Item #: 26-385 **Meeting Date: 9/1/2026**

TITLE: ADOPTION OF A RESOLUTION TO APPROVE A GENERAL PLAN AMENDMENT TO AMEND THE SIXTH CYCLE HOUSING ELEMENT (2021-2026) OF THE CITY OF COSTA MESA GENERAL PLAN (PCTY-26-0003) TO ADD ADDITIONAL HOUSING ELEMENT OPPORTUNITY SITES, ASSOCIATED REVISIONS (INCLUDING ENVIRONMENTAL JUSTICE POLICIES), AND DETERMINE THE AMENDMENTS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

DEPARTMENT: COMMUNITY DEVELOPMENT DEPARTMENT/ADVANCED PLANNING AND HOUSING DIVISION

PRESENTED BY: ANNA MCGILL, ADVANCED PLANNING MANAGER, MICHELLE HALLIGAN, SENIOR PLANNER AND SOHAB MEHMOOD, DUDEK

CONTACT INFORMATION: ANNA MCGILL, ADVANCED PLANNING MANAGER, (714) 754-5609

RECOMMENDATION:

The Planning Commission recommends the City Council adopt Resolution No. 2026-XX to approve a General Plan Amendment to amend the City of Costa Mesa Sixth Cycle (2021-2029) Housing Element of the City's General Plan to add additional Housing Element Opportunity Sites needed to maintain Regional Housing Needs Allocation (RHNA) capacity, remove certain Housing Element Opportunity Sites, adopt associated revisions (including environmental justice policies) and the associated Environmental Quality Act environmental determination (Attachment 1).

BACKGROUND:

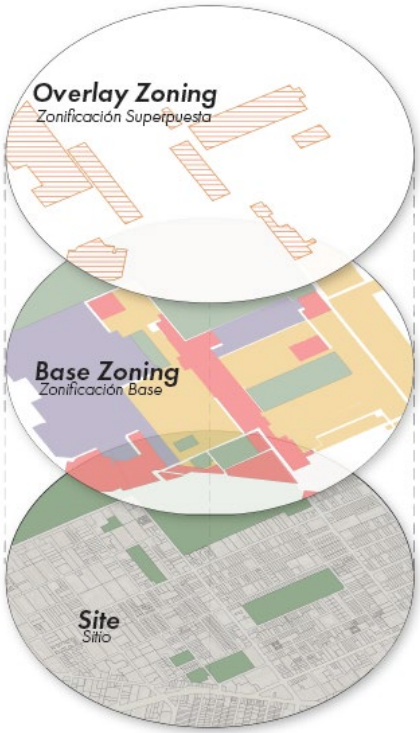
Many California jurisdictions, including the City of Costa Mesa, are using overlay districts as a mechanism for implementing their Housing Elements. An overlay district is a type of zoning that allows for supplemental or additive uses (such residential or commercial uses) in addition to the uses enabled by the base zoning. In the case of Housing Element implementation, and as intended by the City's Mixed Use Overlay District (MUOD), the City could meet their Regional Housing Needs Assessment (RHNA) by adding an overlay district on top of base the base zoning to allow for residential and mixed use (residential and commercial) development (see Figure 1 below).

Overlays were meant to be flexible and additive for property owners, whereby a property owner could continue to develop under base zoning or utilize the overlay for additional development opportunities. Under this assumption, several property owners expressed interest in being added to the City's Housing Element Sites Inventory as a means of obtaining additional development opportunities, when sites were first being identified at the beginning of the Sixth Cycle (2021-2029) planning period. As part of the overall Neighborhoods Where We All Belong (NWWAB) rezoning efforts, the City is also proposing to apply a Mixed-Use Overlay District to Measure K sites that are not Housing Element Inventory Sites (Attachment 3 Revised Map of Proposed Measure K and Housing Element Opportunity Sites and interactive GIS map

linked below). Wider community visioning and an Environmental Impact Report (EIR) has been conducted as part of this broader effort, see costamesaneighborhoods.com for more information.

