



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: SEPTEMBER 28, 2026 ITEM NUMBER: PH-2

SUBJECT: DESIGN REVIEW, TENTATIVE TRACT MAP NO. 19412, AND DENSITY BONUS (PDBR-25-0001) FOR A 21-UNIT SINGLE-FAMILY RESIDENTIAL DEVELOPMENT AT 396 EAST 21ST STREET

FROM: COMMUNITY DEVELOPMENT DEPARTMENT/ PLANNING DIVISION

APPLICATION DATE: JULY 16, 2025

PRESENTATION BY: VICTOR MENDEZ, SENIOR PLANNER

**FOR FURTHER VICTOR MENDEZ
INFORMATION 714-754-5276
CONTACT: Victor.Mendez@costamesaca.gov**

RECOMMENDATION

Staff recommends the Planning Commission:

1. Find that the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15332 (In-Fill Development Projects); and,
2. Adopt a Resolution to taking the following actions:
 - a. Design Review: Approve the Design Review for the development of the project including 21 dwelling units with a maximum height of 2 stories/31 feet, five inches;
 - b. Tentative Tract Map No. 19412: Approve the Tentative Tract Map to subdivide the property into 21 single-family residential lots; and
 - c. Density Bonus: Approve the density bonus request which will provide one very-low income unit, three density bonus units, and associated waivers for the development.

APPLICANT OR AUTHORIZED AGENT

Pete Zehnder, on behalf of Modern Mobile Ventures I.

PLANNING APPLICATION SUMMARY

<u>Location:</u>	396 E 21 st Street	<u>Application Number:</u>	PDBR-25-0001
<u>Request:</u>	The request includes approval of Design Review, Tentative Tract Map No. 19412, and a density bonus (PDBR-25-0001) to redevelop the 1.49-acre subject property with 21 single-family residential ownership units (including one very-low income unit) and 19,180 square feet of on-site open space. Waivers for the development are requested pursuant to State Density Bonus Law (SDBL).		

SUBJECT PROPERTY:

SURROUNDING PROPERTY:

Zone:	Multiple-Family Residential, Medium Density (R2-MD)	North:	Multiple-Family Residential, Medium Density (R2-MD) developed with multi-family residences
General Plan:	Medium Density Residential (MDR)	South:	Multiple-Family Residential, Medium Density (R2-MD) developed with single-family residences
Lot Dimensions:	Irregular - Approximately 250 feet by 327 feet by 92 feet by 73 feet by 8 feet by 39 feet by 150 feet by 215 feet	East (across Tustin Ave.):	City of Newport Beach developed with single-family residences
Lot Area:	1.49	West:	Institutional Recreational (I&R), developed with elementary school
Existing Development:	Vacant lot		

DENSITY BONUS CALCULATION

<u>Item</u>	<u>Calculation</u>	<u>Result</u>
Base Density (calculation based off minimum density)	12 du/acre x 1.49 acres	17.88, rounded up to 18 units
Required Very-Low Income Units	18 x 5%	0.9 rounded up to 1 unit total
Affordable Unit Percent Calculation	1 very low income / 18 base units = 5% affordability	20% bonus unit increase and/or 1 concession*
Bonus Units Allowed	20% of base units	3.6 rounded up to 4 units*
Total Units Permitted	18 base units + 4 bonus units = 22 total units	22 units maximum
*Three bonus units out of the four allowed bonus units are being requested under SDBL. By providing the required affordable unit, the application also qualifies for one concession as a density bonus project.		

