



CITY COUNCIL AGENDA REPORT

MEETING DATE: NOVEMBER 17, 2015

ITEM NUMBER: **OB-1**

**SUBJECT: THE SECOND READINGS OF ORDINANCE NO. 15-14 FOR REZONE NO. R-14-04
AND ORDINANCE NO. 15-15 FOR CODE AMENDMENT NO. CO-14-02
2277 HARBOR BOULEVARD**

DATE: NOVEMBER 13, 2015

FROM: DEVELOPMENT SERVICES DEPARTMENT

PRESENTATION BY: RYAN LOOMIS, ASSOCIATE PLANNER

**FOR FURTHER INFORMATION CONTACT: RYAN LOOMIS (714) 754-5608
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RECOMMENDATION:

1. Give second reading to Ordinance No. 15-14 approving Rezone R-14-04 for a rezone of the zoning classification from C1 (Local Business District) to PDR-HD (Planned Development Residential – High Density) for the 4.15-acre development site located at 2277 Harbor Boulevard.
2. Give second reading to Ordinance No. 15-15 approving Code Amendment CO-14-02 to amend Costa Mesa Municipal Code Title 13 for a site-specific density of 54 dwelling units per acre for the 2277 Harbor Boulevard, as established by General Plan Amendment GP-14-04. The amendment is proposed to Table 13-58 (Planned Development Standards) to allow a site-specific density of 54 dwelling units per acre for this project.

BACKGROUND:

On November 3, 2015, the City Council conducted a public hearing on the proposed Ordinances and heard and considered public testimony and record both for and against the Ordinances; and approved and gave first reading to Ordinance No. 15-14 and Ordinance No. 15-15 by a vote of 4-1 (with Member Genis voting no). Rezone R-14-04 is a rezone of the zoning classification from C1 (Local Business District) to PDR-HD (Planned Development Residential – High Density). Code Amendment CO-14-02 is to amend Costa Mesa Municipal Code Title 13 for a site-specific density of 54 dwelling units per acre. Rezone R-14-04 and Code Amendment CO-14-02 are in conjunction with the following:

1. **Initial Study/Mitigated Negative Declaration:** Initial Study/Mitigated Negative Declaration (IS/MND) for the project was adopted on November 3, 2015 by the City Council by a vote of 4-1 (with Member Genis voting no).
2. **General Plan Amendment GP-14-04:** Change the land use designation from General Commercial to High Density Residential. Per the applicant's request, the proposed base density is 166 units (40 du/acre) with a development incentive for an additional 58 dwelling units to be justified by; (a) provision of 20 affordable units for Moderate Income Households, as defined below; and (b) complete demolition of the Costa Mesa Motor Inn. Therefore, for the 4.15-acre project site the General Plan Amendment would specify an overall site-specific density of 54 du/acre for the proposed 224-unit apartment complex and a site-specific building height for the 5-level parking structure. The GP-14-04 was adopted by Resolution on November 3, 2015 by a vote of 4-1 (with Member Genis voting no).
3. **Planning Application PA-14-27:** A Master Plan application for the 224-unit apartment project, which was adopted by a vote of 4-1 (with Member Genis voting no).

Moderate Income and Affordable Rent for Moderate Income Households

As requested by the City Council at first reading, the City Attorney explains that the terms "moderate income" and "affordable rent for moderate income" are as defined in the California Health and Safety Code, Sections 50093 and 50053, respectively, with the exception that rent will be calculated at 30% of 100% of area median income (rather than 110% AMI), as such terms are used in the Ordinance and relate to the twenty (20) moderate income affordable units in the Project. This estimated range of affordable rent for moderate income is consistent with "median" income for Orange County that annually is promulgated by the State Department of Housing and Community Development (HCD).

For clarification, the 2015 household income figures for Orange County under Health and Safety Code Section 50093 as determined and issued by State HCD, specifically to qualify as a "moderate income" household, are as follows:

Moderate Income	1 person household	2 person household	3 person household	4 person household	5 person household	6 person household
Actual Household Annual Gross Income at or below:	\$73,250	\$83,700	\$94,200	\$104,650	\$113,000	\$121,400

And, for clarification, the 2015 affordable rents for moderate income households, including a reasonable utility allowance and based on the number of bedrooms in the unit, applying Health and Safety Code Section 50053 but with rent calculated at 30% of

100% of area median income (rather than 30% of 110% AMI) are as follows:

<i>Affordable Rent for Moderate Income Households @ 30% of 100% AMI (Orange County Median Income)</i>	<i>Studio 0-bedroom unit</i>	<i>1-bedroom unit</i>	<i>2-bedroom unit</i>	<i>3-bedroom unit</i>
<i>Gross Rent Not to Exceed</i>	\$1,526.25	\$1,743.75	\$1,962.25	\$2,180

CONCLUSION

Staff recommends second reading of the Ordinance with and following the City Attorney’s explanation of the terms “moderate income” and “affordable rent for moderate income” as defined in the California Health and Safety Code Sections 50093 and 50053, respectively, but with rent calculated at 30% of 100% of area median income (rather than 30% of 110% AMI).

RYAN LOOMIS
Associate Planner

GARY ARMSTRONG, AICP
Director of Economic Development & Development Services / Deputy CEO

Attachments:

1. [Ordinance Nos. 15-14 and 15-15](#)

cc: Chief Executive Officer
Assistant Chief Executive Officer
Director of Economic & Development/Deputy CEO
Public Services Director
City Attorney
Transportation Services Manager
City Engineer
City Clerk (9)
File (2)