



Appendix B

Sites Analysis (text updates to add two sites and remove 17 sites; a comprehensive update to be conducted following a No Net Loss analysis later in 2026)



A. Candidate Sites Analysis Overview

The Housing Element is required to identify potential candidate housing sites by income category to meet the City's RHNA Allocation. The sites identified within the Housing Element represent the City of Costa Mesa's ability to plan for housing at the designated income levels within the 6th housing cycle planning period (2021-2029). As described in this appendix, the development capacity for each site depends largely on its location within the City, a specific plan or urban plan area as well as known development factors. Where possible, property owners were consulted to help the City better understand potential future housing growth on candidate housing sites within the City.

This appendix contains **Table B-5**, which identifies each candidate housing site within Costa Mesa's sites inventory. The sites are identified by assessor parcel number (APN) as well as a unique identifier used to track sites within the inventory. Additionally, the following information is provided for each parcel.

- Address
- Ownership
- Zoning (including Specific Plan areas, Urban Plans, and Overlays, if applicable)
- Size (Net developable acres removing known development constraints)
- Density
- Vacancy status
- Previous Housing Element identification
- Potential Development Capacity (Dwelling Units) by income category
- Description of existing use

A summary of this information is included within the Housing Resources section (**Chapter 3**) of Costa Mesa's 2021-2029 Housing Element.

Table B-1 shows the City's 2021-2029 RHNA need by income category as well as a summary of the sites identified to meet that need. The analysis within this appendix shows that the City of Costa Mesa has the capacity to meet their 2021-2029 RHNA allocation through a variety of methods, including:

- Identification of development capacity on sites which either currently permit or will be rezoned to permit development of residential uses at or above 30 dwelling units per acre
- Identification of City owned properties suitable for the development of housing
- Future development of accessory dwelling units (ADUs)



Table B-1: Summary of RHNA Status and Sites Inventory (to be comprehensively updated following a No Net Loss analysis later in 2026)

	Very Low Income*	Low Income	Moderate Income*	Above Moderate Income	Total
RHNA (2021-2029)	2,919	1,794	2,088	4,959	11,760
Units Constructed in Projection Period (Begins June 30, 2021)	3	19	9	8	39
Remaining Unmet RHNA	2,916	1,775	2,079	4,951	11,721
Large Sites					
Fairview Developmental Center	575	345	690	690	2,300
Sakioka Lot 2	120	60	120	900	1,200
Home Ranch	221	110	221	1,663	2,215
Senior Center Housing Project	40	20	0	0	60
Pacific Arts Plaza and Town Center	53	27	53	402	535
Total Potential Capacity - Large Sites	1,009	562	1,084	3,655	6,310
Overlays, Specific Plans, and Urban Plans					
North Costa Mesa Specific Plan	1,201	695	1,269	3,265	6,435
SoBECA Urban Plan	128	70	141	383	732
Mesa West Bluff Urban Plan	195	109	208	555	1,071
19 West Urban Plan	115	64	123	335	640
Harbor Mixed Use Overlay	270	151	286	778	1,485
Total Potential Capacity - Overlays, Specific Plans, and Urban Plans	1,909	1,089	2,027	5,316	10,363
Projected ADU Construction					
Projected ADU Construction	97	168	117	8	391
Sites Inventory Total					
Total Units towards RHNA	3,015	1,819	3,228	8,979	17,042
Total Capacity Over RHNA Categories	103%	102%	155%	181%	145%
*The City's Extremely Low Income (ELI) housing need is assumed to be 50% of the very low RHNA need for the planning period.					

1. Approved Projects and Projects in the Pipeline

Approved Projects since June 30, 2022

As shown in **Table B-1**, the City of Costa Mesa has approved residential development projects since the start of the projection period for the 6th Cycle. The projection period is the time in which development activity can count towards meeting the City's 6th Cycle RHNA need. Cities within the Southern California Association of Governments (SCAG) region can begin taking credit for the 6th cycle for development that was approved on or after June 30th, 2021. **Table B-2** contains projects that received approvals during that timeframe.



