

TRAYLOR, MARIAN

Subject: FW: coyotes on my street

ADDITIONAL DOCUMENTS – GENERAL PUBLIC COMMENTS

From: Vivian Rumble [mailto:starbucksviv@hotmail.com]

Sent: Monday, September 19, 2016 3:44 PM

To: GREEN, BRENDA <brenda.green@costamesaca.gov>

Subject: coyotes on my street

My name is Vivian Rumble and I live in Back Bay Gardens(Newport Riviera). I have lost 2 cats to coyotes and have personally chased them from my street and cross street in the afternoon hours. I have passed them on Santa Ana and Orange as well as Del Mar and Monte Vista in the late morning and afternoon hours. Something needs to be done. My 3 yr old granddaughter was riding her tricycle and thought they were dogs I was chasing away both times. I hope to see you at the meeting tomorrow night. If I don't make it in time to speak I do want my letters in evidence

PUBLIC COMMENTS NOT ON THE AGENDA

MATTHEW FREEMAN

September 20, 2016

Costa Mesa City Council
77 Fair Dr.
Costa Mesa, CA 92626

Re: 3004 / 3006 Jeffrey Dr / Parking Access

Dear Sir/Madam,

My mother owns the apartment building located at 3004 Jeffrey Drive in Costa Mesa California. She purchased the building in December 2015 and I have been living there since early January. When we purchased the building the owner was in bankruptcy and we had no access to speak with the tenants, or to inspect the property prior to escrow closing. Since I have moved in, I have been dealing with parking issues caused by the tenants of the adjacent building located at 3006 Jeffrey Drive, who we share a driveway with.

I have spoken with an attorney, the police, fire department and private tow truck companies. I'm told there's nothing they or I can do, because the cars are all parked on private property.

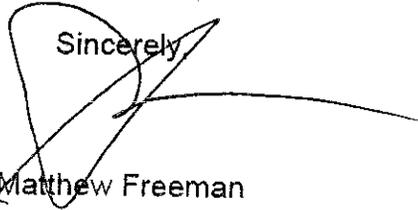
I am waiting to hear back from Fidel Gamboa and David Saito from Costa Mesa Code Enforcement about the two businesses the owner and his tenant are operating out of their garages. After more than a month they have not been able to do anything, because the garages have not been open when they came by to inspect, and they are not allowed to use the pictures I've sent them. Fidel said "you should go to a City Council Meeting."

Roger Conte who owns the adjacent building sent me a text saying "I have left messages with tenants to be courteous and cooperative with you. Not much else I can do."

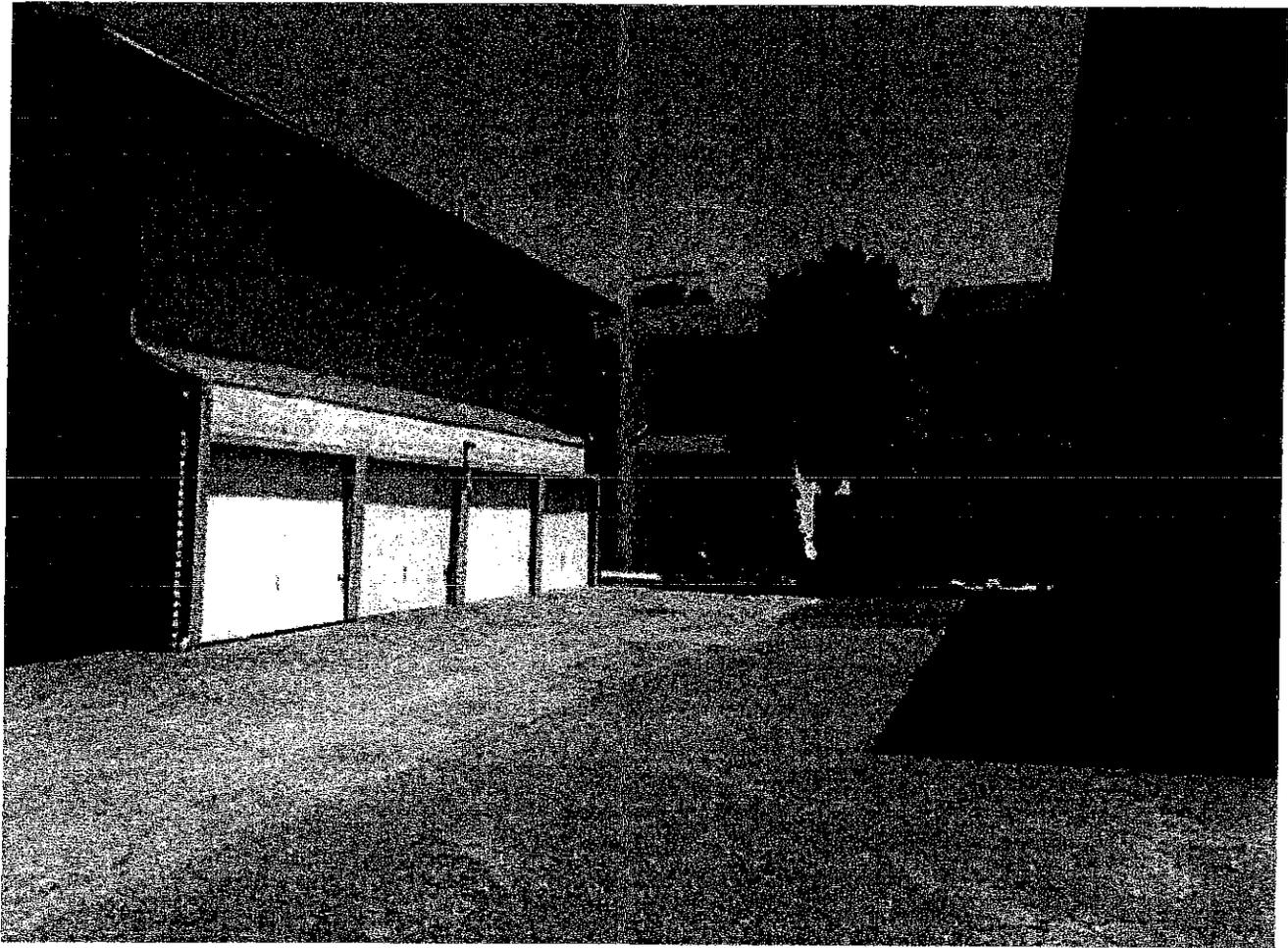
The photos and captions I have attached should speak for themselves.