DEVELOPMENT STANDARDS COMPARISON

<u>Development Standard</u>		<u>Requirement</u>	<u>Proposed/Provided</u>	<u>Compliance</u>
Maximum Lots		15	21	No (Density Bonus Waiver Requested)
Maximum Density (du/acre)		12 du/acre (18 units)	14.1 du/acre (21 units)	Yes
Front Setback (Tustin Avenue)		20 FT	6 FT	No (Density Bonus Waiver Requested)
Side Setback		5 FT	5 FT	Yes
Side Street Setback (21 st Street)		10 FT	7 FT	No (Density Bonus Waiver Requested)
Rear Setback		15 FT	5 FT	No (Density Bonus Waiver Requested)
Distance Between Buildings		6 FT	6 IN	No (Density Bonus Waiver Requested)
Driveway Width		10 FT	16 FT	Yes
Minimum Lot Size		None	64,982 SF	Not applicable
Maximum Lot Coverage		None	NA	Not applicable
Maximum Building Height		2 stories/27 FT	2 stories/31 FT, 5 IN	No (Density Bonus Waiver Requested)
Minimum Open Space (Development Lot)		35% of lot (22,744 SF)	29.5% (19,180 SF)	No (Density Bonus Waiver Requested)
Minimum Open Space (Individual Lot)		Minimum 200 SF/unit with no dimension less than 10 feet	9,889 SF (Approximately 470 SF/Unit), 5 FT minimum dimension	No (Density Bonus Waiver Requested)
Open Parking Not Allowed in Front Setback		No spaces	1	No (Density Bonus Waiver Requested)
Residential Parking		40 (Government Code 65915 (p)(1))	60	Yes
CEQA Status	Exempt pursuant to CEQA Guidelines section 15332 (In-Fill Development Projects)			

<u>Development Standard</u>	<u>Requirement</u>	<u>Proposed/Provided</u>	<u>Compliance</u>
Final Action Body	Planning Commission		

EXECUTIVE SUMMARY

Modern Mobile Ventures I (applicant) has filed applications for the development of a 21-unit single-family residential development located at 396 E 21st Street. The applications include a Design Review, Tentative Tract Map, and Density Bonus request. The approximately 1.49-acre site is currently vacant.

The project includes 20 market-rate units and one very-low income ownership unit and therefore qualifies for benefits under State Density Bonus Law (SDBL). The project is eligible for four density bonus units; however, the applicant is only requesting three density bonus units, for a total of 21 dwelling units. The application includes several waivers or reductions of development standards as allowed under SDBL. The requested waivers would provide relief from certain development standards that would otherwise physically preclude construction of the project at the proposed density. No concessions are requested.

This project is subject to Costa Mesa Municipal Code (CMMC) section 13-28(d), which requires Design Review for construction that results in three or more dwelling units on a development lot in any residential zone. The Planning Commission is the final review authority for the Design Review, Tentative Tract Map, and Density Bonus applications. In this case, all three applications are being considered concurrently by the Planning Commission to facilitate a comprehensive and coordinated review of the proposed project.

Based on the project's compliance with the applicable objective General Plan, Zoning Code, subdivision, and State Density Bonus Law requirements, staff recommends that the Planning Commission find the project exempt from CEQA, approve the associated planning applications, based on findings of fact and subject to the conditions of approval.

BACKGROUND

The project site is located at 396 E 21st Street and is bound by Tustin Avenue to the east, E 21st Street and single-family residences to the south, multi-family residences to the north, and Kaiser Elementary school to the west. The site has a General Plan Land Use Designation of "Medium Density Residential" and is zoned "Multiple-Family Residential, Medium Density (R2-MD)" (C2) (see Figure 1).

Site History

The project site is currently vacant and is improved with an existing perimeter concrete block wall. The site was previously developed with a 28-unit mobile home park, which is no longer in operation. The site has remained vacant since 2019.

Figure 1 Project Location



Senate Bill (SB) 330

On June 17, 2025, the applicant submitted an SB 330 Preliminary Application to the City, thereby establishing the applicable development standards, policies, and fees in effect at that time pursuant to Government Code section 65941.1.

Subsequently, on July 16, 2025, the applicant submitted applications for a Design Review, Tentative Tract Map, and Density Bonus to facilitate development of the proposed residential project.

Code Enforcement

As of the date of this report, there are no active code enforcement violations or outstanding citations.

STANDARD OF REVIEW AND APPROVAL AUTHORITY

Ordinance 2026-03 amended the CMMC to remove Design Review as a separate application type and establish Development Review as the applicable review process for certain residential development. However, because the applicant submitted an SB 330 Preliminary Application prior to the ordinance amendment, the project is vested in the development standards, policies, fees, and applicable review process in effect at the time of the Preliminary Application. Accordingly, the project is being processed under the Design Review procedures applicable at the time the SB 330 Preliminary Application was submitted.