Table B-2: Units Permitted				
Address	Building Permit Number	Date Issued	Type	Income Category
900 W 20th Street	BC21-00060	7/6/2021	ADU	Low
2994 Croftdon Street, Unit B	BC21-00123	7/7/2021	ADU	Moderate
1850 Paros Circle	BC20-00583	7/7/2021	ADU	Moderate
230 Sherwood Place, Unit B	BC20-00469	7/12/2021	ADU	Low
257 Knox Place	BC21-00228	7/16/2021	ADU	Moderate
2175 Tustin Avenue, Unit C	BC21-00121	7/20/2021	ADU	Low
2545 Westminster Avenue, Unit B	BC21-00225	7/20/2021	ADU	Low
281 E 20th Street	BC20-00376	7/27/2021	SFR	Above Moderate
281 E 20th Street, Unit B	BC20-00376	7/27/2021	ADU	Low
118 Magnolia Street, Unit B	BC21-00261	8/11/2021	ADU	Low
382 Ramona Way, Unit B	BC21-00110	8/11/2021	ADU	Low
700 W 20th Street, Unit D	BC21-00296	8/12/2021	ADU	Very Low
482 E 20th Street, Unit A	BC21-00321	8/13/2021	ADU	Low
2049 Monrovia Avenue, Unit B	BC21-00113	8/31/2021	ADU	Moderate
536 Caleigh Lane	BC19-00957	9/8/2021	SFR	Above Moderate
324 Costa Mesa Street, Unit B	BC20-00578	9/20/2021	ADU	Low
227 Mesa Drive, Unit B	BC21-00140	9/22/2021	ADU	Moderate
330 Ogle Street, Unit B	BC21-00355	9/27/2021	ADU	Low
379 E 19th Street, Unit B	BC21-00190	9/28/2021	ADU	Low
861 Joann Street, Unit B	BC21-00269	9/28/2021	ADU	Moderate
1951 Rosemary Place	BC20-00111	9/28/2021	SFR	Above Moderate
1951 Rosemary Place, Unit B	BC20-00111	9/28/2021	ADU	Moderate
1939 Continental Avenue, Unit B	BC21-00166	10/5/2021	ADU	Very Low
1984 Orange Avenue	BC21-00461	10/13/2021	ADU	Moderate
2510 Carnegie Avenue	BC21-00339	10/14/2021	ADU	Low
974 Linden Place	BC21-00137	10/14/2021	ADU	Very Low
2687 Elden Avenue, Unit B	BC21-00530	10/18/2021	ADU	Low
320 Colleen Place	BC21-00334	11/5/2021	SFR	Above Moderate
320 Colleen Place, Unit B	BC21-00333	11/5/2021	ADU	Low



Table B-2: Units Permitted				
Address	Building Permit Number	Date Issued	Type	Income Category
3078 Roanoke Lane, Unit B	BC21-00265	11/5/2021	ADU	Moderate
246 Cecil Place	BC21-00293	11/16/2021	SFR	Above Moderate
2014 Maple Avenue, Unit 108	BC21-00534	11/22/2021	ADU	Low
2014 Maple Avenue, Unit 109	BC21-00535	11/22/2021	ADU	Low
466 E 18th Street, Unit B	BC21-00408	11/23/2021	ADU	Low
257 Flower Street	BC21-00644	12/3/2021	SFR	Above Moderate
2458 Norse Avenue	BC21-00626	12/3/2021	SFR	Above Moderate
2845 Ellesmere Avenue, Unit B	BC21-00341	12/7/2021	ADU	Low
473 Ogle Street	BC21-00694	12/14/2021	SFR	Above Moderate
363 Rochester Street	BC21-00625	12/20/2021	ADU	Low

Projects in the Pipeline

Development projects that are in the planning process but have not received land use approvals or building permit are considered “in the pipeline.” For applications submitted for a land use approval, projects are considered “pending” until the necessary land use approvals are issued, at which point a project is deemed “approved.” Once a building permit is issued, the project is identified as “building permit issued.” When project construction is completed, and all necessary building safety inspections have been completed a certificate of occupancy or “final building permit” is issued.

Pursuant to the HCD Housing Element Site Inventory Guidebook Government Code Section 65583.2, for projects yet to receive their certificate of occupancy or final building permit, the element must demonstrate that the project is expected to be built within the planning period. The City believes that many of these “in the pipeline” housing units are likely to be developed within the planning period and could further the City’s efforts in reaching its required RHNA, if/once developed. Although “projects in the pipeline” are not included as “candidate housing sites”, they represent opportunities for future housing construction in Costa Mesa within the planning period. If/when these housing units are built, the units will count toward achieving the City’s RHNA allocation as mandated by State law.

The below summary includes housing projects at various planning/development stages, and consist of potential housing developments of various sizes, types and housing affordability ranges. The summary includes recent housing projects that have been submitted for land use approvals at this time but are not yet “approved”; projects that are “approved” but no building permits have been issued or applied for; and other housing projects that City staff is working on in partnership with other entities or agencies to develop housing resources in the City.

- **Senior Housing Project at the Senior Center (Jamboree Housing ENA)** – On July 21, 2020, the City Council approved an Exclusive Negotiating Agreement (ENA) with Jamboree Housing Corporation in determining the feasibility, and potential terms, for the right to acquire a long-term leasehold interest in an approximately 0.90-acre portion of the parking lot at the Senior Center property to develop a senior housing project. The conceptual density study plans envisioned the potential for



60 senior affordable dwelling units at the site. An application for an Urban Master Plan Screening for the proposed project was submitted in November 2021 and staff continues to work with the applicant to bring the project forward for a decision.