We look forward to discussing this with you further.

Sincerely,

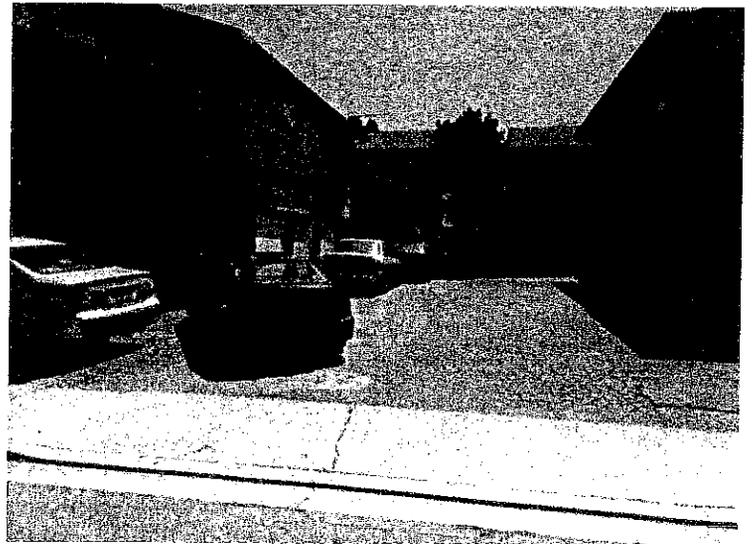

Matthew Freeman

3004 JEFFREY DR, COSTA MESA, CA 92626
(323) 309-6344 • matfreman@aol.com



THIS IS HOW THE DRIVEWAY SHOULD LOOK

You need to crossover from the opposite side of the driveway to enter garage.

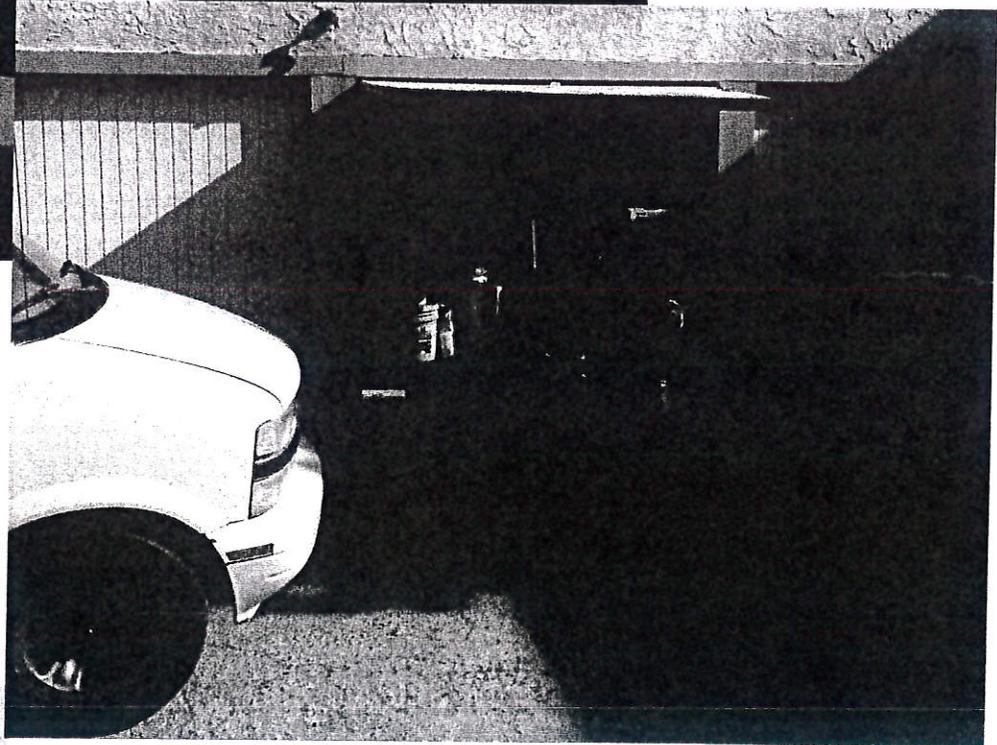
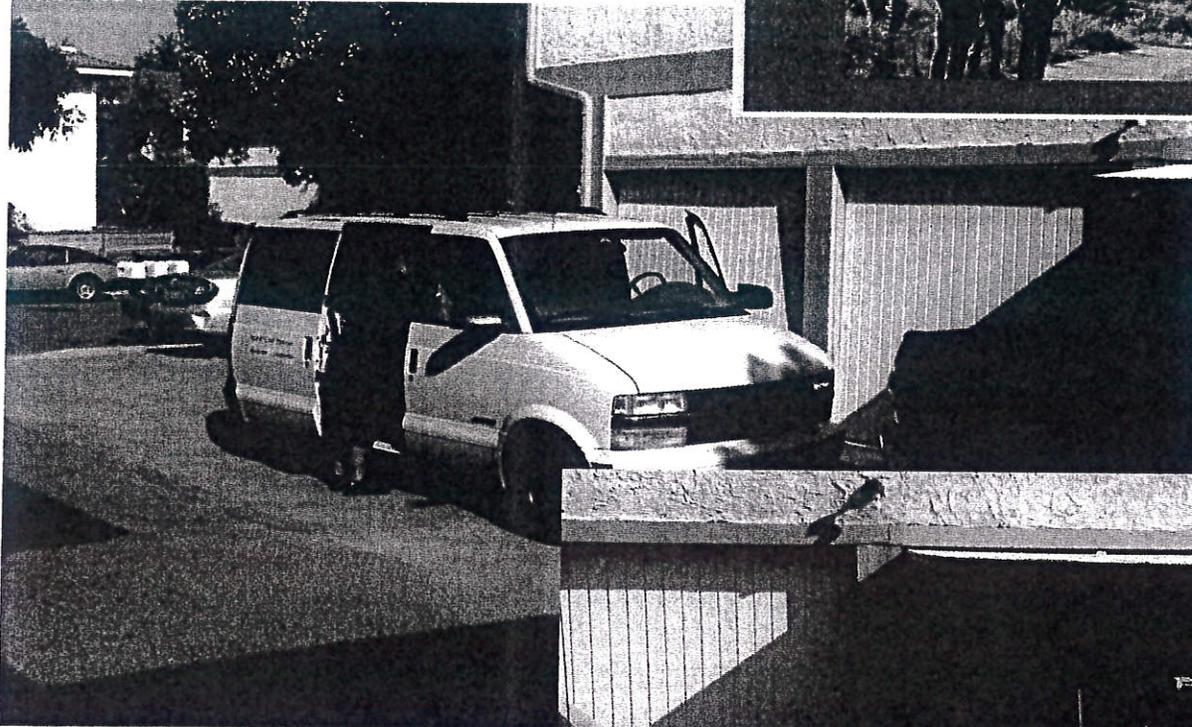
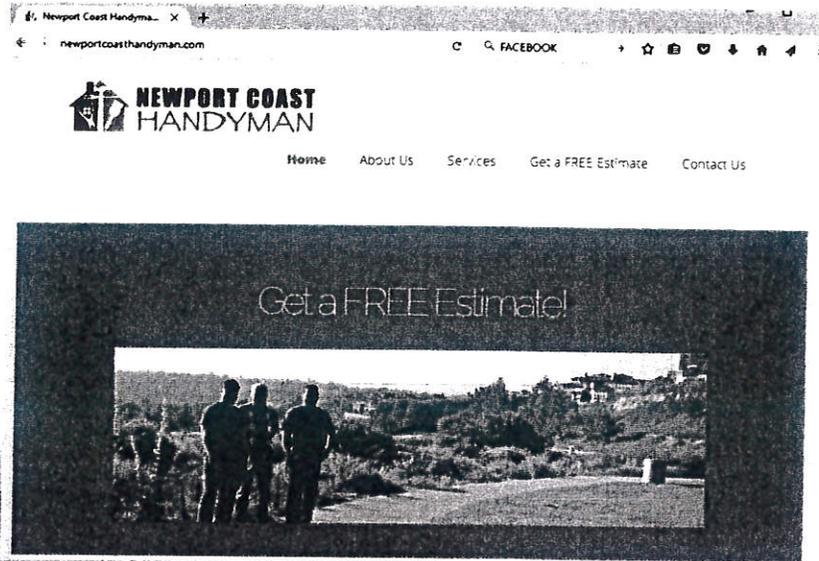