Link to Interactive Draft Map of Proposed Measure K and Housing Element Opportunity Sites: https://experience.arcgis.com/experience/d0736823c3754f35965d99597b4d00d1/

Figure 1. Overlay District and Base Zoning Functionality



On October 10, 2025, the California Court of Appeal (Second Appellate District), in *New Commune DTLA LLC v. City of Redondo Beach*, held that a residential overlay on Housing Element sites cannot satisfy a jurisdiction's RHNA if the underlying zoning allows development without residential uses.

The opinion held that in order to meet the RHNA, the zoning or an overlay district on Housing Element sites must require:

- At least 50 percent of new development on each site to be residential; and
- A minimum density of 20 units per acre, which is also consistent with another court case, *Martinez v. City of Clovis* (2023) 90 Cal.App.5th 193, concluding that an overlay to establish residential development on Housing Element sites shall have a minimum density of 20 units per acre to meet the intent of state law.

Staff determined that the Court of Appeal's opinion means that any overlay on Housing Element sites would need to supersede the base zoning and require new development to include a minimum of 50 percent residential at a minimum of 20 units per acre. This opinion represented a shift in how jurisdictions previously understood and utilized overlays for Housing Element implementation. Put simply, this opinion represented a potential loss of flexibility. This potential loss of flexibility would ultimately lead to a number of property owner requests to have their sites removed from the Housing Element. City staff continued

to honor these requests prior to March 17, 2026 City Council meeting (described below), and during the 180-day period revising the Housing Element (detailed in the analysis section).

Following the Court of Appeal decision, the City sent a letter to Housing Element sites inventory property owners, informing them of the court opinion and possible effects on future development of their property, as well as a request for their contact information to keep them informed of the Neighborhoods Where We All Belong (NWWAB) effort and any other associated future regulations. In response to this letter, the City received calls, emails, and meeting requests from Housing Element site property owners. These inquiries ranged from general questions to requests to be added to the NWWAB project's interested parties list, to concerns about remaining on the sites inventory. Concurrently, staff were also fielding calls/meetings from property owners interested in being added to the sites inventory.

At their February 23, 2026, meeting, the Planning Commission considered and recommended the City Council approve an amendment to the Housing Element of the General Plan to add two sites and remove 17 sites (listed in Tables 1 and 2 below) at the request of their respective owners. This targeted amendment to Appendix B simply added text references to two Measure K sites joining the inventory and removed text references regarding the 17 sites.

February 23, 2026, Agenda Report and Attachments:
https://costamesa.legistar.com/LegislationDetail.aspx?ID=7922544&GUID=692D0434-F1D3-4FC7-A9F2-21B75AC2D44B

At its March 17, 2026, meeting, the City Council considered the Planning Commission recommendation and approved an amendment to the Housing Element of the General Plan to add two sites and remove 17 sites (listed in Tables 1 and 2 below) at the request of their respective owners. The City Council also directed staff to initiate a Housing Element update to identify additional sites necessary to maintain capacity for RHNA and a 10-20 percent buffer as well as continue to honor property owner requests to be added or removed from the Housing Element, including 3333 Susan Street, as part of the Housing Element update process. The amendment of the sites inventory triggered a 180-day period wherein the City must conduct a "no net loss" analysis, identify adequate sites to maintain capacity to meet the RHNA, and obtain approval from the California Department of Housing and Community Development (HCD) prior to the City Council adopting revisions to the Housing Element.

March 17, 2026, Agenda Report and Attachments:
https://costamesa.legistar.com/LegislationDetail.aspx?ID=7949568&GUID=2DF17F34-C15C-4BEA-8151-5AA7F42D7753

On April 7, 2026, the City Council adopted amendments to the Zoning Code, Zoning Map, and North Costa Mesa Specific Plan to rezone Housing Element sites and implement all or components of Housing Element programs 2B, 2E, 2F, 2H, 2J, 2K, 2L, 2M, 2N, 2O, 2P, 3C, 3D, 3F, 3N, 3Q, 3R, 3S, 4E, and 4G. The City provided HCD with the adopted documents for their review on April 13, 2026.

