zoning Code may be adapted to accommodate these types of housing units. The City will present this evaluation to the City Council for direction and will explore opportunities to implement motel conversions within Costa Mesa through Project Homekey or other similar programs.

Timeframe: Within 36 months of adoption of the 2021-2029 Housing Element Update
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Sources: State and Federal Grant Funds (e.g., HUD funds, State Project Homekey funds), In Kind

PROGRAM 3G: Address Measure Y in Relation to Housing Element Compliance

As it exists upon adoption of the 2021-2029 Costa Mesa Housing Element, The Voter Initiative, Measure Y requires voter approval of certain changes in land use, defined as those projects that amend, change or replace the General Plan, the Zoning Code, a specific plan, or an overlay plan, (collectively, legislative changes) and that involve any one of the following changes: adds 40 or more dwelling units, generates more than 200 additional average daily trips; increases the volume/capacity of an intersection based on specified formulas; changes the intersection capacity utilization or level of service based on specified formulas; adds 10,000 square feet of retail, office or other nonresidential; or, where the proposed project, combined with other projects within 8 years and a half mile of each other, meet the above



criteria. Additionally, voter approval is required for projects that involve one of the above legislative changes and: changes from public uses to private uses under specified circumstances; land designated as utility right-of-way under specified circumstances; land donated, bequeathed, or otherwise granted to the City; land used or designated for Costa Mesa school property; or land owned, controlled, or managed by the City.

Through extensive community outreach with Costa Mesa residents, housing advocates, and members of the development community, the City of Costa Mesa has continued to contemplate Measure Y’s role in the City’s 2021-2029 Housing Element Update. Measure Y has been identified as a potential constraint to the future development of residential uses within the City. The City recognizes that it must, in coordination with guidance from the City Attorney and input from the community, determine a path forward in consideration of Measure Y to be able to adopt the subsequent changes to specific plans, urban plans, and overlays that are necessary to implement the City’s adopted Housing Element and meet the City’s RHNA allocation. A vote of the people will be necessary in order to fully implement the City’s adopted Housing Element.

The City has three years to complete the required zoning changes discussed in this Housing Element. If the vote does not pass, the City may be out of compliance with State Housing Element law and will work with the State Department of Housing and Community Development to determine the appropriate course of action to achieve a compliant Housing Element.

Timeframe: Within 36 months of adoption of the 2021-2029 Housing Element Update
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Sources: In Kind

PROGRAM 3H: Analyze the Potential of Establishing an Overlay to Permit Residential Uses in the Airport Industrial Area

The airport industrial area north of the 73 Freeway and East of the 55 freeway presents an opportunity for future housing growth in specific areas. There are several sites within this area that do not fall within significant noise contours relating to operations at John Wayne Airport. One development, Baker Block, was completed recently in this area and adjacent parcels have similar use characteristics and development potential should the zoning permit it. The City will evaluate the potential to add an overlay to an area in this approximate location which would permit residential development. The City has not included any sites within this area within the candidate housing sites analysis in **Appendix B** but recognizes that this area may be able to accommodate housing within the planning period.

The City will complete a market analysis to determine the potential factors involved with permitting residential uses in this area.

Timeframe: Within 36 months of adoption of the 2021-2029 Housing Element Update
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Sources: In Kind, General Fund



PROGRAM 3I: Analyze the Potential of Establishing an Overlay to Permit Residential Uses in the 17th Street Corridor Area

The 17th Street corridor east of Newport Boulevard has developed into a successful commercial and restaurant hub within the City of Costa Mesa. This area presents the opportunity for focused mixed-use development which would further enliven the corridor through the addition of residential uses. The City will evaluate the potential to add an overlay to an area in this approximate location which would permit residential development. The City has not included any sites within this area within the candidate housing sites analysis in **Appendix B** but recognizes that this area may be able to accommodate housing within the planning period.

The City will complete a market analysis to determine the potential factors involved with permitting residential uses in this area.