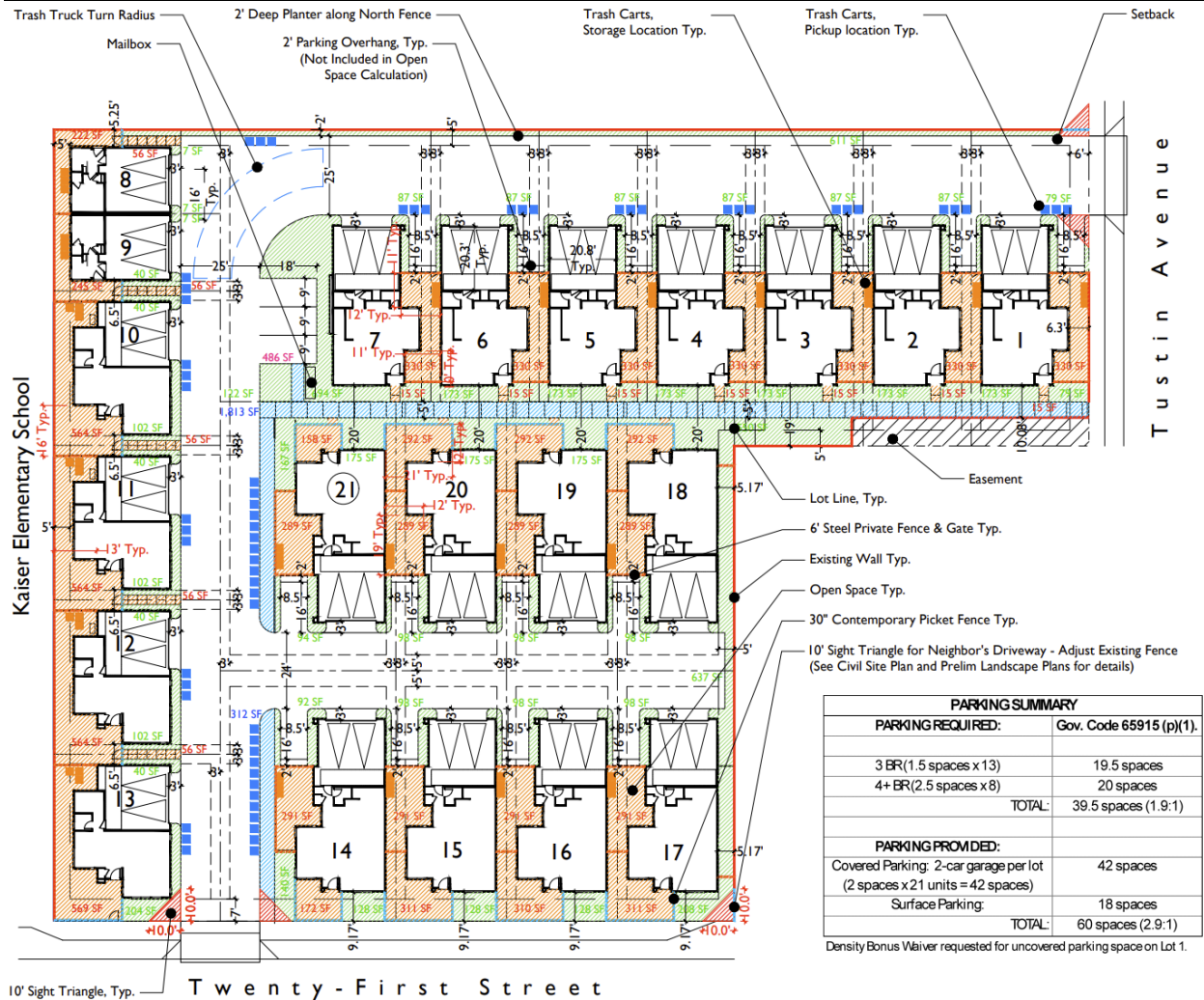
Pursuant to CMMC [section 13-29\(g\)\(13\)](#), approval of a Tentative Tract Map requires the Planning Commission to make the applicable findings, including that the proposed subdivision is consistent with the General Plan and Zoning Code; the property is suitable for the proposed subdivision; the design or improvement of the subdivision provides for future passive or natural heating and cooling opportunities to the extent feasible; the subdivision will not interfere with the free and complete exercise of the rights of way or easements; and the subdivision complies with applicable requirements of the State Regional Water Quality Control Board.