- **Urban Plan Screening Project (1711 & 1719 Pomona Avenue)** – On November 16, 2021, the City Council considered an Urban Plan Screening of a Master Plan request for eight live/work units on a 0.46-acre lot. The proposed Master Plan includes a deviation request from the Urban Plan's live/work standards for minimum lot size. The urban planning screening process is the City's first stage of development review for projects proposed in mixed-use overlay districts. The Council generally supported the project's concept, including the request for a deviation from minimum lot size and provided the applicant guidance for the project proposal to include in a future application for Planning Commission consideration.
- **Urban Plan Screening Project (1540 Superior Avenue)** – On January 18, 2022, the City Council is scheduled to consider an Urban Plan Screening request for nine live/work units on a 0.44-acre lot. The Urban Plan screening process is the City's first stage of development review for projects proposed in mixed-use overlay districts. After the City Council screening, the applicant will use the City Council's guidance to include in a future application for Planning Commission consideration.
- **One Metro West (1683 Sunflower Avenue)** – The proposed project is a mixed-use development and consists of residential, specialty retail, creative office, and recreational uses. The project is proposed to include up to 1,057 dwelling units (anticipated to be rental units), 25,000 square feet of commercial creative office, 6,000 square feet of specialty retail, and 1.5-acres of public open space. The proposed development includes three multi-family residential structures with a maximum building height of seven stories; one stand-alone office building up to four stories in height; tenant-serving commercial retail space integrated into one of the residential structures; open space; landscaping; streetscape improvements; and a Class-I bike trail system on Sunflower Avenue providing access to the Santa Ana River Trail. The project was approved by City Council in 2021. The project includes 10 percent (106 units) of the residential development project component to be affordable (67 very low income units and 39 low income units) for 40 years. The proposed Project is subject to Measure Y, as codified in Article 22, Chapter IX of Title 13 (Zoning) of the Costa Mesa Municipal Code. Pursuant to Measure Y, after final approval by the City Council, including all CEQA review, the voters must then approve the Project.
- **Costa Mesa Village (2540 Newport Boulevard)** – Costa Mesa Village is an existing 97-unit SRO/efficiency development which was redeveloped many years ago from an existing motel. An application to update and amend the original entitlement (which allowed for the conversion of the former motel into an SRO/efficiency unit development) was submitted in November of 2021. The intent of the Conditional Use Permit amendment is to modify and update the conditions of the original entitlement while adhering to the City of Costa Mesa's recent SRO policy. The update will include revisions to enhance project housing and social services to qualified low-income individuals and persons with disabilities. Up to 23 of the 97 housing units are anticipated to be supported by Section 811 subsidy administered by the California Housing Finance Agency (CalHFA) for persons with developmental disabilities, with the remaining units to continue as affordable housing units for individuals living/working in the City of Costa Mesa. The project is expected to be heard by the Planning Commission on January 24, 2022, with the final decision by the City Council thereafter.
- **Project Homekey** – On November 16, 2021, the City Council directed staff to collaborate with the County of Orange and associated development partners to submit application(s) for the Homekey Program grant funding for the acquisition, rehabilitation and conversion of one or two motel locations proposed for permanent supportive housing. City staff have been working with several existing motel owners of properties that range between approximately 40 to 90 units. The



proposals will provide direct permanent supportive housing with funding from the City of Costa Mesa, the County and (if awarded) Homekey grant funds from the State. The target population for these units would include at risk or currently homeless individuals and seniors, age 62 and over, and chronic homeless individuals and couples, with a subset of the units for eligible persons that qualify for Mental Health Services Act (MHSA) programs. Because the City operates the 72 bed Bridge Shelter on Airway Avenue, the Homekey Program could provide a seamless opportunity to stabilize this most vulnerable population where supportive services are provided on site, in the expedited Homekey permanent supportive housing model.

- **The Plant (765-767 Baker Street and 2972 Century Place)** – This project consists of the proposed renovation of three existing commercial buildings (containing the former Car Mart and Plant Stand) totaling 19,100 square feet, for retail and restaurant uses surrounding a central courtyard area. In addition, new buildings are proposed consisting of two greenhouse structures which will contain food stall uses, and a four-story mixed-use building with 48 residential units, 14 live/work units, and 2,570 square feet of workshop/maker office space above a two-level parking structure. This project was approved by the City Council in 2019.
- **Families Forward (Pomona Avenue)** – Families Forward, founded in 1984, is committed to preventing and ending family homelessness in Orange County. Families Forward has acquired and is working on plans to rehabilitate and expand a multi-family property on Pomona Avenue. At completion, the project will include the interior and exterior renovation of the existing 6 units and the addition of 2 new accessory dwelling units that will collectively house 8 families at risk of, or experiencing, homelessness. Families Forward has submitted preliminary plans to the City and are working to advance construction plans which are expected to be submitted to the City for expedited review in January 2022. The project will be owned and operated by Families Forward but is being constructed as a collaboration between Families Forward and HomeAid of Orange County. Families Forward will provide wrap-around services to low- to moderate-income family residents and provide a case manager, housing resource specialist, and other professionals to build a plan toward self-sufficiency. The families will also receive supportive services such as counseling, career coaching and access to our food pantry. In 2020, Families Forward helped house and bring an end to homelessness for 15 Costa Mesa families (49 adults and children), with 33 Costa Mesa families accessing the Families Forward food pantry and taking another step towards stability. When complete, the Pomona project will serve as an entry point for families in and near Costa Mesa. Also, on November 17, 2020, the City Council approved a Subrecipient Agreement with Families Forward to establish a Tenant Based Rental Assistance (TBRA) program to assist qualified, very low-income households who are current residents of Costa Mesa (or households with strong community ties to Costa Mesa).