THURSDAY IS STREET CLEANING DAY

Both sides of the street are cleaned on Thursday between 9 and 11am. They usually park here the night before, so they don't need to move their cars in the morning. Our tenants have had to wait as much as 10 minutes for the cars to be moved making them late for work.

OWNER'S HANDYMAN COMPANY OPERATED OUT OF GARAGE

He lives in Newport Beach says there is nothing he can do about parking problems.



NEWPORT COAST HANDYMAN

949-437-1984 (cell) 310-927-4366

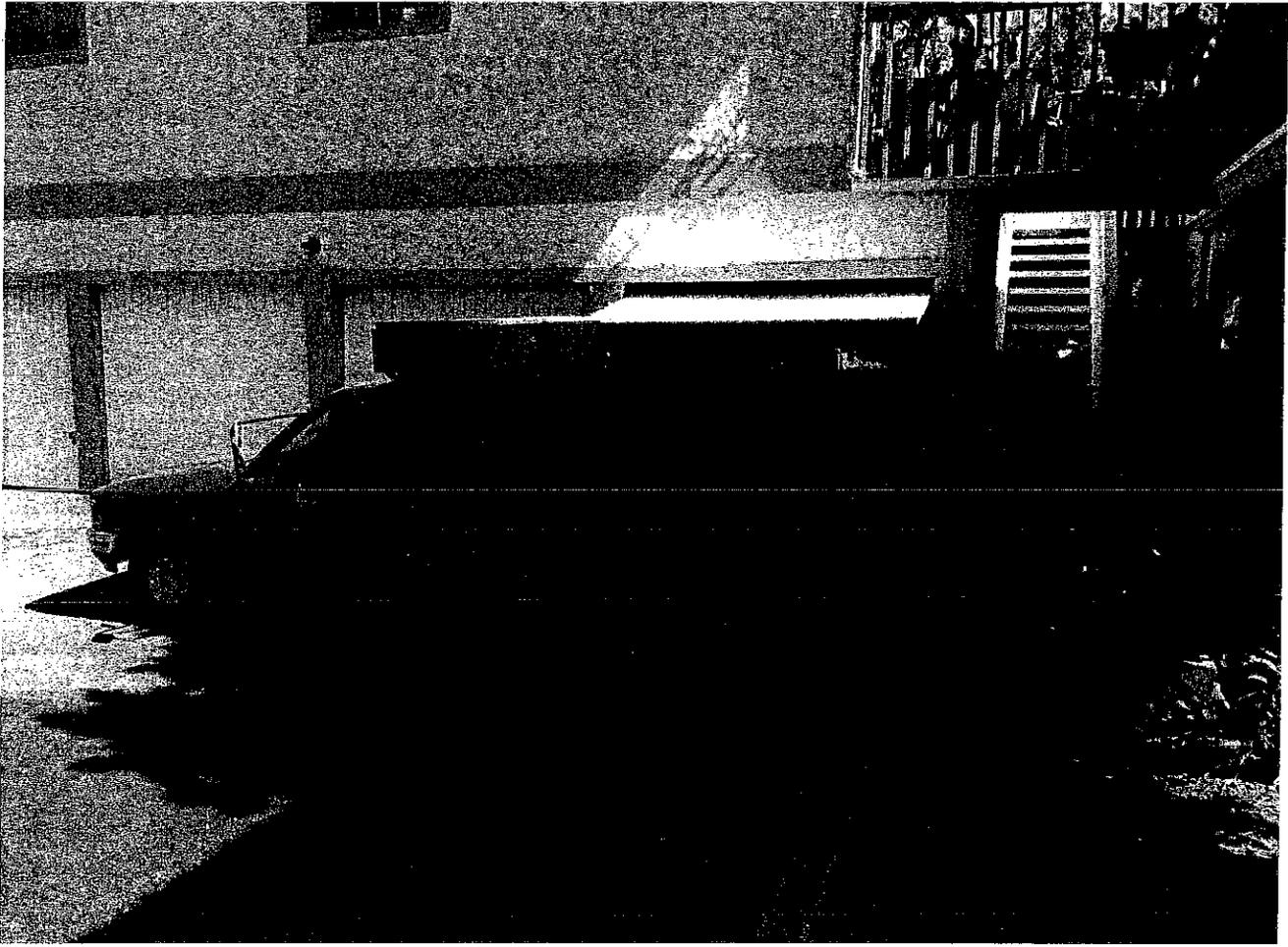
Roger Conte

Newport Coast Handyman

11 Firenze Ct, Newport Beach, CA 92657

(949)391-6246 - www.newportcoasthandyman.com

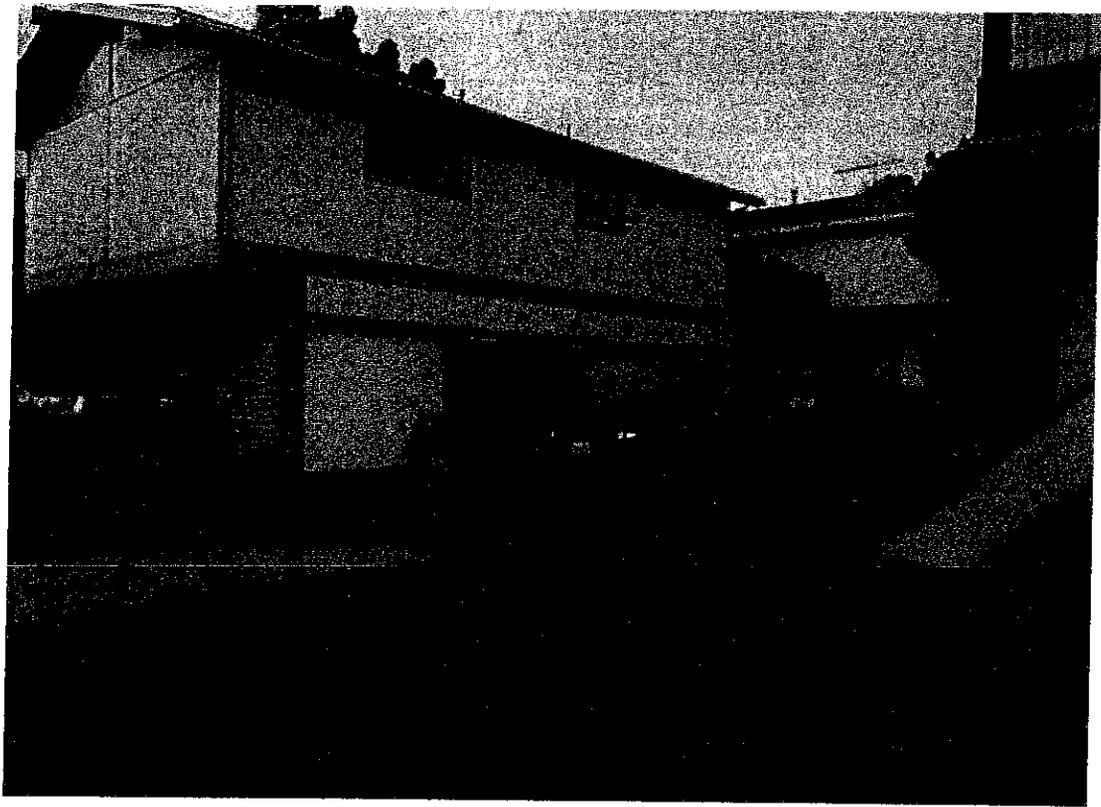
Contractor's License - None



TENANT'S GARDENING TRUCK - ALSO USES GARAGE FOR STORAGE

Truck has an oversized axel which is makes it impossible to park in the garage. I let him and the building's owner know that as soon as we rented our three-bedroom apartment, they would have to park the truck somewhere else. I was told he could park wherever he wants, and that I needed to get used to it.





THESE GUESTS COULDN'T FIND A SPOT ON THE STREET

Street parking is often difficult because so many of the residents on our street use their garages for storage. These visitors were encouraged to park in the driveway.





WARRANT INFORMATION (9/20/16)

Payment Ref.	Date	Remittance to:	Remittance ID:	Payment Amount	Explanation of payment
0198916	08/26/16	Civil Source – Harbor Widening Proj – Nov. 15	0000017030	\$11,322.20	<p><i>What area are we widening? This compensates Civilsource for construction management and inspection services during the month of November 2015 for the widening of Harbor Boulevard from South Coast Drive to Sunflower Avenue.</i></p> <p><i>The project consisted of adding a fourth northbound travel lane and signal modifications. The work is now complete and open for public use.</i></p>