Timeframe: Within 36 months of adoption of the 2021-2029 Housing Element Update
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Sources: In Kind, General Fund

PROGRAM 3J: Analyze the Potential of Modifying the Newport Boulevard Specific Plan to Promote Residential Uses along Newport Boulevard

The Newport Boulevard corridor contains a mix of commercial uses included 1980’s-era motels on small lots fronting Newport Boulevard adjacent to SR-55, with established residential communities located in close proximity. This area presents the opportunity for focused mixed-use development which would further enliven the corridor through the addition of strategically located residential uses. The City adopted a Specific Plan for the area in the 1990’s which allows for residential development; however, many of its policies have not been updated. The City will evaluate potential modifications to the Specific Plan that would promote quality residential development. The City has not included any sites within this area within the candidate housing sites analysis in **Appendix B** but recognizes that this area may be able to accommodate housing within the planning period.

Timeframe: Within 36 months of adoption of the 2021-2029 Housing Element Update
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Sources: In Kind, General Fund

PROGRAM 3K: Explore Potential Future Housing Opportunities on Church Sites

As part of the sites analysis for the 2021-2029 Housing Element, the City of Costa Mesa met with leaders in the faith-based community to discuss the opportunity of providing housing, especially to families in the lower income categories, on church properties throughout the City. These discussions were very informative and allowed participants to share what they are doing within their own organizations to assist residents in Costa Mesa.

The City did not identify any church properties as housing opportunity sites within the 2021-2029 Housing Element but believes these partnerships with the local faith-based organizations that serve Costa Mesa could be an important component of the overall process of creating more affordable housing in the community. The City will meet annually with members of the faith-based community, including pastors and church officials from any church which would like to participate, to discuss housing and what unique



issues face some of these churches when considering creating housing opportunities on their properties. The City will also continue to develop materials outlining the development process and make them available on the City’s website.

Timeframe: Annually
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Sources: In Kind, General Fund

PROGRAM 3L: Annual Progress Reports

Costa Mesa will complete the required housing status reporting through the City’s Annual Progress Report. This report outlines the status of residential development projects within the city at various phases of the development progress as well as the City’s progress towards meeting the stated program actions within the Housing Element. The report is due to the State Department of Housing and Community Development (HCD) each year within a timeline determined and published by the State.

Timeframe: Annually
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Sources: In Kind

PROGRAM 3M ADU and JADU Monitoring Program

The City will create a monitoring program to track ADU and JADU creation and affordability levels throughout the planning period. This will allow the City to monitor the development of accessory units at all income levels. Additionally, the City will review their ADU and JADU development progress within 2 years of the adoption of the 6th cycle Housing Element to evaluate if production estimates are being achieved. If ADUs are not being permitted as assumed in the Housing Element, the City will take the action within 6 months of completion of the ADU review to ensure that adequate capacity at each income level is maintained to meet the City’s RHNA needs. These actions may include additional incentives for ADU development or identification of adequate sites to meet the City’s identified unaccommodated need.

Timeframe: Within 24 months of adoption of the 2021-2029 Housing Element Update
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Sources: In Kind

PROGRAM 3N: Candidate Sites Used in Previous Housing Elements

Pursuant to State Housing law, candidate sites identified in this Housing Element to accommodate a portion of the City’s low- and very low -income RHNA that were identified in previously adopted Housing Elements must be rezoned to allow residential use by right at specified densities for housing developments in which at least 20 percent of the units are affordable to lower income households. By right shall mean the jurisdiction may not require any of the following discretionary actions, except if the project requires a subdivision:

- A Conditional Use Permit
- Other discretionary, local-government review or approval that would constitute a “project”

The City may impose objective design review standards on projects. The City has identified as part of this Housing Element update vacant and nonvacant sites that were used in previous Housing Elements to meet



the current RHNA need. To accommodate the provisions of State law, the City shall place a housing overlay zone over all nonvacant sites included in a prior Housing Element and all vacant sites included in two or more consecutive planning periods that permits by right development for projects that meet the requirements of State housing law. These sites are identified in Appendix B.

Timeframe: Within 36 months of adoption of the 2021-2029 Housing Element Update
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Sources: In Kind

PROGRAM 30: Water and Sewer Resources

Pursuant to Chapter 727, Statutes of 2005 (SB 1087), the City of Costa Mesa is required to deliver its adopted Housing Element and any amendments thereto to local water and sewer service providers. This legislation allows for coordination between the City and water and sewer providers when considering approval of new residential projects. Additionally, cooperation with local service providers will support the prioritization of water and sewer services for future residential development, including units affordable to lower-income households. Following the adoption of the 6th Cycle Housing Element, the City will submit the follow up General Plan amendment and rezone sites to local water and sewer providers for their review and consideration when reviewing new residential projects.