For a variety of reasons, not all projects in the pipeline complete the planning approval or building permit process and are built and occupied. However, these projects provide an indication of what future housing construction may include within the Housing Element planning period. As indicated above, City staff will continue to work with the aforementioned project applicants and other City housing efforts to reach the City's goals.





2. Selection of Sites

The City of Costa Mesa has identified sites with capacity to accommodate the 2021-2029 RHNA. The City has identified ~~99~~ parcels within a variety of different zones, specific plan areas, urban plans, and overlays. Each of these either currently permit residential development or will be amended per **Programs 3B and 3C** to permit residential development at the densities specified in **Table B-5**. The identified sites have been evaluated to determine the extent to which on-site uses are likely to redevelop within the planning period. It was found that a number of the existing uses (identified in **Table B-5**) are either permanently closed or available for lease. Many of the uses are in multi-tenant commercial centers with one ownership and most show little to no evidence of recent investment or redevelopment.

The City does not have access to most leasing information as these are generally private documents but has conducted an analysis to identify sites that show characteristics indicating they are likely to redevelop within the planning period. When possible, the City had discussions with property owners to determine interest in redevelopment for residential uses. The analysis also includes several letters of potential residential development interest in **Appendix A**.

Community Input on Sites Selection

Community input was an important component of the sites identification and selection process. The City conducted multiple public outreach meetings, including district specific meetings where community members gave input on areas of importance within their district. This information was collected as notes on maps of each district and can be found in **Appendix C**. Community members also provided feedback on potential housing development types and focus areas on the online community survey. Additionally, draft versions of the sites inventory were discussed at both Planning Commission and City Council study sessions, with decision makers providing input and community members able to make public comments.

Lastly, the City held discussions with major property owners within the City to better understand their long-range plans for development of the properties under their ownership. The City used these discussions to more accurately determine potential unit yield and affordability assumptions for some of the identified candidate housing sites. Additional information is provided for specific properties in **Table B-5**.

3. Redevelopment of Non-Vacant Sites for Residential Uses

The City of Costa Mesa does not have sufficient vacant land available to accommodate fifty percent of their low/very-low income RHNA. To accommodate the need at all income levels, the City has analyzed sites within non-residentially zoned areas that permit residential development through Specific Plans, Urban Plans, or Overlays. The City also evaluated and included parcels not currently within Urban Plans which will be added when those Urban Plans are amended as part of **Programs 3B and 3C**.

As the City cannot accommodate 50 percent of the low/very low income RHNA, state law requires that the City analyze the following:

- Analysis of leases that would prevent redevelopment of the site,
- The extent to which existing uses may constitute an impediment to the future residential development within the planning period,
- The City's past experience with converting existing uses to higher density residential uses,



- Current market demand for the existing use,
- Development trends and market conditions, and
- Regulatory or other incentives to encourage redevelopment.

Lease Analysis

Existing lease agreements on infill and non-vacant properties present a potential impediment that may prevent residential development within the planning period. State law requires the City to consider lease terms in evaluating the use of non-vacant sites, however the City does not have access to private lease agreements or other contractual agreements amongst parties because they are private documents. Therefore, the City has conducted an analysis to identify sites that show characteristics indicating they are likely to redevelop within the planning period, including past performance, an on-the ground existing use analysis and a market analysis to understand cost of land, construction, and development trends in Costa Mesa.

Experience Developing Non-Vacant Sites for Residential Uses

As part of the candidate housing sites analysis, the City has evaluated recent projects that have redeveloped within non-residentially zoned areas that included residential units. Those projects, including the zoning, use prior to redevelopment, and a project analysis of the approved development plan, are shown in **Table B-3**. The City's analysis showed that prior uses on these redeveloped sites were similar in nature to the existing uses on sites identified within the sites inventory in **Table B-6**. Based on the information provided in **Table B-3**, the City has created a classification system for sites with characteristics that are applicable to the candidate sites inventory. The intent of this classification system is to draw parallels from past development and local knowledge and trends in development to the potential future development of the candidate housing sites identified. These classifications are based in real past development that has occurred within the City and while some comparisons may not be an exact match for the sites identified, they show a strong correlation with the understanding that every parcel is unique in terms of site characteristics, existing use, ownership, and other factors which can affect future development. The development classes are generally defined as:

- **Development Class A:** Uses on these sites prior to redevelopment included either light industrial or office type uses. These are areas that previously served commercial or office businesses and have redeveloped throughout the city based on property owner interest and market trends. This also includes uses within the SoBECA Urban Plan area.
- **Development Class B:** Uses on these sites prior to redevelopment included self-storage, vehicle storage, and industrial uses. Many of these sites are located within the Mesa West or 19 West Urban Plan areas which covers a large portion of the industrial areas within the City.
- **Development Class C:** Uses on these sites prior to redevelopment included primarily commercial uses along Harbor Boulevard or another major city commercial corridor. These projects are typically in a mixed-use setting, whether within the same development or directly adjacent. Many of these sites are within the Harbor Mixed-Use Urban Plan area.
- **Development Class D:** These sites are motel conversions within the City. The City is continuing to pursue Project Homekey funds to encourage redevelopment of specific motels within the City in coordination with property owners and operators of these buildings.
- **EX:** Existing proposed project or anticipated project.