Approval of a Density Bonus application requires the proposed development to comply with the applicable provisions of State Density Bonus Law and CMMC section 13-29(g)(13). The Planning Commission must determine that the project is consistent with State Density Bonus Law, the General Plan, the CMMC, and any applicable specific plan. The requested density bonus and waivers must be consistent with the requirements of State Density Bonus Law, including the applicable statutory findings and limitations. In addition, a requested waiver or reduction of a development standard may not be approved if the waiver or reduction would result in a specific adverse impact, as defined by State law, upon public health or safety, or on a property that is listed in the California Register of Historical Resources, for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact.

PROJECT DESCRIPTION

As shown in Figure 2 below, the project proposes to create and develop 21 single-family lots, consisting of 21 two-story, single-family detached for-sale units. The project proposes 9,291 square feet of common open space and each unit containing approximately 470 square feet of private open space. The proposed project would include associated improvements such as landscaping, parking, a private roadway, and utility and stormwater infrastructure. For additional details refer to the site plan on Figure 2 and the project plans provided in Attachment 5.

Figure 2 Overall Site Plan



Vehicular access to the development would be provided by two 25-foot-wide driveways, one from Tustin Avenue and one from East 21st Street. Internal circulation would be provided by a 25-foot-wide private roadway that would provide two-way vehicle access to all on-site residences, parking areas and emergency vehicle access.

The proposed development requires the following planning applications:

- Design Review - Required for residential construction resulting in three or more dwelling units on a development lot in any residential zoning district.

- Tentative Tract Map - Proposed to establish the subdivision, including applicable easements, and facilitate individual ownership of the residential units.
- Density Bonus - Requested to allow development of 21 dwelling units, including one unit (5 percent) restricted to a very-low-income household, which qualifies the project for a density bonus, one concession, and associated waivers or reductions of development standards. The requested waivers and reductions from development standards related to the small-lot subdivision lot cap, building height, front setback, rear setback, side yard setback, building-to-building setback, open space, private open space, parking within the front setback, and the location of the sidewalk within the public right-of-way.

ANALYSIS

The Planning Commission serves as the final review authority for a Design Review, Tentative Tract Map, and Density Bonus applications. For this project, the Design Review, Tentative Tract Map, and Density Bonus applications are being processed concurrently pursuant to CMMC section 13-29(q), which allows multiple planning applications to be processed concurrently and requires that all necessary approvals be obtained prior to final project approval.

To streamline the entitlement process and provide a comprehensive review of the proposed development, staff, in coordination with the applicant, is presenting all three applications to the Planning Commission as one coordinated project. Accordingly, the Planning Commission's scope of review includes consideration of the Design Review, Tentative Tract Map, and Density Bonus applications. The Planning Commission may approve, conditionally approve, or deny these applications based on the required findings and applicable provisions of the Costa Mesa Municipal Code and State law.

The applicant proposes to develop the project pursuant to the Residential Small Lot Subdivision (RSLs) regulations and applicable development standards. The proposed 21-unit, for-sale residential development would have a density of 14.1 dwelling units per acre and qualifies for a density bonus under Government Code section 65915(b)(1)(B) by providing one very low-income unit, representing at least five percent of the project's base units.

The Development Standards Comparison Table (page 3 of this report) identifies the applicable development standards and demonstrates how the RSLs zoning regulations have been applied to the proposed project.

Design Review

Design review is required pursuant to CMMC section 13-28(d), as the project proposes residential construction of three or more dwelling units. The two-story residential buildings are architecturally designed in the Nordic farmhouse style, with finishes that

include stucco, vertical wood like siding, composite shingle roof, and metal roll-up garage door. Each unit is proposed to be two stories with a maximum height of 31 feet, five inches.