0199209	09/09/16	Barcodes LLC – Sales Tax 8% Transaction Terminal	0000024748	\$1,326.59	<p><i>What is this for? These electronic signature pads will be used in property to check out equipment and will increase accountability.</i></p>

TRAYLOR, MARIAN

Subject: FW: 9.20.16 Council Agenda - PA-16-48 Appeal, 3184-A Airway

ADDITIONAL DOCUMENTS FOR PH-2

From: Michael Kehoe [<mailto:mkehoe@ptwww.com>]
Sent: Tuesday, September 20, 2016 3:44 PM
To: GREEN, BRENDA <brenda.green@costamesaca.gov>
Cc: LEE, MEL <MEL.LEE@costamesaca.gov>; TOM DUARTE <tpd@jones-mayer.com>; Michael H. Leifer <mleifer@ptwww.com>; Erin Balsara Naderi <ENaderi@ptwww.com>
Subject: 9.20.16 Council Agenda - PA-16-48 Appeal, 3184-A Airway

Dear City Clerk:

In light of the applicant's withdrawal of the CUP request per the email you forwarded below, I am requesting on behalf of our client, appellant Koll-Irvine Community Association, that the appeal hearing set for 7 p.m. tonight, PA-16-48, be continued to November 1st.

Please confirm.

Thank you.

Mike

Michael I. Kehoe | Partner
Palmieri, Tyler, Wiener, Wilhelm & Waldron LLP
1900 Main Street, Suite 700 | Irvine, CA 92614
Direct Dial (949) 851-7279 | Fax (949) 825-5453
mkehoe@ptwww.com | [Biography](#) | [vCard](#) | ptwww.com

PALMIERI TYLER

ATTORNEYS AT LAW

From: GREEN, BRENDA [<mailto:brenda.green@costamesaca.gov>]
Sent: Tuesday, September 20, 2016 3:08 PM
To: Michael H. Leifer
Subject: FW: 9.20.16 Council Agenda - PA-16-48 Appeal, 3184-A Airway

Hello Mr. Leifer,
Please see correspondence below and please respond as soon as possible.