The City has also conducted a parcel specific analysis of existing uses for each of the identified sites. This analysis of existing uses, including indicators of a likelihood that the existing use will redevelop within the next eight years, are provided in **Table B-6**. This analysis is based on information readily available to the City and research that can be found through online research. The City does not always have access to private lease information but has included information that property owners have shared regarding individual sites.

The following residential development projects have been constructed on parcels that were either non-residentially zoned or had an existing non-residential use on-site within Costa Mesa.

Table B-3: Example Development of Non-Vacant Sites for Residential Uses					
Project Address	Dwelling Units	Zoning	Use Prior to Redevelopment	Project Analysis	Development Class
125 Baker St.	240	PDR - HD	Industrial use	This development is a 240-unit wrap apartment complex on a 4.2-acre parcel in a largely industrial and office area of Costa Mesa. The project was built at a density of approximately 57 du/ac. The site was previously a light industrial and office uses use similar to some of the identified candidate housing sites. The project was rezoned from CL to PDR-HD.	A
1957 Newport Blvd.	38	PDR - HD	Self-storage use and trailer storage lot	This development is a 38-unit condominium project along the Newport Blvd commercial corridor. The site was previously a self-storage and trailer storage use similar to some of the identified candidate housing sites. The project was rezoned from C1 to PDR-HD.	B
2277 Harbor Blvd.	200	PDR - HD	Motel use	This development is a 200-unit apartment complex on a previous motel use site. This development is located on Harbor Boulevard and shares many existing characteristics with sites identified within this corridor in the candidate sites inventory. The project was rezoned from C1 to PDR-HD.	D
671 W. 17 th St.	177	MG	Brownfield development (Argotech Industries)	This development is 177 live/work and loft residential units and was developed on a site that was previously largely surface parking area. This site is in the Mesa West Urban Plan area and adjacent to some of the sites identified within the candidate housing sites analysis. This project also shares many existing use characteristics with those identified sites.	B
1620 and 1644	89	MG	Industrial use (Ametek)	This development is 89 live/work residential units on a former industrial use site in the	B



Table B-3: Example Development of Non-Vacant Sites for Residential Uses

Project Address	Dwelling Units	Zoning	Use Prior to Redevelopment	Project Analysis	Development Class
Whittier Ave.			Aerospace and Defense)	Mesa West Bluffs Urban Plan area. Similar to 671 W. 17 th Street, this site shares many geographic and existing use characteristics with sites identified in the candidate housing sites analysis.	
1500 Mesa Verde Drive East	215	PDC	Vacant commercial area	This development is 215 senior apartments developed at four stories along Harbor Boulevard directly adjacent to existing commercial uses. This project is an example of the types of horizontal mixed-use projects that the City anticipates may develop along Harbor Boulevard and matches assumptions made in the Housing Element.	C
1527 Newport Boulevard	40	C2 & MG	Industrial uses, including boat and automobile repair	This development is 40 live/work units with ground floor commercial/office workspaces and two stories above for residential. This development is in the 19 West Urban Plan area and previous uses are consistent with sites identified within the sites inventory.	B
132, 134, 140 Industrial Way	22	C2 & MG	Industrial uses, including boat and automobile repair	This development is 22 live/work units with ground floor commercial/office workspaces and two stories above for residential. This development is in the 19 West Urban Plan area and previous uses are consistent with sites identified within the sites inventory.	B
1677-1985 Superior Avenue	49	C2 & MG	Gas station and a mixture of commercial and industrial uses.	This development is 49 live/work units with ground floor commercial/office workspaces and two stories above for residential. This development is in the 19 West Urban Plan area and previous uses are consistent with sites identified within the sites inventory.	B
2025 Placentia Avenue	36	MG	Commercial and industrial uses, including storage and repair for boats	This development is 36 live/work units with ground floor commercial/office workspaces and two stories above for residential. This development is in the Mesa West Bluffs Urban Plan area along Placentia Avenue and previous uses are consistent with sites identified within the sites inventory.	B
2095 Harbor Boulevard	29	PDC	Commercial buildings and gas station which had been vacant for several years.	This development is 28 single-family homes with live/work potential, including ground floor commercial/office workspaces and two stories above for residential. This development is in the Harbor Mixed Use Urban Plan area along Harbor Avenue and	C



Table B-3: Example Development of Non-Vacant Sites for Residential Uses					
Project Address	Dwelling Units	Zoning	Use Prior to Redevelopment	Project Analysis	Development Class
				previous uses are consistent with sites identified within the sites inventory.	
1672 Placentia Avenue	32	MG	Boat yard and industrial building	This development is 32 live/work units with ground floor commercial/office workspaces and two stories above for residential. This development is in the Mesa West Bluffs Urban Plan area along Placentia Avenue and previous uses are consistent with sites identified within the sites inventory.	B

This analysis of recent sample development projects shows that residential development occurs within the City on sites that have existing non-residential uses. As indicated in the analysis notes, these example sites share many characteristics with the candidate housing sites in **Table B-6**. This demonstrates that there is development potential on these sites as well as interest in developing these types of sites for residential uses within Costa Mesa.