Timeframe: Within 6 months of adoption of the 2021-2029 Housing Element Update
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Sources: In Kind

PROGRAM 3P: Federal/State Housing Programs

The City will provide technical assistance to developers, nonprofit organizations, or other qualified private sector interests in the application and development of projects using Federal and State housing programs/grants. Additionally, the City will continue to partner with the OC Housing Finance Trust to identify potential funding sources.

Timeframe: Ongoing
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Housing and Community Development Division
Funding Sources: State and Federal Grants, OC Housing Finance Trust

Housing Goal #4

Provide housing opportunities to residents of all social and economic segments of the community without discrimination on the basis of race, color, religion, sex, sexual orientation, disability/medical conditions, national origin or ancestry, marital status, age, household composition or size, source of income, or any other arbitrary factors.

POLICIES HOU-4

HOU-4.1 Support equal housing opportunities as expressed in Federal and State fair housing laws.

HOU-4.2 Promote actions and programs that provide fair housing and counseling services and other housing assistance programs for all Costa Mesa residents in an effort to remove barriers and promote access to affordable housing in the City as funding is available.



HOU-4.3 Encourage and support the construction, maintenance and preservation of residential developments which will meet the needs of families and individuals with specialized housing requirements, including those with developmental disabilities.

HOUSING GOAL 4 IMPLEMENTATION ACTIONS

PROGRAM 4A: Fair Housing

The City of Costa Mesa participated in the 2020-24 update to the Orange County Analysis of Impediments to Fair Housing Choice, as well as completed an analysis of local factors to fair housing issues in the City within the Housing Element. Through each analysis, the City identified the following fair housing issues:

- Housing Discrimination
- Racial and Ethnic Segregation
- Unfair Lending
- Overcrowding

Pursuant to AB 686, the City will affirmatively further fair housing by taking meaningful actions in addition to resisting discrimination, that overcomes patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristic, as defined by California law. The City will continue current efforts to further fair housing as well as explore the feasibility of the following actions to mitigate local contributing factors to fair housing issues in Costa Mesa:

- **Housing Discrimination** – Through CDBG funding the City contracts with the Fair Housing Foundation to provide educational and support services to persons who experience housing discrimination in Costa Mesa.
- **Racial and Ethnic Segregation** – During the Analysis of Impediments (AI) report period, the City distributed literature on fair housing in English, Spanish, and Vietnamese to target neighborhoods and in conjunction with other neighborhood improvement efforts. This information was also provided at workshop events, at community centers, and at City Hall. The City will continue to outreach specifically to low and very low-income residents as wells considered targeted outreach to residents with moderate and high levels of segregation,
- **Unfair Lending** – Currently, the City does not offer homebuyer assistance, but the AI reports that information on housing rehab programs are available on the City’s website. The City will continue to provide important ownership information on the City’s website. Costa Mesa recognizes that an educated community is an empowered commitment and will considered target education and outreach about loan purchase to residents.
- **Overcrowding** – Overcrowding may also indicate a lack of adequate housing unit types available to residents with large families. While the City does not build housing, they will work with developers and interested parties to increase feasibility and opportunities for both affordable housing and multigenerational housing. Additionally, the City will continue to make information on affordable housing units (including information on size and type) available to the public on City’s webpage.

Timeframe: Ongoing
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Housing and Community Development Division
Funding Sources: CDBG



PROGRAM 4B: Rental Housing Assistance

The City will continue to participate in the Orange County Housing Authority’s Housing Choice Vouchers program to provide rent subsidies to very low-income households provided funding is available.

The City also began offering a Tenant Based Rental Assistance (TBRA) program in 2021. The City will continue to evaluate and offer rental housing assistance programs based on the availability of funding.