April 7, 2026, Agenda Report and Attachments:
https://costamesa.legistar.com/LegislationDetail.aspx?ID=7969847&GUID=67D7ED02-CEB9-4795-9C70-1915758F32C9

In June 2026, the City held an in-person open house and two focused discussion group meetings to collect input on newly proposed Housing Element sites and other proposed Zoning Code, General

Plan, and Specific Plan amendments. The draft Housing Element amendment public comment period took place June 8 through June 15, 2026.

On July 24, 2026, the City received a Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief from the Attorney General of California, seeking an order requiring the City to adopt a compliant Housing Element (compliant with the Housing Element Law) and complete necessary rezoning of Housing Element Inventory sites within 120 days and to ensure that the City's Sixth Cycle (2021-2029) Housing Element meets the City's RHNA goals, as determined by HCD.

Costa Mesa writ petition file in Orange County Superior Court:
https://oag.ca.gov/system/files/attachments/press-docs/costa-mesa.pdf

At its August 10, 2026, meeting, the Planning Commission considered and recommended the City Council approve an amendment to the General Plan to update the Safety Element and incorporate Environmental Justice policies into the following General Plan Elements:

- Land Use Element
- Circulation Element
- Housing Element
- Conservation Element
- Noise Element
- Safety Element
- Community Design Element
- Open Space and Recreation Element

The City Council is anticipated to consider incorporation of Environmental Justice policies into the General Plan at its September 15, 2026 meeting. However, given that the City Council is considering a revision to the Housing Element at this public hearing, the Housing Element Amendment includes proposed environmental justice policies for consideration.

August 10, 2026, Agenda Report and Attachments:
https://costamesa.legistar.com/LegislationDetail.aspx?ID=8164831&GUID=02EE162C-3034-4149-86E9-A807B83CAC23

At a Special Planning Commission meeting held on August 17, 2026, meeting, the Planning Commission considered and recommended the City Council adopt amendments to the Housing Element of the City's General Plan to add additional Housing Element Opportunity Sites need to maintain Regional Housing Needs Allocation (RHNA) capacity, remove certain Housing Element Opportunity Sites, adopt associated revisions (including environmental justice policies) and the associated Environmental Quality Act environmental determination (Attachment 2). The adopted resolution also directed staff to continue to incorporate minor revisions in response to the California Department of Housing and Community Development (HCD) and the public review period, that ended on August 19, 2026, prior to City Council consideration and adoption.

August 17, 2026, Agenda Report and Attachments:
https://costamesa.legistar.com/LegislationDetail.aspx?ID=8170160&GUID=FBA04405-92B6-48C0-A4F9-AFCDF89DEA30

No Net Loss

The "No Net Loss" provisions of state Planning and Zoning Law (Gov't Code § 65863) provide that if housing developments are approved on these sites with fewer lower income units than projected in the Housing Element, the City must demonstrate within 180 days that it still has enough sites designated in the Housing Element to accommodate the City's remaining need for lower income housing. State law provides that the City must make the findings whenever it "allows development … by administrative, quasi-judicial, legislative, or other action" that results in fewer units by income category than identified in the City's Housing Element. When approving development projects with fewer lower income units than shown in the Housing Element, the City must make the findings and determination for No Net Loss pursuant to Government Code section 65863. If after the identified action, insufficient sites remain, the City must identify within 180 days and "make available" additional sites to accommodate the City's RHNA at the appropriate income levels.

While there is no specific legal requirement to maintain a "buffer" as part of the Housing Element, jurisdictions typically plan for and maintain a healthy buffer (usually 10-20 percent) as part of their RHNA cycle. This allows cities to continue to process entitlements for development projects and still make the needed findings and determination for No Net Loss, without the need to continually reopen the Housing Element during the planning period. The City's previously adopted Housing Element included a 45 percent buffer, accommodating 17,042 units when the RHNA is 11,760. However, given that we nearing the end of the planning period, a smaller buffer is appropriate until the end of the current planning period (2029).

The amendments to the Sixth Cyle (2021-2029) Housing Element adopted by the City Council on March 17, 2026 constitute a legislative action removing 15 net sites and 5,431 net units. This action removed the entire RHNA buffer and removed some of the sites needed to meet RHNA in certain income categories (such as low and very low income). As such, the City made the necessary No Net Loss findings and determination and initiated a Housing Element update. This initiated the 180-day period to identify new Housing Element sites to accommodate the City's RHNA and an appropriate buffer, as further detailed in the sections below.