Brenda Green
City Clerk
City of Costa Mesa
714/754-5221

From: Christensen, Matt [<mailto:Matt.Christensen@am.jll.com>]
Sent: Tuesday, September 20, 2016 2:31 PM
To: LEE, MEL <MEL.LEE@costamesaca.gov>; ARMSTRONG, GARY <GARY.ARMSTRONG@costamesaca.gov>; GREEN, BRENDA <brenda.green@costamesaca.gov>
Cc: debor@artsandlearning.org
Subject: 9.20.16 Council Agenda - PA-16-48 Appeal, 3184-A Airway

City of Costa Mesa,

I am writing to inform the City of Costa Mesa that Arts and Learning Conservatory is no longer pursuing the Conditional Use Permit PA-16-48. Unfortunately, due to the many months of delay and uncertainty brought on by the City, Arts & Learning cannot continue to purchase what would have been an ideal facility to serve the children of Orange County. Let it be known that this application was filed five months ago today and over that time both buyer and seller have incurred financial loss due to these delays.

As a representative of Arts and Learning Academy for this application, and speaking solely on my own behalf, I would ask the City of Costa Mesa why a Minor Conditional Use Permit which should have been approved at the Zoning Administration level was immediately elevated to a full Conditional Use Permit and submitted to Planning Commission? This fact is in direct conflict with the Costa Mesa Land Use Metrix provided to your citizens and in direct conflict with the information the City provided prior to submittal.

Regretfully,
Mat Christensen

Matt Christensen
JLL
tel +1 949 885 2989
mobile +1 310 922 4555
matt.christensen@am.jll.com
Lic #: 01840863

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This message and any attached documents contain information from the law firm of Palmieri, Tyler, Wiener, Wilhelm & Waldron LLP that may be privileged and confidential and protected from disclosure. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by replying to the message and deleting it from your computer. Thank you.

ADDITIONAL DOCUMENTS FOR PH-2

RECEIVED
CITY CLERK

16 SEP 15 AM 9:09

CITY OF COSTA MESA
BY BG

24 Beachcomber Dr.
Corona del Mar, CA 92625
September 13, 2016

City of Costa Mesa
City Clerk Brenda Green
77 Fair Drive
Costa Mesa, CA 92626

Subject: Arts and Learning Conservatory
3184 Airway Avenue, Suite A
Costa Mesa

Dear Costa Mesa City Council:

As owners of the building at 3185-C Airway we are aware of the current parking limitations in the Koll-Irvine Community Association.

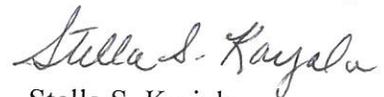
The Koll-Irvine Community Association does not have adequate parking to accommodate the needs of the above conservatory. Their goal of a summer day camp from 8:00 to 3:00 Monday through Friday would impact the businesses established there. Parking is already impacted on weekdays and the use of 101 additional parking spaces is not feasible.

We recommend the City Council reject this appeal.

Sincerely,



Dale C. Karjala



Stella S. Karjala

Cc: Board of Directors
Koll-Irvine Community Assn.

ADDITIONAL DOCUMENTS - PH-3

September 19, 2016



www.kennedycommission.org
17701 Cowan Ave., Suite 200
Irvine, CA 92614
949 250 0909
Fax 949 263 0647

Mayor Stephen Mensinger and City Council Members
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626

RE: Fairview Developmental Center - Amend Zoning Code to Include Additional Units Set-Aside for Lower Income Working Households

Dear Mayor Mensinger and City Council Members:

The Kennedy Commission (the Commission) is a broad based coalition of residents and community organizations that advocates for the production of homes affordable for families earning less than \$20,000 annually in Orange County. Formed in 2001, the Commission has been successful in partnering and working with jurisdictions in Orange County to create effective policies that has led to the new construction of homes affordable to lower income working families.

The Fairview Developmental Center site is a state-owned property and presents the greatest potential and opportunity for the development of homes affordable to the developmentally disabled. As the City moves forward to amend the Zoning Code to include and rezone the site to Institutional and Recreational- Multi-Use, the Commission recommends the City ensure the site will **maximize** the development potential of affordable homes for the developmentally disabled and for lower income working families. **Specifically, on top of the required 20% multi-family units set-aside for the developmentally disabled, the City should set-aside additional multi-family units and prioritize the development of three-bedroom units that would be affordable to large working families at extremely low- and very low-income.**

In the City, there is a great need to prioritize and facilitate the development of housing affordable to large lower income households. Of the total large renter-households in the City, 87% are comprised of lower income families.¹ In particular, extremely low-income large renter-households are greatly impacted by housing cost burden or overpaying. Approximately 93% of these households experienced severe cost burden.² In addition, while there were 3,521 identified large renter-households in 2010, there were only 710 rental units with four or more bedrooms in the City.³ In comparison, over 5,900 large owner units were potentially available to 1,807 large owner-households.⁴ Because many large lower income renter-households are not able to afford large ownership/market-rate units, many of the large lower income renter-households resort to doubling or tripling up, which results in overcrowded living conditions.

¹ 2013-2021 Housing Element for the Costa Mesa General Plan, p. 25, January 21, 2014.

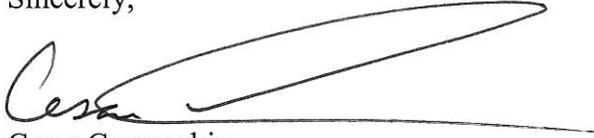
² 2013-2021 Housing Element for the Costa Mesa General Plan, p. 25, January 21, 2014.

³ 2013-2021 Housing Element for the Costa Mesa General Plan, p. 24, January 21, 2014.

⁴ 2013-2021 Housing Element for the Costa Mesa General Plan, p. 24, January 21, 2014.

We look forward to City's responses to our recommendations and if you have any questions, please feel free to contact me at (949) 250-0909 or cesarc@kennedycommission.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cesar', followed by a long, sweeping horizontal line that extends to the right.