Existing Uses on Candidate Sites and Redevelopment Opportunity

The City has identified and analyzed existing use on candidate sites in **Table B-6** below. As the City is a built-out community, consisting mainly of commercial retail, industrial and single-family housing, a primary goal was to identify sites compatible for the development of multifamily and mixed-use housing as well as not displace existing residents. Therefore, the City identified the best possible sites with the most feasible opportunity for redevelopment over the next 8 years. In addition to the analysis in **Table B-6** the City utilized locally available SCAG data to identify the following key indicators that the sites included for low and very low income opportunity are the most appropriate:

Nine percent of the sites are within areas identifies as Highest Resource by the TCAC

55 percent of the sites are within areas identified as moderate resource

On average, there are 90 healthcare facilities within a one-mile drive from the identified sites

On average, there are 4 grocery stores or markets within a one-mile drive from the identified sites

97 percent of the sites identified are within a High Quality Transit area, meaning the 97 percent of sites are within one-half mile of a well-serviced transit stop or a transit corridor with 15-minute or less service frequency during peak commute hours.

Housing Market Analysis

In addition to an on-the-ground existing use analysis, the City of Costa Mesa has market conditions to facilitate the redevelopment of non-vacant sites for residential. **Table B-3** above shows that a total of 1,167 dwelling units have been constructed through redevelopment in the City. Additionally, a California Association of Realtors report for Historic Housing trends shows that the average time a unit spends on the market in Orange County is just 18.6 days in the last four years (2017-2021) and just 13.3 days in the last



two years.¹ Specifically in Costa mesa, homes spent just over one month on market and the sale-to-list price ratio was 100.14%, indicating a sellers' market and the need for more housing.² According to the New Homes Directory (online resource), historical Housing Market data, the average price for an attached unit, 1,500 square feet or less, increased by 48 percent over the last planning cycle (\$434,87 in 2014 to \$645,000 in 2021).³

Additionally, the according to the CAR Current Sales and Price Statistical Survey, the median cost of a home for sale in Orange County increased by 20 percent from 2020-2021 (from \$930,000 in October 2020 to \$1,120,000 in October 2021).⁴ The indicators above signify an increased market demand for new housing.

4. Development of Small Site Parcels

The City of Costa Mesa has identified several candidate housing sites that are smaller than half an acre in size. Assembly Bill 1397 identifies general size requirements for candidate housing sites of greater than half an acre and less than 10 acres in size. The City has only identified sites smaller than half an acre which show the likelihood of redeveloping in conjunction with other parcels which collectively meet the half acre requirement or where the property owner/developer has provided a draft development proposal to the City. The likelihood of redevelopment was based primarily on common ownership amongst adjacent parcels which share a property line. In most instances, these parcels are currently developed as a single use and it is reasonable to anticipate that the collection of parcels will redevelop as one new development to maximize efficiency and design of the new use. Candidate sites less than half an acre in size represent a small portion of the City's overall RHNA need. ~~A total of nine sites comprise the potential for 114 units, which is 1 percent of the City's total RHNA need for the period of 11,760.~~

The potential candidate sites which are anticipated to be consolidated into a single development are identified within **Table B-6**.

The candidate sites that are smaller than half an acre are shown in **Table B-4** below along with descriptions of their likelihood to redevelop that go beyond the descriptions in **Table B-6**.

¹ Median time on Market of Existing Detached Homes, Historical Data, California Association of Realtors (CAR), Accessed online: December 9, 2021. <https://www.car.org/marketdata/data>

² Realtor.com, Housing Market Summary, Costa Mesa. Accessed Online: December 9, 2021. https://www.realtor.com/realestateandhomes-search/Costa-Mesa_CA/overview

³ New Homes Directory.com, Historical Housing Report in Costa Mesa, Accessed Online: December 9, 2021. https://www.newhomesdirectory.com/California/Costa_Mesa/historical-housing-report

⁴ Current Sales and Price Statistics, California Association of Realtors (CAR), Accessed online: December 9, 2021. <https://www.car.org/marketdata/data>