DESCRIPTION:

The proposed amendments to the City of Costa Mesa Sixth Cycle (2021-2029) Housing Element comply with Government Code section 65863 and are consistent with Program 3A, which requires the City to maintain an inventory of vacant and underutilized sites and provide this inventory to interested developers. The City must monitor the Housing Element throughout the planning period and ensure that the City has adequate sites available to accommodate its RHNA.

Adopting additional sites requires an amendment to the Housing Element of the City's General Plan. Pursuant to Zoning Code Section 13-10, amendments to the General Plan are subject to Planning Commission review and a recommendation to the City Council. The City Council is the final decision-making authority for the proposed General Plan amendments.

Housing Element Update

Following City Council action on March 17, 2026, staff conducted outreach to Housing Element property owners and the community at large. Several property owners requested to have their properties added

to the Housing Element and others requested to be removed. Staff worked with Dudek, the consultant for the NWWAB rezoning efforts, to identify additional Housing Element sites needed to meet RHNA and appropriately update the Housing Element in compliance with State Housing law. To this end, the list below identifies the overarching goals for the Housing Element revision:

- Identify new Housing Element sites to meet the RHNA capacity in line with the following considerations:
    - 28 sites removed (approximately 7,084 units)
    - Apply a realistic capacity assumption to all Housing Element sites (existing and proposed) of 80 percent (i.e., 20 percent reduction from the maximum theoretical capacity)
    - Ensure sufficient capacity under each income category (very-low, low, moderate and above moderate)
    - Maintain a 10-20 percent buffer
    - Identify new Housing Element sites in line with the following selection criteria:
        - Must be a Measure K site
        - Cannot be designated as a current or removed Housing Element site
        - Include Moderate, High and Highest Resource census tracts (e.g., proximity to transportation options, schools, goods/services, amenities, etc.)
        - Remove sites with size restrictions (lots >0.5 acres and <10 acres). Note: sites below 0.5 acres and above 10 acres can still be identified, but HCD requires additional justification, including developer interest, potential for lot consolidation and similar project examples. For this amendment, the City was able to identify enough sites in this lot size range to meet RHNA capacity.
        - Remove sites with existing residential uses
        - Remove sites with high utilization rate (>60%)
        - Identify sites that have developer interest (including property owners requesting 14 sites to be added to the Housing Element)
    - Continue to honor property owner requests to be removed from or added to the Housing Element

- Text revisions to the Housing Element
    - Remove text references to sites no longer on the Housing Element Sites Inventory
    - Promote Affirmatively Furthering Fair Housing (AFFH), reduce segregation and avoid displacement
    - Provide updates on the City's implementation of Housing Element programs, and include revisions where appropriate
    - Text revisions needed to comply with state law, where appropriate
    - Include additional updates, as needed, to reflect ongoing community outreach and input as it relates to the Housing Element revision process

After this criterion was applied, staff conducted an internal review of the initial sites identified and removed sites that did not have potential for redevelopment (i.e., sites that had recently been developed or were not ideal for housing development, etc.). Following this analysis, the Housing Element revision proposes 95 new Housing Elements sites (shown in Attachment 3, adding capacity for approximately 6,996 units. As noted above, the City continued to honor property owner requests to be added to or removed from the Housing Element Sites Inventory. These requests resulted in an additional 14 sites proposed to be added to, and 28 Housing Element sites proposed to be removed from, the Housing Element Sites Inventory (depicted in Tables 1 and 2, respectively). Following the Planning Commission recommendation hearing on August 17, 2026, staff received property owner requests to remove two additional sites, 3529 Howard Way and 1650 Sunflower Avenue. These requests have been reflected in Table 2, below, and in the revised Housing Element. Property owner requests to be added to the Housing Element Sites Inventory are included in the total 95 new Housing Element sites (shown in Attachment 3).