Cesar Covarrubias
Executive Director

cc: Kathy Esfahani, Costa Mesa Affordable Housing Coalition
Robert Sterling, Department of Developmental Services

Costa Mesa Affordable Housing Coalition

September 20, 2016

Mayor Stephen Mensinger and City Council Members
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626

RE: Fairview Developmental Center - Amend Zoning Code to Include Additional Units Set-Aside for Lower Income Working Households

Dear Mayor Mensinger and City Council Members:

The Costa Mesa Affordable Housing Coalition is submitting this letter in support of the Kennedy Commission's letter and recommendations dated September 19, 2016 in regards to the Fairview Developmental Center. The Coalition urges the City Council to ensure the Fairview Developmental Center site will **maximize** the development potential of affordable homes for the developmentally disabled and for lower income working families. **Specifically, on top of the required 20% multi-family units set-aside for the developmentally disabled, the City should set-aside additional multi-family units and prioritize the development of three-bedroom units that would be affordable to large working families at extremely low- and very low-income.**

Sincerely,

Kathy Esfahani

Kathy Esfahani
For The Costa Mesa Affordable Housing Coalition

TRAYLOR, MARIAN

Subject: FW: Response to City Council 9-20-16 Meeting Agenda item PH-3
Attachments: GOV_14670.36. (3).pdf; Response to 9-20-16 Agenda.pdf

ADDITIONAL DOCUMENTS FOR PH-3

-----Original Message-----

From: McLaughlin, Gerald@DGS [mailto:Gerald.McLaughlin@dgs.ca.gov]
Sent: Tuesday, September 20, 2016 2:59 PM
To: GREEN, BRENDA <brenda.green@costamesaca.gov>
Cc: Sterling, Robert@DDS <Robert.Sterling@FDC.dds.ca.gov>; Maddy, Marie@DDS <Marie.Maddy@DDS.ca.gov>; McKinnon, Robert@DGS <Robert.McKinnon@dgs.ca.gov>
Subject: Response to City Council 9-20-16 Meeting Agenda item PH-3

Mayor Stephen Mensinger and City Council Members,

Attached are the state's comments to agenda item: PH-3 on tonight's City Council Meeting Agenda.

Please contact me if you have any questions.

Thank you.

Gerald G. McLaughlin
Asset Enhancement Section
Asset Management Branch
State of California > Department of General Services
707 3rd Street, 5th Floor
W. Sacramento, CA 95605
Phone: (916) 375-4009 Fax: (916) 376-1833
Email: gerald.mclaughlin@dgs.ca.gov

State of California

GOVERNMENT CODE

Section 14670.36

14670.36. (a) Notwithstanding any other law, the Director of General Services, with the consent of the Director of Developmental Services, may, in the best interests of the state, let to any person or entity real property not exceeding 20 acres located within the grounds of the Fairview Developmental Center for a period not to exceed 55 years, at a price that will permit the development of affordable housing for people with developmental disabilities.

(b) Notwithstanding any other law, the lease authorized by this section may be assignable subject to approval by the Director of General Services, with the consent of the Director of Developmental Services. The lease shall do all of the following:

(1) Provide housing for individuals who qualify based upon criteria established by the Department of Developmental Services. A minimum of 20 percent of the housing units developed shall be available and affordable to individuals with developmental disabilities served by a regional center pursuant to the Lanterman Developmental Disabilities Services Act (Chapter 1 (commencing with Section 4500) of Division 4.5 of the Welfare and Institutions Code). When filling vacancies, priority for housing shall be given to individuals transitioning from a developmental center or at risk for admission to a developmental center.

(2) Allow for lease revenues or other proceeds received by the state under the leases for projects authorized by this section and Section 14670.35, to be utilized by the Department of Developmental Services to support individuals with developmental disabilities, including subsidizing rents for those individuals.

(3) Include provisions authorizing the Department of Developmental Services, or its designee, to provide management oversight and administration over the housing for individuals with developmental disabilities and the general operations of the project sufficient to assure the purposes of the lease are being carried out and to protect the financial interests of the state.

(c) The Department of Developmental Services may share in proceeds, if any, generated from the overall operation of the project developed pursuant to this section. All proceeds received from the project authorized by this section and the project authorized by Section 14670.35, in accordance with the terms of the lease, shall be deposited in the Department of Developmental Services Trust Fund, which is hereby created in the State Treasury. Moneys in the Department of Developmental Services Trust Fund shall be used, upon appropriation by the Legislature, for the purpose of providing housing and transitional services for people with developmental disabilities. Any funds not needed to support individuals with developmental disabilities shall be transferred to the General Fund upon the order of the Director of Finance.

(d) The Director of General Services, with the consent of the Director of Developmental Services, may enter into a lease pursuant to this section at less than market value, provided that the cost of administering the lease is recovered.

(e) The project and lease, including off-site improvements directly related to the housing project authorized by this section, shall not be deemed a “public works contract” as defined by Section 1101 of the Public Contract Code. However, construction projects contemplated by the lease authorized by this section shall be considered “public works,” as defined by paragraph (1) of subdivision (a) of Section 1720 of the Labor Code, for the purpose of prevailing wage requirements.

(Added by Stats. 2015, Ch. 23, Sec. 1. (SB 82) Effective June 24, 2015.)

September 20, 2016

VIA EMAIL: Brenda.Green@costamesaca.gov
Mayor Stephen Mensinger and City Council Members
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626

RE: **AN ORDINANCE TO ADOPT CODE AMENDMENT CO-16-03 – AMENDMENT TO TITLE 13, CHAPTER II (ZONING DISTRICTS ESTABLISHED); CHAPTER III (PLANNING APPLICATIONS), CHAPTER IV (CITYWIDE LAND USE MATRIX); CHAPTER V, ARTICLE 7 (DEVELOPMENT STANDARDS FOR INSTITUTIONAL AND RECREATIONAL AND INSTITUTIONAL AND RECREATIONAL SCHOOL DISTRICTS) TO INCLUDE THE INSTITUTIONAL AND RECREATIONAL - MULTI-USE DISTRICT ADOPTED UNDER THE 2015-2035 COSTA MESA GENERAL PLAN; AND TO REZONE 2501 HARBOR BOULEVARD TO INSTITUTIONAL AND RECREATIONAL - MULTI-USE.**

Dear Mayor Mensinger and City Council Members:

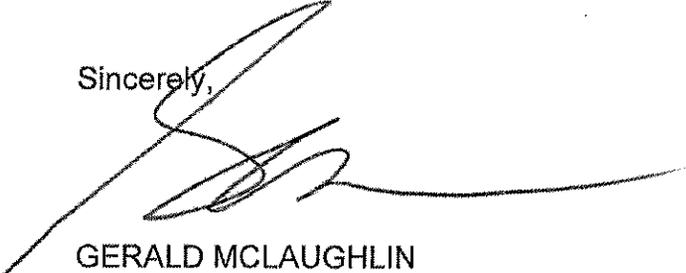
The Department of General Services is submitting this letter specific to the Shannon's Mountain project at Fairview Developmental Center ("FDC").