Figure 3 Design

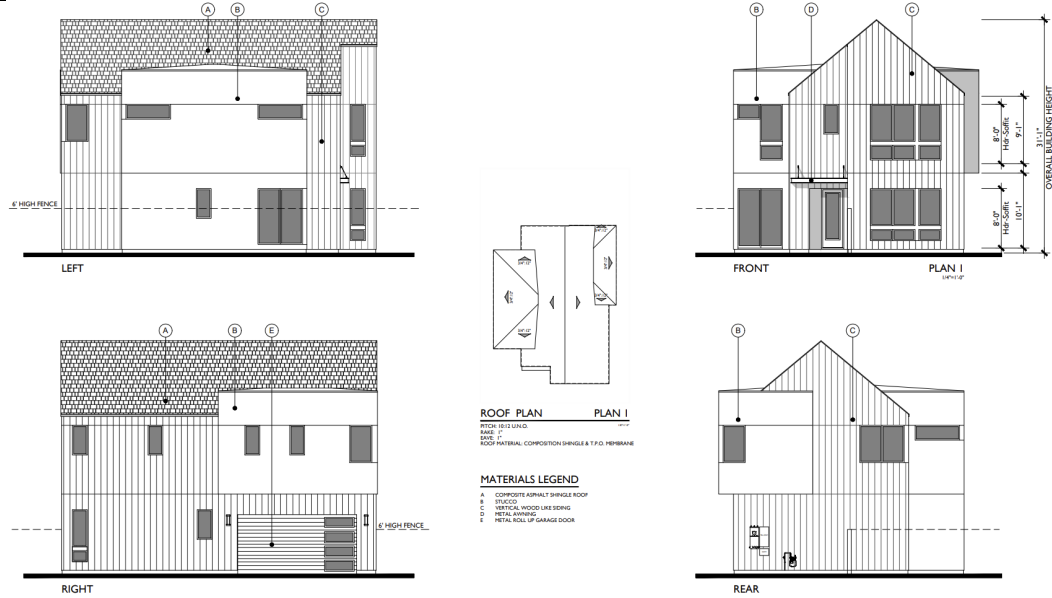


Pedestrian circulation is provided by sidewalks and pathways between the residences and from East 21st Street and Tustin Avenue. The project also includes the reconstruction of the vehicular entrance on Tustin Avenue and a new vehicular entrance on East 21st Street. A private drive easement is provided within the project site, connecting East 21st Street and Tustin Avenue.

Market Rate Units

The 20 market-rate units are proposed as single-family detached residences. Each unit will include an attached two-car garage and private open space in the form of a side yard and/or rear yard. Plans 1, 2, and 3 provide a living room, kitchen, dining area, and half bathroom on the first floor, with three bedrooms and two bathrooms on the second floor. Lot 9 is also a market-rate unit; however, its floor plan (Plan 4) includes one bedroom on the first floor, with the living room, kitchen, dining area, two bedrooms, and one bathroom located on the second floor.