Table 1. Sites to be added to the Housing Element Sites Inventory (Property Owner Requests)

HE Site	Address or APN	HE Site	Address or APN
27	2729 Bristol St.	174	2045 Placentia Ave.
91*	2821 Bristol St. (418-181-11)	175	1485 Dale Way
96	1998 Harbor Blvd.	176	1770 Newport Blvd.
97*	2000 Harbor Blvd.	177	1176-1778 Newport Blvd.
113	720-730 W 17th St.	178	1780-1784 Newport Blvd.
172	732-746 W 17th St	179	1784 Newport Blvd.
173	2755 Bristol	180	418-102-11

*Sites added by March 17, 2026 City Council Action

**Property owner request to add site processed after August 17, 2026 Planning Commission recommendation

Table 2. Sites to be removed from the Housing Element (Property Owner Requests)

HE Site	Address or APN	HE Site	Address or APN	HE Site	Address or APN
49**	3539 Howard Way	134*	3390 Harbor Blvd.	164	1491 Baker St.
74	2104 Placentia Ave.	136*	3390 Harbor Blvd.	194*	2180 Harbor Blvd.
75	885 W 18th St	137*	3315 Fairview Rd.	195*	2180 Harbor Blvd.
78	1791 Placentia Ave.	138*	1201 S. Coast Dr.	196	3333 Susan St.
79	1751 Placentia Ave.	139*	3400 Bristol St.	198*	APN: 140-041-83

80**	1650 Sunflower Ave.	140*	685 Sunflower Ave.	203*	1590 Adams Ave.
92	2196 Harbor Blvd.	141*	3410 Bristol St.	204*	1590 Adams Ave.
96*	610 W. 18th St.	145*	3333 Bristol St.	205*	3420 Bristol St.
110	2131 Placentia Ave.	146*	APN: 412-491-11		
133	3303 Harbor Blvd.	147*	3333 Bristol St.		

*Sites removed by March 17, 2026 City Council Action

**Property owner requests to remove sites received after August 17, 2026 Planning Commission recommendation

Environmental Justice (EJ) General Plan Policy Update

Over the past several years, California has adopted legislation requiring local jurisdictions to address climate adaptation, natural hazards, emergency preparedness, and environmental justice through their General Plans and related planning documents. Government Code section 65302(h), established through Senate Bill 1000, requires qualifying jurisdictions to address EJ within their General Plans. In addition, Costa Mesa's 2021–2029 Housing Element includes Program 2G, which commits the City to updating its Safety Element and incorporating EJ policies into the General Plan by December 2026.

Environmental Justice (EJ) planning seeks to ensure that all residents have equitable access to clean, healthy, and safe environments and meaningful opportunities to participate in public decision-making. California law recognizes that some communities experience disproportionate environmental burdens due to a combination of environmental conditions, infrastructure deficiencies, and socioeconomic factors. EJ planning focuses on promoting equitable access to clean, healthy and safe environments, including identifying policies that improve community health, reduce pollution exposure, expand access to public facilities, encourage active transportation, improve access to healthy food, and promote meaningful public participation. The City of Costa Mesa General Plan includes policies related to all eight State-mandated EJ topics:

- Reducing pollution exposure;
- Provide safe and sanitary homes;
- Extending public services and facilities;
- Increasing physical activity;
- Improving access to healthy foods;
- Addressing compounded health and safety risks;
- Promoting civic engagement; and
- Prioritize Environmental Justice Communities.

The City strives to address EJ throughout the community, but especially in areas disproportionately impacted by environmental pollution and degradation, as well as social and economic factors. EJ communities are defined by communities that are disproportionately impacted by environmental pollution, hazards and degradation and residents that are burdened by social and economic factors. While EJ mapping typically occurs and is updated annually, six census tracts in Costa Mesa are currently considered EJ communities.

More information regarding the EJ Policy Update, including the census tracts located in Costa Mesa that are currently considered EJ communities, can be found in the agenda packet materials from the Planning Commission study session and recommendation meeting linked below.