The state has been informed that the city is considering whether to amend the zoning code related to a portion of the Fairview Developmental Center and to rezone the same to Institutional & Recreational - Multi-Use for consistency with the recently adopted 2015-2035 Costa Mesa General Plan.

As a point of clarification, the legislature has only authorized DGS/DDS to enter a long-term ground lease of up to 20 acres for the development of a project that includes a 20% set-aside available and affordable to individuals with developmental disabilities as specified in Senate Bill 82 signed in June 2015 (adding Government Code § 14670.36; see attachment; "Shannon's Mountain"). Additionally, until the state has determined that it no longer needs the property for state purposes and the legislature has declared the balance of the property surplus, neither the state nor the developer will be able to master plan the site beyond the Shannon's Mountain project. Requiring a master plan for the FDC as a condition to the Shannon's Mountain project would be inconsistent with Government Code § 11011 and Government Code § 14670.36. The state respectfully requests that this be taken into consideration as it considers taking action on the proposed amendment to the zoning code and rezone of the FDC.

Thank you in advance for your consideration. If you need additional information, please call me at (916) 375-4009.

Sincerely,



GERALD MCLAUGHLIN
Asset Enhancement Section
Asset Management Branch

cc: Attachment

Daniel Inloes, Principal Planner, Development Services Department,
City of Costa Mesa

Brenda Green, City Clerk, City of Costa Mesa

Marie W. Maddy, Chief, Facilities Planning and Support Section,
Department of Development Services

Robert Sterling, Associate Construction Analyst, Facilities Planning and Support
Section, Department of Developmental Services



September 19, 2016

www.kennedycommission.org
17701 Cowan Ave., Suite 200
Irvine, CA 92614
949 250 0909
Fax 949 263 0647

Mayor Stephen Mensinger and City Council Members
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626

RE: Amending Zoning Code to Include Affordable Homes for Lower Income Families in Harbor Mixed-Use Overlay District and Residential Incentive Overlay District

Dear Mayor Mensinger and City Council Members:

The Kennedy Commission (the Commission) is a broad based coalition of residents and community organizations that advocates for the production of homes affordable for families earning less than \$20,000 annually in Orange County. Formed in 2001, the Commission has been successful in partnering and working with jurisdictions in Orange County to create effective policies that has led to the new construction of homes affordable to lower income working families.

As the City moves forward in preparing to amend the City's Zoning Code, the Commission urges the City to consider the following:

- 1. Amend the City's Zoning Code to include the Harbor Mixed-Use Overlay, which allows a maximum residential density of 20 du/ac, ONLY IF new residential developments proposed in the overlay set-aside at least 20 percent of homes as affordable to lower income working households.**
- 2. Amend the City's Zoning Code to include the Residential Incentive Overlay District, which allows new high density residential uses of up to 40 du/ac along Harbor Boulevard and Newport Boulevard, ONLY IF new residential developments proposed in the overlay set-aside 20 percent of homes as affordable to lower income working households.** In addition, motels located in the overlay should not be included unless any future/new residential developments that are proposed on these sites dedicate at least 20 percent of the homes to lower income working households. In addition, by increasing the existing base density of 20 du/ac to 40 du/ac, the City is effectively allowing by-right proposed developments at 40 du/ac and circumventing the use of a density bonus (SB 1818) for proposed projects. The implementation of the density bonus law would have facilitated the development of new affordable homes for lower income households in the City.

The City has acknowledged and anticipates the implementation of the proposed land uses will be utilized to reduce specific uses such as motels citywide.¹ The implementation of the Residential Incentive Overlay District **will** result in the displacement of substantial numbers of existing households living in motels, which necessitates the construction of

¹ Notice of Preparation City of Costa Mesa General Plan Amendment Program EIR, City of Costa Mesa, p. 4, November 16, 2015.

replacement housing elsewhere in the City. While the proposed land use changes do not authorize a specific construction project, the implementation of the Residential Incentive Overlay will provide significant development incentives and benefits that encourages and facilitates future residential developments to occur. These future residential developments can potentially result in significant and direct impacts.

- 3. Amend the City's Zoning Code to include the Residential Incentive Overlay District, ONLY IF proposed residential developments in Overlay evaluates significant impacts on motel tenants and requires the preparation of a Relocation Plan to ensure lower income households living in motels will not be displaced or be at-risk of homelessness.** Because future developers significantly benefits from the incentives provided by the Overlay, relocation assistance and replacement housing should be required for displaced tenants at proposed developments.

Contrary to what the Final Environmental Impact Report (FEIR) states², the likelihood of removing motels that are currently being used as long term housing in the City is not speculative. The potential for a substantial number of tenants being displaced is not speculative because these events are currently happening in the City and a primary example is the Costa Mesa Motor Inn (CMMI). In November 2015, the proposed plan and request for development incentives to convert the CMMI to a multi-family residential development was approved by the City. **As a result, there were many lower income long-term tenants at the CMMI who were displaced.** Because of the lack of affordable homes in the City, many households either moved to neighboring motels or moved outside of the City. There were also some households who ended up living in their cars because they had nowhere else to go.

Generally, motels provide last resort affordable housing for many lower income households and proposed market-rate residential developments will displace many at-risk families and lead them to homelessness. According to the FEIR, the report states:

“... because any specific property redevelopment would occur in the future, the specific number of persons using that particular motel for long-term occupancy is not known at this time. The type of residential development that would replace existing commercial uses, including motels, is also unknown, but could include new commercial uses, including hotel or motel uses, or new residential development that includes affordable housing which, based on the densities, could accommodate and encourage development of housing for low-income persons.”³

² Final Environmental Impact Report for the 2015-2035 General Plan, p. 4.13-10, June 26, 2016.

³ Final Environmental Impact Report for the 2015-2035 General Plan, p. 4.13-9, June 26, 2016.

Redevelopment of specific projects will certainly happen in the future but the City already has one specific example of a proposed development- the CMMI. The CMMI has been encouraged by the City through the approvals of development incentives (i.e., change in land-use and increase in density) that are allowed under the Residential Incentive Overlay. The CMMI has benefitted from these specific incentives to move forward with their proposed plans to demolish the motel and developing a new market-rate apartment complex.

The type of residential development replacing the CMMI will be a new 224 unit market-rate apartment complex at a site specific density of 54 du/ac, which notably is significantly higher than the Overlay's density of 40 du/ac. While the specific number of long-term occupants are not known at this time for future developments, the City identified 49 rooms that was occupied by 66 long-term residents.⁴ Because the proposed development includes **zero** units affordable to the lower income tenants who were living at the CMMI, a majority of these existing tenants were displaced, including the 49 households who were identified and grandfathered as long-term tenants.