Table B-4: Analysis of Candidate Housing Sites Under 0.5 acres

APN	Unique ID	Address	Specific Plan/Urban Plan Area	Size (Ac)	Use Description
<u>418-181-11</u>	<u>210</u>	<u>Bristol St. (to be assigned)</u>	<u>N/A</u>	<u>0.43</u>	<u>The subject property is a surface parking lot. The property owner/developer provided a pre-application and rezoning application for a 10-unit residential development project. In February 2026, the property owner/developer requested to have the site added to the Housing Element.</u>
42543103	20	1666 Superior Ave	19 West	0.29	These are all adjacent parcels in a contiguous block bounded by E 16 th Street, Superior Avenue, E 17 th Street, and Newport Blvd. All parcels within this block have been identified as candidate housing sites and total 4.70 acres. Sites 22 and 23 are owned by the same property owner. The existing uses are all car-related industrial uses which are single-story. As shown in Table B-2 , the City worked with property owners of parcels along Industrial Way (Specifically 132, 134, and 140 Industrial Way, less than a quarter mile southwest of these identified parcels) to facilitate the development of residential uses on parcels previously occupied with the same types of uses as these three parcels (boat and auto repair uses). These parcels are located within the 19 West Urban Plan area and are permitted to develop in the same manner as the parcels along Industrial Way.
42543105	22	126 E 16 th St	19 West	0.42	
42543106	23	126 E 16 th St	19 West	0.35	
41817101	208	754 Saint Clair St	SoBECA	0.27	These parcels are occupied by warehouse and light industrial uses within the SoBECA Urban Plan area. The SoBECA Urban Plan focuses on residential as a mixed-use component and promoting the development of residential in addition to the existing commercial anchors in the Mall and the Camp. The City has established Program 3D to update the Urban Plans within the City to focus more heavily on residential uses at the identified densities. As identified in Table B-2 , the City developed Baker Block on industrial parcels which previously occupied similar light industrial uses in a largely industrial corridor approximately one-third of a mile from the
41817102	179	752 Saint Clair St	SoBECA	0.26	
41820202	182	841 Baker St	SoBECA	0.33	
41820205	185	2969 Century Pl	SoBECA	0.09	
<u>13931321</u>	<u>203</u>	<u>1590 Adams Ave</u>	<u>SoBECA</u>	<u>0.27</u>	



Table B-4: Analysis of Candidate Housing Sites Under 0.5 acres

APN	Unique ID	Address	Specific Plan/Urban Plan Area	Size (Ac)	Use Description
					SoBECA area. These uses have similar historical context and assumptions have been tied to this project and others as examples of redeveloping these types of uses for residential within industrial areas.
14004183	198	N/A	North Costa Mesa	0.23	This parcel is part of the overall Home Ranch parcel described in the Large Site analysis in the following section. Home Ranch is currently a mostly vacant site within the North Costa Mesa Specific Plan area that has an existing development agreement and is currently planned for residential development. The City has actively worked with the property owner throughout the 6th Cycle Housing Element update process to identify an appropriate number of residential units to allocate towards the site. The property owner has indicated they intend to develop residential uses on the Home Ranch site and they are permitted to alter their development agreement or develop outside of it, meaning there are no unit caps in place. While this individual parcel is less than half an acre, it is in common ownership with the larger Home Ranch site which exceeds the half acre standard. This parcel is currently vacant.

Additionally, Policy LU-2.10 of the City of Costa Mesa's Land Use Element within the General Plan promotes lot consolidation of residential properties. While the sites identified in the table above are commercial in nature, the intent of the policy remains effective in consolidating smaller parcels towards the creation of a larger residential development.

5. Development of Large Site Parcels

The 2021-2029 sites inventory includes several sites that are larger than 10 acres. These sites exceed the AB1397 size requirement and require additional analysis. The following background and analysis relates to each site in the inventory that exceeds that inventory. The City has conducted meetings with each of these major property owners to determine their future interest in developing housing on the identified properties. These properties when developed pursuant to the densities included within this Housing Element would be subject to the City's inclusionary housing requirements which are in process and anticipated to be adopted per **Program 2A**. This supports the City's assumptions of affordability on the sites described below. The housing element also includes Program 3R which commits the City to take actions to promote the development of large parcels at the densities and affordability levels identified



The City's 6th-Cycle analysis includes an assumption of 535 dwelling units broken down into the very low, low, moderate, and above moderate income categories.

6. Accessory Dwelling Units

Accessory dwelling units, or ADUs, are housing units which may be developed in addition to an existing single- or multi-family residential use. These housing units can be free-standing or attached to a primary structure and are intended to provide additional housing on an existing residential lot. Often ADUs provide housing for family members or are rented to members of the community.

As a result of new legislation and an increased effort by the City to promote ADUs, the City has seen an increase in applications so far in 2022. The City approved/permitted the following number of ADUs since 2018:

- 2018 – 4 ADUS
- 2019 – 6 ADUS
- 2020 – 19 ADUs
- 2021 – 43 ADUs
- 2022 – 68 ADUs

Of the 41 permits issued in 2021, 1 was available at the extremely-low income level, 3 were available at the very-low income level, 25 were available at the low-income level, and 12 were available at the moderate income level. As of the end of April 2022, the City of Costa Mesa has seen an increase in ADU activity. The City has approved and is in the process of issuing permits for 27 ADUs through approximately one-third of the year. Projected out over 2022, this demonstrates the continued trend of ADU growth and puts the City on pace for 81 approved ADUs in 2022. This exceeds the City's 2022 projection of 50 units by 31 units and positions the City well to exceed its projected ADUs within the planning period.