Figure 4 Market Rate Units



Affordable Unit

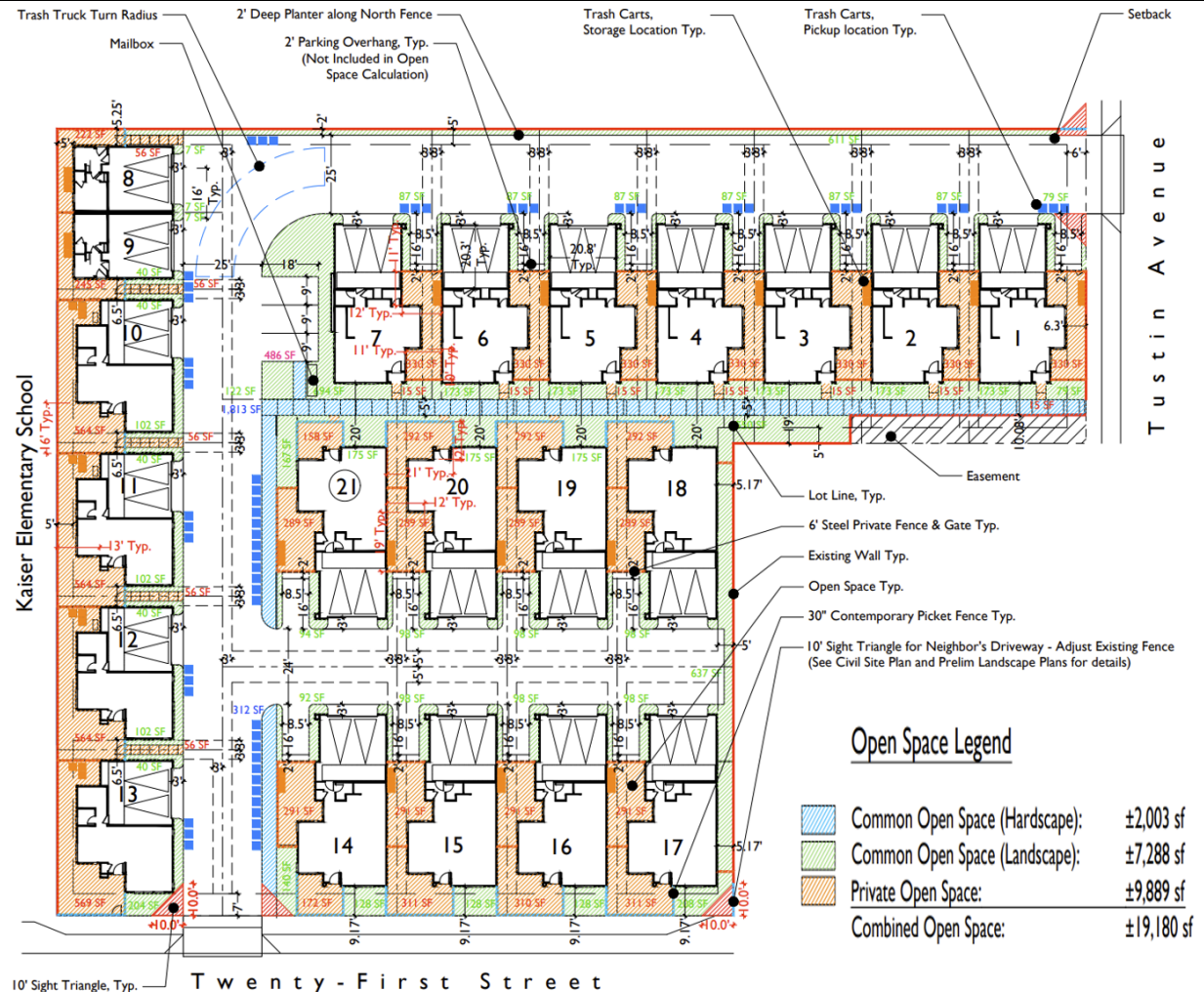
The project includes one affordable unit. The unit will include an attached two-car garage and private open space consisting of a side and rear yard. Lot 8 will contain the proposed very-low income, deed-restricted for-sale unit. The floor plan, Plan 4, provides one bedroom on the first floor, with the living room, kitchen, dining area, two bedrooms, and one bathroom located on the second floor. The unit is located adjacent to northern property line, which abuts an existing multi-family residential development on the neighboring property.

Figure 5 Affordable Unit

Open Space

As shown in Figure 6 below, the proposed project includes a total of 19,180 square feet of combined common and private open space located on the subject property. RSLs developments are required to provide a minimum of 35% open space of the total lot area, equivalent to 22,744 square feet based on the 64,982-square-foot development lot. The project provides 19,180 square feet of open space, or 29.5% of the development lot area. Of the total proposed open space, 9,889 square feet is designated as private open space, averaging approximately 470 square feet per dwelling unit. Individual private open space areas range from 237 square feet to 620 square feet.

Figure 6 Open Space



The project includes walkways between the buildings and near the front entrances of several units. A common paseo is located near the center of the development, providing direct access to 11 units and direct access to Tustin Avenue.

Landscaping

Landscaping is proposed to be included throughout the project site including within the front setback, along all driveways and sidewalks, between garage doors, and within the open space areas. The project includes a combination of flowering, shade, specimen, and screening trees distributed throughout the site. Figure 7, below, outlines the project's landscaping which is consistent with CMMC standards.



As part of the building permit plan check review, final landscape plans will be prepared and certified by a California licensed landscape architect confirming that they comply with the CMMC and water efficiency landscape guidelines.