July 27, 2026, Agenda Report and Attachments:
https://costamesa.legistar.com/LegislationDetail.aspx?ID=8144196&GUID=A28F54A5-01D9-497A-B1B2-503B19901944

August 10, 2026, Agenda Report and Attachments:
https://costamesa.legistar.com/LegislationDetail.aspx?ID=8164831&GUID=02EE162C-3034-4149-86E9-A807B83CAC23

Rather than preparing a separate EJ Element, the City evaluated its existing General Plan to identify current policies that address the state-required topics and determine where additional policy direction was needed. EJ policies are proposed within the Housing Element Amendment, with an EJ symbol, shown in Figure 1, next to the existing Housing Element policies that address EJ topics and therefore qualify as Environmental Justice policies. In certain cases, existing policies are revised or new policies are added. As noted in the background, the City Council is anticipated to consider incorporation of Environmental Justice policies into the General Plan at their September 15, 2026 meeting. However, given that the City Council is considering a revision to the Housing Element at this public hearing, the Housing Element Amendment includes proposed environmental justice policies for consideration.

Figure 1: Symbol used in the General Plan Elements to identify Environmental Justice Policies



In total, 16 policies within the Housing Element are identified as EJ policies (14 existing policies, 1 new policy and 1 revised policy). A summary of these policies is included as Attachment 4 for ease of reference.

Additionally, the staff report includes a link to the strikethrough Housing Element Amendment, which includes incorporation of environmental justice policies. Amendments are depicted as ~~strikethrough~~ text which denotes text being removed, and underline text for text being added. Green highlighted text reflects revisions made in response to HCD's preliminary feedback and teal highlighted text reflects revisions made in response to the public review period (August 12-19, 2026) and the August 17, 2026 Planning Commission meeting.

Housing Element Amendment (Strikethrough):
https://www.costamesaca.gov/home/showdocument?id=64333&t=639228389207583926

Public Participation

In May 2026, the City conducted a second round of outreach to property owners with sites currently included in, or proposed for inclusion in, the Housing Element Sites Inventory. Mailed notices were sent to all property owners. Staff followed up with several property owners via telephone calls, emails and in-person and virtual meetings. The outreach explained the purpose of the Housing Element Amendment, the relationship between the Sites Inventory and the City's RHNA obligations, and the implications of identifying a property as a Housing Element site. Housing Element property owner interactions were tailored specifically to the property and the property owner's interest in future development of the property.

Additionally, the City mailed a post card to over 41,000 Costa Mesa addresses, notifying the community of the upcoming Round 3 community outreach for NWWAB, which included the public comment period for the Housing Element amendment (June 8 through 15, 2026), draft Zoning code updates, Objective Design Standards, General Plan amendments, and Specific Plan amendments, and the draft Program Environmental Impact Report. The mailer also invited the community to participate in an in-person Open House on June 3, 2026, where the City provided an update on the draft NWWAB documents, Housing Element Amendments and showed the new proposed Housing Element Sites map. As part of the Round 3 outreach events, the City also conducted two focused stakeholder meetings on June 10, 2026, to supplement broader public outreach and provide opportunities for more in-depth discussion with stakeholders who have direct experience with housing development on the draft documents and topics such as affordable housing, housing development, fair housing, neighborhood concerns, etc.

A summary of Round 3 outreach is available on the NWWAB website:
https://www.costamesaneighborhoods.com/resources

Housing Element Public Comment Periods and HCD Preliminary Review

The City received nine Housing Element-specific public comment letters from residents and stakeholders during the Draft Housing Element public review period (June 8 through June 15, 2026). These comments were reviewed and considered, and revisions were incorporated into the draft, as applicable prior to submittal to HCD on June 24, 2026, for their 60-day review. HCD provided preliminary comments to the City on August 4, 2026 and staff promptly meet with HCD on August 5th to get clarification on the preliminary comments and discuss needed revisions. Subsequently, non-substantive revisions were made to the draft Housing Element, in response to HCD comments and mainly to provide additional clarity, and the document was submitted back to HCD for their continued review on August 12, 2026. Notably, these revisions include:

- Incorporated updated project listing information from the City's Annual Progress Report (APR) to reflect progress the City has made towards its RHNA obligations
- Providing additional clarification and detail on specific Housing Element sites, regarding existing uses and redevelopment potential;
- Providing additional information to identify which Housing Element Opportunity Sites had been identified in prior planning periods;
- Providing additional rationale for small sites (i.e., under 0.5 acres), with information regarding lot consolidation potential and/or providing recent similar project examples to support justification, where appropriate;

- Providing additional clarification on Accessory Dwelling Unit (ADU) affordability determinations, including how the City determined affordability levels for ADUs permitted in the City; and
- In coordination with the City's Environmental Justice Policy update, the amended Housing Element identifies existing policies addressing Environmental Justice issues, as well as revisions to existing policies and new policies, as described in this report.