In compliance with State law, ADUs are allowed in all zones that allow single dwelling unit or multiple dwelling unit development. Junior Accessory Dwelling Units (JrADUs) are permitted only in single dwelling unit zones.

The City of Costa Mesa has determined based on past performance that it is appropriate to anticipate the development of 391 accessory dwelling units from 2021 to 2029 (approximately 50 per year through the planning period). Approximately 265 of these units are anticipated to be affordable at the low and very-low-income categories. A total of 117 ADUs are anticipated to be affordable at the moderate-income level and 8 ADUs are anticipated at the above moderate-income level. This affordability estimation is based on guidance from SCAG and HCD based on surveys of existing ADUs in the SCAG region between April and June 2020. Another local factor that contributes to the City's anticipated overall ADU growth expectations is that the City's ADU provisions are more flexible than the State ADU regulations, and therefore are more desirable for ADU development. For example, the State's minimum standard related to ADU required parking is that ADU's located within 500 feet of certain transit areas are not required to provide parking, whereas the City's ADU standards allow ADUs to be constructed without any parking regardless of location. Also, the State's minimum standard related to ADU height is that a local ADU ordinance shall allow an ADU



height a minimum of 16 feet, whereas the City's ADU height standards allow a building height of 27 feet. Lastly, the State's minimum floor area requirement for ADUs is 850 square feet for studio units and 1,000 square feet for one-bedroom units, whereas the City's ADU floor area standards allow for larger ADUs in that a detached ADU can be constructed up to 1,200 square feet, and an attached ADU may be the greater of 1,000 square feet or 50 percent of the size of the existing residential unit.

The City performed a trend analysis looking at the growth in ADUs from 2018 – 2021. That analysis is shown in the table below.

Table B-5: ADU Assumption Analysis (2018 – 2021)	
Year	ADU Permitted (2018-Based Strategy)
Projection Period Total:	390
2028	50
2027	50
2026	50
2025	50
2024	50
2023	50
2022*	68
2021*	43
2020*	19
2019*	6
2018*	4
"*" indicates actual permitted ADUs within that year.	

As shown in **Table B-4**, Costa Mesa has seen sustained increases in ADU production each year since 2018 with the lowest being a 50% increase between 2018 and 2019 as new State laws and local processes were not common knowledge amongst homeowners. The City expects that they while ADU production is likely to continue to increase year after year, there may be some drop off in that increase as more property owners develop ADUs. The City anticipates approximately 50 ADUs will be permitted per year for the remainder of the planning period.

A further indication of this is recent development trends observed by the City. Planning staff recently received and processed a development which included 13 ADUs which were conversions of existing garages. These units ranged from 152 to 363 square feet and consisted of a studio unit arrangement with one bathroom. This is a direct result of two actions: (1) developers and local property owners becoming educated on the new ADU laws and (2) the City of Costa Mesa making diligent efforts to discuss ADU potential and provide informational materials to the community. In addition to the methodology and concrete local data presented above, the City understands that ADU trends may change. In response, the housing element includes **Program 3M** to monitor ADU production every two years and has stated actions should production not match the anticipated amount in the housing element.

To assist in furthering the recognition and understanding of ADUs potential within Costa Mesa and reach the City's ADU development projections, Costa Mesa has included **Program 3E**, which identifies actions the City will take to promote and incentivize the development of ADUs during the planning period. As outlined in the program, these actions include:



2. Specific Plan, Urban Plan, and Overlays

As identified in **Programs 3B and 3C**, of the Housing Plan (**Chapter 4**), the City will be modifying some of the existing Specific Plans, Urban Plans, and Overlays within Costa Mesa. The densities identified in **Table B-6** reflect revisions to many of these areas to permit residential development at a higher density than what the current zoning permits as of adoption of this document. As noted, the City has three years to complete these zoning amendments. The City is proposing to either analyze or modify the following areas:

- North Costa Mesa Specific Plan
- 19 West Urban Plan
- SoBECA Urban Plan
- Mesa West Bluff Urban Plan
- Residential Ownership Urban Plan (Propose to Remove)
- Residential Incentive Overlay
- Harbor Mixed-Use Overlay

These areas, with the exception of the Residential Ownership Urban Plan, which is proposed to be removed, will be modified through **Programs 3B through 3C** to permit residential development at or above the default density for Costa Mesa of 30 dwelling units per acre. When considering appropriate densities, the City held outreach meetings with members of the community, decision-makers, the development community, and major property owners. As part of these meetings, the City discusses and analyzed what densities were appropriate to maintain the character of the surrounding neighborhoods while also presenting the opportunity for future residential development that can realistically facilitate the development of units available at the lower income levels.

The City will continue to conduct community outreach post adoption of the Housing Element to discuss potential revisions to development standards within these areas with the goal of effectively planning for future affordable housing. Densities established as a part of future zoning changes must accommodate the densities shown in **Table B-6** for the sites identified.