Lighting is required to be provided in all parking areas, vehicular access areas, and on major walkways. The applicant will be required to submit lighting and photometric plans with the building plans demonstrating that there is limited to no spillover of lighting onto neighboring properties. In addition, fences and walls are proposed throughout the project site and are conditioned to comply with the visibility and development standards.

Parking

As a Density Bonus project, the development is eligible to utilize the reduced parking standards established under State Density Bonus Law. Based on the proposed unit mix, the project would be required to provide 40 parking spaces under the applicable Density Bonus parking standards, including 1.5 spaces per two- and three-bedroom unit and 2.5 spaces per four-bedroom unit.

The project proposes 60 parking spaces, consisting of 42 garage spaces and 18 open surface spaces, or approximately 2.85 spaces per unit. Therefore, the project would provide 20 additional parking spaces beyond the 40 spaces required under State Density Bonus Law.

For comparison, absent the Density Bonus provisions, the project would otherwise be required to provide a minimum of 96 parking spaces pursuant to the RSLs regulations.

Traffic and Vehicular Circulation

Vehicular access to the site is provided via two driveways, from East 21st Street and Tustin Avenue. The driveway also connects to a dead-end driveway that provides access to eight units. There are no vehicle gates proposed for the development. Bicycle access is provided via the driveways, adjacent sidewalks, and a paseo along Tustin Avenue.

The City's Transportation Division has determined that the proposed residential development is subject to the City's traffic impact fee.

Fire and Emergency Access

To ensure timely and adequate emergency responses, the project is conditioned to prepare and submit a Fire Master Plan (FMP) to the Costa Mesa Fire and Rescue Department for approval prior to the issuance of building permits. The FMP will include, but is not limited to identifying the designated on-site emergency access routes and lanes, all access points to every building, roof access ladders, location of hydrants, and location of stairways.

Tentative Tract Map

A Tentative Tract Map (TTM) is a preliminary subdivision map. The TTM outlines the proposed division of land subject to review and approval by the local agency before final mapping and development. The proposed TTM would subdivide the property into individual fee-simple lots for each of the 21 single-family residences, allowing each dwelling unit to be separately owned.

The Tract Map also establishes easements located throughout the property for utilities, access, and for public pedestrian access to pass through the lot from East 21st Street to Tustin Avenue. Prior to issuance of building permits, Covenants, Conditions, and Restrictions (CC&Rs) will be reviewed and approved by the City Attorney's Office and the Planning Division to ensure compliance with all required laws and conditions of approval (Condition of Approval No. 57).

Density Bonus

California's State Density Bonus Law encourages the development of affordable housing by providing regulatory benefits to qualifying residential projects that include affordable units. Depending on the level of affordability provided, eligible projects may receive a density bonus, incentives or concessions, and waivers or reductions of development standards. The law also allows for reductions in required development standards, known as incentives, concessions, or waivers. Greater benefits are available for projects that reach higher percentages of affordability.

The project consists of 21 dwelling units on a 1.49-acre site, resulting in a proposed density of 14.1 dwelling units per acre. Based on the site's R2-MD zoning designation, the maximum allowable density is 12 dwelling units per acre. Applying this density to the 1.49-acre site results in a base density of 17.88 units, which is rounded up to 18 base units.

Pursuant to Government Code section 65915(b)(1)(B), a housing development that provides at least five percent (5%) of the total base units for rental or sale to lower-income households, as defined in Health and Safety Code section 50079.5, qualifies for a density bonus. For this project, five percent (5%) of the 18 base units equals 0.9 units, which is rounded up to one (1) very-low income, affordable for-sale unit located on Lot 8, which satisfies the minimum threshold for density bonus eligibility.

As a result, the project is entitled to a 20% density bonus pursuant to State Density Bonus Law. Applying this 20% bonus to the 18 base units results in 3.6 additional units, rounded up to four (4) bonus units, for a total allowable density of 22 dwelling units. The applicant is requesting three of the four available density bonus units, resulting in

a proposed 21-unit development consisting of 20 market-rate units and one very-low income deed restricted ownership unit.

Pursuant to Government Code section 65915, the project qualifies for one incentive or concession as the development provides at least five percent for sale very-low-income unit. The applicant is not requesting an incentive/concession for the proposed project.