The FEIR identifies that the proposed amended Land Use Plan could increase residential development in the Focus Areas by 4,040 units.⁵ Of that total, 3,062 units have allowable densities of 40 du/ac which can accommodate the development of affordable housing.⁶ In addition, in the response to comments, the City states:

“Even if a property owner chooses to develop residential uses, it is not a given that all new high density residential development will be market rate or above market rate. Zoning that allows high density residential development, as well as many other state reforms and incentives and local incentives, facilitate and expedite the development of affordable housing.”⁷

However, the same could also be said about affordable housing. If a property owner chooses to develop residential uses, it is not a given that the new high density residential development will be affordable. Default densities of 30 du/ac and greater do not necessarily produce homes that are affordable to lower income working households. This is quite evident considering the City has approved through upzoning over 2,000 new residential units that are market-rate. Unfortunately, not one of those developments, including the CMMI, proposed setting aside units that would be affordable to lower income working families.

⁴ City Council Agenda Report: General Plan amendment GP-14-04/ Rezone R-14-04/ Zoning Code Amendment CO-14-02/ And Master Plan PA-14-27 For Costa Mesa Apartments at 2277 Harbor Boulevard, City of Costa Mesa, p. 5, November 3, 2015.

⁵ Final Environmental Impact Report for the 2015-2035 General Plan, p. 4.13-6, June 26, 2016.

⁶ Final Environmental Impact Report for the 2015-2035 General Plan, p. 4.13-6, June 26, 2016.

⁷ Final Environmental Impact Report for the 2015-2035 General Plan, p. 10.0-5, June 26, 2016.

- 4. Amend the City's Zoning Code to include the Residential Incentive Overlay District, ONLY IF the City ensures the implementation of the Overlay does not circumvent the State Density Bonus Law and the development of homes affordable to lower income households.**

Incentives such as the State Density Bonus Law is an effective tool for the City to build affordable housing but the City has consistently allowed new residential development proposals to circumvent the law by spot zoning and increasing density that is currently allowable. As a result, the City has not been effective in producing affordable homes through the Density Bonus Law. Zoning that allows high density can result in the development of affordable homes, however, it has not happened in the City of Costa Mesa. Without effective programs and policies that facilitates and encourages the development of affordable housing for lower income families, it will probably not happen.

The proposed development at the CMMI is a cautionary example of a proposed development utilizing and benefiting from the Residential Overlay and not producing affordable homes for lower income households. The proposed CMMI development benefitted greatly from the Residential Overlay and development incentives (i.e., change in land use and increase in density) that the developer was previously not entitled to. These City approved development incentives should be considered as a form of a public subsidy because the incentives are giveaways that provide significant windfalls and increase the property value of the proposed development. The City approved incentives/public subsidies underscore a problem that the fails to ensure the giveaways are provided in the exchange of community benefits such as the development of affordable homes for lower income households. The developer for the proposed development at the CMMI did not set aside any homes that would be affordable to lower income households. While 20 units will be set-aside for moderate income families, the proposed rents, \$1,600 - \$1,800 are out-of-reach and not affordable to current CMMI tenants or potential lower income tenants in the City. In addition, by increasing the existing base density at the proposed development, the City is effectively circumventing the use of a density bonus for proposed projects, which would have facilitated the development of new affordable homes for lower income households in the City.

- 5. Collaborate with the Costa Mesa Affordable Housing Coalition and community stakeholders to develop effective stand-alone housing policies (i.e., inclusionary housing) and create an affordable housing component for lower income working households as part of the Residential Incentive Overlays that will prioritize and facilitate the development of affordable home opportunities for lower income working households.**

Mayor Mensinger and City Council Members
September 19, 2016
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We look forward to City's responses to our recommendations and if you have any questions, please feel free to contact me at (949) 250-0909 or cesarc@kennedycommission.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Cesar", followed by a large, sweeping horizontal flourish that extends to the right.

Cesar Covarrubias
Executive Director

cc: Kathy Esfahani, Costa Mesa Affordable Housing Coalition

ADDITIONAL DOCUMENTS FOR PH-4

Costa Mesa Affordable Housing Coalition

September 20, 2016

Mayor Stephen Mensinger and City Council Members
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626

RE: Amend Zoning Code to Include Affordable Homes for Lower Income Families in Harbor Mixed-Use Overlay District and Residential Incentive Overlay District

Dear Mayor Mensinger and City Council Members:

The Costa Mesa Affordable Housing Coalition (the Coalition) is submitting this letter in support of the Kennedy Commission's letter and recommendations dated September 19, 2016 in regards to Harbor Mixed-Use Overlay District and Residential Incentive Overlay District. The Coalition would like to reiterate the main points (please refer to the Kennedy Commission's letter for specifics) and urges the City Council to take the following actions tonight:

- 1. Amend the City's Zoning Code to include the Harbor Mixed-Use Overlay, which allows a maximum residential density of 20 du/ac, ONLY IF new residential developments proposed in the overlay set-aside at least 20 percent of homes as affordable to lower income working households.**
- 2. Amend the City's Zoning Code to include the Residential Incentive Overlay District, which allows new high density residential uses of up to 40 du/ac along Harbor Boulevard and Newport Boulevard, ONLY IF new residential developments proposed in the overlay set-aside 20 percent of homes as affordable to lower income working households. In addition, motels located in the overlay should not be included unless any future/new residential developments that are proposed on these sites dedicate at least 20 percent of the homes to lower income working households.**
- 3. Amend the City's Zoning Code to include the Residential Incentive Overlay District, ONLY IF proposed residential developments in Overlay evaluates significant impacts on motel tenants and requires the preparation of a Relocation Plan to ensure lower income households living in motels will not be displaced or be at-risk of homelessness.**
- 4. Amend the City's Zoning Code to include the Residential Incentive Overlay District, ONLY IF the City ensures the implementation of the Overlay does not circumvent the State Density Bonus Law and the development of homes affordable to lower income households.**

- 5. Collaborate with the Costa Mesa Affordable Housing Coalition and community stakeholders to develop effective stand-alone housing policies (i.e., inclusionary housing) and create an affordable housing component for lower income working households as part of the Residential Incentive Overlays that will prioritize and facilitate the development of affordable home opportunities for lower income working households.**

Sincerely,

Kathy Esfahani

Kathy Esfahani
For The Costa Mesa Affordable Housing Coalition