Concurrently, the City made the draft document available for public review for another 7-day comment period, starting on August 12, 2026, and ending on August 19, 2026. The City received 6 public comments during the public review period. Subsequently, the City incorporated minor, non-substantive revisions, as appropriate, in response to public comment, including removal of two additional sites and adding one site, as requested by property owners, and reflected in Tables 1 and 2 above (3539 Howard Way and 1650 Sunflower Avenue). Removal of the two sites slightly reduced the City's overall buffer but did not impact overall RHNA capacity (i.e., there are still enough sites to accommodate RHNA, even with this change). No changes were substantial in nature nor changed the overall framework for the Housing Element and were included for further clarity and transparency of the process. The document was again submitted back to HCD for their continued review before City Council consideration and adoption.

The City received a formal letter of review from HCD on August 21, 2026 (Attachment 5), indicating that the revisions to the City's Housing Element meet the statutory requirements of State Housing Element Law and that the City's Housing Element can be certified once there is City Council approval of the Housing Element amendment and pending rezone of Housing Element sites, including the Fairview Developmental Center.

GENERAL PLAN CONFORMANCE

The proposed amendments to the City of Costa Mesa Sixth Cycle (2021-2029) Housing Element comply with Government Code section 65863 and are consistent with Program 3A, which requires the City to maintain an inventory of vacant and underutilized sites and provide this inventory to interested developers. The City must monitor the Housing Element throughout the planning period and ensure that the City has adequate sites available to accommodate its RHNA. According to Government Code section 65863, a local jurisdiction shall not "permit or cause its inventory of sites identified in the housing element to be insufficient to meet its remaining unmet share of the regional housing need for lower and moderate-income households." At the March 17, 2026 City Council meeting, the City made findings and determination for No Net Loss per Government Code section 65863, and triggered the 180 days to identify and "make available" additional sites to accommodate the City's RHNA at the appropriate income levels. Since March 17, 2026, City Council action, the City has identified appropriate sites to accommodate the City's RHNA, in line with the requirements of Government Code section 65863. Adopting additional sites requires an amendment to the Housing Element of the City's General Plan. Pursuant to Zoning Code Section 13-10, amendments to the General Plan are subject to Planning Commission review and a recommendation to the City Council. The City Council is the final decision-making authority for the proposed General Plan amendments.

ENVIRONMENTAL DETERMINATION

With regard to the General Plan Amendments related to the Housing Element, on November 15, 2022, the Costa Mesa City Council adopted Resolution No. 2022-67, certifying the Mitigated Negative Declaration (MND) and adopting the Mitigation Monitoring and Reporting Program (MMRP) that analyzed the candidate housing sites for the 6th Cycle (2021-2029) Housing Element in accordance

with the California Environmental Quality Act (CEQA). The Mitigated Negative Declaration provided environmental clearance for the adoption of the Housing Element, which included the overall Regional Housing Needs Allocation (RHNA) and additional capacity to maintain a buffer. The action to add/remove Housing Element sites falls within the capacity studied under this MND and MMRP. Additionally, pursuant to SB 131, on July 1, 2025, a new statutory CEQA exemption, Public Resources Code section 21080.085(a), went into effect, providing an exemption for actions needed to implement Housing Elements, including implementation of Program 3A, which requires the City to continue to maintain an inventory of sites to meet RHNA. The City's proposed amendments implement a schedule of actions contained in the approved Housing Element pursuant to Government Code section 65583 and do not allow the construction of a distribution center, or oil and gas infrastructure. Therefore, the proposed amendments are statutorily exempt from CEQA pursuant to Public Resources Code section 21080.085(a).