Timeframe: Ongoing
Responsible Agency: Orange County Housing Authority and City of Costa Mesa Economic and Development Services Department/Housing and Community Development Division
Funding Sources: HUD Section 8 Housing Choice funds administered by the Orange County Housing Authority; State and Federal Grant funds; HOME funds

PROGRAM 4C: Ownership Housing Assistance

In 2021, the City Council approved allocation of a ½ percent of the City’s 7% retail cannabis tax to fund a first-time homebuyer program in Costa Mesa. The City will evaluate and potentially offer ownership housing assistance programs such as a First-Time Home Buyer Program based on the availability of funding. The City will also provide informational materials, online and at City Hall, on potential paths to home ownership and on assistance and resources available for first-time home buyers.

Timeframe: Ongoing
Responsible Agency: Orange County Housing Authority and City of Costa Mesa Economic and Development Services Department/Housing and Community Development Division
Funding Sources: Cannabis Retail Tax Revenue

PROGRAM 4D: Fair Housing Assistance

The City contracts with the Fair Housing Foundation to provide fair housing and tenant/landlord mediation services.

Timeframe: Ongoing
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Housing and Community Development Division; Fair Housing Foundation
Funding Sources: CDBG

PROGRAM 4E: Low Barrier Navigation Centers

The City shall permit Low Barrier Navigation Center development as a matter of right in appropriate zoning districts, subject to requirements of state law. Low Barrier Navigation Centers are housing or shelter in which a resident who is homeless or at risk of homelessness may live temporarily while waiting to move into permanent housing. These requirements include implementing standards, provisions and limitations governing the permitting, development, siting, and management of Low Barrier Navigation Centers. The City of Costa Mesa shall update its Municipal Code, as appropriate, to comply with State law.

Timeframe: Within 36 months of adoption of the 2021-2029 Housing Element Update
Responsible Agency: City of Costa Mesa Economic and Development Services Department/Planning Division
Funding Sources: In Kind



PROGRAM 4F: Homeless Shelter

In April 2021, the City of Costa Mesa completed the construction of its permanent Bridge Shelter within the city. The Costa Mesa City Council purchased the Airway property in March of 2019 and completed \$4.5 million worth of capital improvements to convert the 26,000-square-foot industrial warehouse to a 12,000-square-foot 72-bed shelter with a 14,000 square foot tenant space. The permanent Bridge Shelter was built in coordination with the neighboring City of Newport Beach who made a one-time payment of \$1.4 million in capital costs as well as \$200,000 in furniture, fixtures, and equipment for the site. Additionally, Newport Beach will provide \$1 million annually for 20 set-aside beds.

Construction of the Bridge Shelter, as well as the organization and operation of the temporary Bridge Shelter at Lighthouse Church, represent the Costa Mesa’s commitment to assisting those residents currently experiencing homelessness. With the shelter in full operation, the City is now able to assist up to 72 residents at one time. This multi-year effort is a tremendous step towards helping to house residents within the City of Costa Mesa who may need assistance and transition to more permanent housing. The City also provides services and assistance to residents of the Bridge Shelter.

Costa Mesa will continue to operate and maintain the Bridge Shelter throughout the planning period in order to assist those residents currently experiencing homelessness within the City.

<p>Timeframe: Ongoing Responsible Agency: City of Costa Mesa Funding Sources: State and Federal Grant Funds (e.g., State SB 2 and Housing and Homelessness Assistance Programs (HHAP), and Federal Emergency Food and Shelter (EFSP)), General Fund</p>
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D. Summary of Quantified Objectives

Table 4-1 summarizes the City of Costa Mesa’s quantified objectives with regard to the construction, rehabilitation, and preservation of housing. These objectives are established based on the City’s resources available over the planning period.

Income Group	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total
New Construction (RHNA)	4,713 units			2,088 units	4,959 units	11,760 units
Accessory Units	583 units			257 units	18 units	858 units
Conservation ¹	600 units			1,000 units	--	--
Rental Subsidy ²	570 persons annually			--	--	--
Rehabilitation ³	88 units			--	--	--
<p>1. Based on 2021-2022 Annual Action Plan estimate of 200 housing units that will benefit from proposed code enforcement activities using CDBG funds. 2. Based on current Orange County Housing Authority (OCHA) rental assistance estimates 3. Based on 2021-2022 Annual Action Plan estimate of rehabilitation of 11 existing units per year.</p>						