

July 2, 2026

City of Costa Mesa
Carrie Tai, Director of Economic Development Services
77 Fair Drive
Costa Mesa, CA 92626

To Whom It May Concern,

The Department of General Services (DGS) has been informed that concerns have been raised about the intentions related to the number of units presently being planned for the Fairview Developmental Center Specific Plan.

A question has been posed to DGS by City staff as to whether DGS is comfortable with the upper limit of units being proposed for the site (4,000 at the time of this letter) and whether DGS believes this number to be allowable. This letter is to affirm that DGS believes that the concept of 4,000 units at the site is both allowable and consistent with statutory intent.

By way of history, when the Department of Developmental Services first declared the property as excess to their needs to DGS, officials from the City of Costa Mesa raised concerns about the number of units the site could feasibly accommodate. To address those concerns, DGS commissioned a study in 2021 that evaluated likely constraints for redevelopment, under a specific assumption set. Specifically, that study evaluated the site using the applicable laws and regulations then-present and assumed that fundamental changes to the ingress/egress of the site (such as the addition of another access point to Harbor Blvd) would remain unchanged.

As a result, the study indicated the site could support up to 2,500 units, primarily due to constraints related to roadway and intersection operations. The report noted that actual development would depend on site entitlements and future traffic conditions, and that improvements such as additional access roads, roadway upgrades, or enhanced public transit could increase capacity while remaining consistent with the study's findings.

When DGS drafted Government Code section 14670.31, we drafted the requirements of the planning process – found primarily in subsection (c) – to be housing centric, and to be **consistent with** the then-existing goals for the property's redevelopment: a January 2020 City Council adopted goal of 1,500 units and the 2,500 units identified in DGS' study. The legislation used "consistent with," instead of "between" or "not less than, and not more than" or other limiting language in order to show that the numbers of units were a reasonable expectation, and not a strict limiter.

Further, the legislation required that the planning process address “economic feasibility of future development” (subsection (c)(1)), “maximize interested third-party potential purchases” (subsection (c)(2)), and have as an explicit intent to “provide certainty for the community and a potential developer” (subsection (c)(2)). As is clear from these requirements, the City’s task under the statute is to advance the land use process such that the Specific Plan is reasonably certain to be financially viable to implement.

DGS understands that, during the extensive and community-involved planning process, the probable costs to redevelop the property in keeping with statutory intent and requirements necessitates a higher number of units than was seen as likely possible in 2022 when Section 14670.31 was enacted. DGS affirms this to be in keeping with the statute’s original intent when we wrote it.

Sincerely,

Dan
Millsap

Dan Millsap
Deputy Director
Real Estate Services Division

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