Furthermore, the Planning Commission recommends that the City Council find the Environmental Justice Policies to be added to the Housing Element exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) (Common Sense Exemption), as it can be seen with certainty that adoption of these policy documents will not result in a direct or reasonably foreseeable significant effect on the environment. The proposed General Plan Amendments state the City's goals, policies, and implementation strategies, as related to safety and sustainability, but do not authorize or approve any specific development or physical improvements.

ALTERNATIVES:

The City Council has the following alternatives:

1. **Approval with modifications.** The City Council may approve with modifications to the proposed amendments the City of Costa Mesa Sixth Cycle (2021-2029) Housing Element of the City's General Plan to add additional Housing Element Opportunity Sites need to maintain Regional Housing Needs Allocation (RHNA) capacity, remove certain Housing Element Opportunity Sites, adopt associated revisions (including environmental justice policies).

2. **Continue the Resolution review to a date certain.** The City Council may continue the item to a date certain with direction for staff to return with additional information, changes, and/or clarifications for City Council consideration. It is important to note that the City has 180 days to adopt a revised Housing Element, pursuant to no net loss provisions, and has received a lawsuit from the Attorney General seeking a court order that the City complete the revisions to the Housing Element and necessary rezones within 120 days.

FISCAL REVIEW:

There are no fiscal impacts associated with this action; contingency budget approved for the Housing Element rezoning program will be allocated to updating the Housing Element to identify adequate sites within HCD's 180-day requirement. Funding for Housing Element Rezoning Program is available in the Housing Authority Fund (Fund 222). The project has a budget of $2.4 million, of which approximately $340,000 is available in the project balance at the time of the City Council hearing date.

LEGAL REVIEW:

The proposed Resolution, draft General Plan Amendment, and report have been prepared in conjunction with and review by the City Attorney's Office.

PUBLIC NOTICE:

Pursuant to California Government Code section 65854 (amended by Assembly Bill 2904 in 2025) public notification for amending the Housing Element of the General Plan has been completed no less than 10 days prior to the date of the public hearing:

1. On-site posting. A public notice was posted at City Hall and on the City's website on August 21, 2026.
2. Newspaper publication. A public notice was published in the Daily Pilot newspaper on August 21, 2026.

Additionally, information about the meeting was distributed via email to the Housing Element interest list and NWWAB interest list on August 12, 2026. Meeting information was also published in a City Hall Snapshot article on August 14, 2026, with a distribution of over 10,000 email addresses. The City also posted a reminder about the meeting to its social media accounts.

Finally, City staff have been in contact with the existing and proposed Housing Element Sites Inventory property owners, including those that made requests to be added or removed from the City of Costa Mesa Sixth Cycle (2021-2029) Housing Element. These properties owners have been notified of the public hearing via email (to the extent feasible) and received a hard copy notice of the public hearing in the mail.

Any public comments received for the September 1, 2026 City Council meeting, may be viewed at this link: CITY OF COSTA MESA - Calendar (legistar.com)

CITY COUNCIL GOALS AND PRIORITIES:

The targeted update to the Housing Element Sites Inventory (Appendix B) will trigger comprehensive revisions to the Housing Element to support the following City Council Goal:

1. Diversity, stabilize and increase housing to reflect community needs.

CONCLUSION:

Following City Council action on these amendments, staff anticipates submitting to HCD for Housing Element Certification.

The remaining Neighborhoods Where We All Belong (NWWAB) efforts, including rezoning of the remaining Measure K sites, associated zoning code amendments, Citywide Multifamily Residential and Mixed-Use Objective Design Standards, revocation of urbans plans, and associated General Plan and Specific Plan (North Costa Mesa, Newport Boulevard and One Metro West) are currently underway. This large package of revisions will be considered by the Planning Commission for a recommendation to the City Council on September 14, 2026, and City Council consideration on October 6, 2026. Staff will continue to update the Planning Commission, City Council, and community on project progress

through the project website, www.costamesaneighborhoods.com, emails to the interest list, and meeting notification.