Under Density Bonus Law, an ownership affordable unit maintains its affordability for 55 years through a recorded density bonus agreement or resale restriction. This agreement is recorded against the property and ensures that the unit is sold only to income-qualified buyers at an affordable price, with restrictions on resale value and buyer eligibility enforced by the City or designated monitoring entity throughout the 55-year term. The final Density Bonus Agreement is subject to the terms within this report, and will be subject to review and approval by the City Attorney's Office and Development Services division. The agreement shall be recorded prior to issuance of any building permits.

As a density bonus project, the project may request waivers or reductions of development standards pursuant to section 65915(e), subject to the required findings that such standards would physically preclude the construction of the project at the proposed density.

Besides granting rights to housing developments to increase density, the law provides three provisions that require local governments to grant qualifying projects:

- 1) Incentives or concessions which result in identifiable and actual cost reductions;
- 2) Waivers of development standards that would physically preclude the development of a project at the density permitted and with the incentives granted; and,
- 3) Reductions in parking requirements (as discussed above).

Waivers

Pursuant to California Government Code section 65915, a qualified Density Bonus project is entitled to request incentives, concessions, waivers, or reductions in development standards. The applicant is requesting ten waivers or reductions of development standards to allow:

- 1) an increased small-lot subdivision lot cap;
- 2) an increased building height;
- 3) a reduced front setback (development lot);
- 4) a reduced rear setback;
- 5) a reduced side yard setback (street side);
- 6) a reduced distanced between buildings;
- 7) a reduced open space;
- 8) a reduced private open space;

- 9) parking within the front setback; and
- 10) location of sidewalk to remain curb adjacent.

The applicant has submitted waivers indicating that the development standards have the effect of physically precluding the construction of the proposed project at its permitted density. The City is not permitted to apply any development standard which physically precludes the construction of the project at its permitted density. The City is not required to waive or reduce development standards that would cause a public health or safety problem, cause an environmental problem, harm historical property, or would be contrary to law. The details of the requested waivers are as follows:

1. **Lot Cap.** Pursuant to CMMC Chapter V, Article 2.5, the Residential Small Lot Subdivision (RSLs) provisions apply to residential subdivisions in multifamily zones up to 15 lots. The project proposes 21 lots to accommodate the 18 base units and three density bonus units at the permitted density, but is proposing to utilize the RSLs standards. The RSLs standards provide for more flexible standards and site configurations than the R2-MD standards. The applicant indicates that the strict application of the 15-lot cap would reduce the developable area of the site and physically preclude construction of the project at the proposed density. Accordingly, a waiver is requested to allow the project to be developed as proposed as a small-lot subdivision consisting of 21 detached, fee-simple residences on individual lots. Accordingly, a waiver is requested pursuant to State Density Bonus Law.
2. **Building Height.** The RSLs development standards limit building height to two stories and 27 feet. The project proposes two-story residences with a maximum height of 31 feet, five inches to accommodate the proposed pitched roof design and associated structural and insulation requirements. The applicant indicates that the application of the 27-foot height limit would constrain the proposed building envelope and physically preclude development of the project at the permitted density. Accordingly, the applicant requests a waiver of the maximum building height standard pursuant to State Density Bonus Law.
3. **Front Setback (Development Lot).** The RSLs development standards require a minimum 20-foot front setback. Pursuant to CMMC section 13-6 (Definitions), Tustin Avenue is considered the front property line. The project proposes a front setback of 6 feet along Tustin Avenue to accommodate a housing unit and an open surface parking space. The applicant indicates that maintaining the full 20-foot setback along the entire Tustin Avenue frontage would reduce the site's buildable area and constrain the project's ability to achieve the proposed residential density. Accordingly, a waiver is requested pursuant to State Density Bonus Law.
4. **Rear Setback.** Small lot subdivisions are required to provide a minimum 15-foot rear yard setback. The project proposes a five-foot setback along Lots 8 and 9 and a six-foot setback along Lots 10 through 13. The applicant indicates that the

strict application of the 15-foot rear yard setback requirement would reduce the developable area of the site and physically preclude construction of the project at the proposed density. Accordingly, a waiver is requested pursuant to State Density Bonus Law.

5. **Side Setback (Street Side).** Small lot subdivisions are required to provide a minimum 10-foot side street setback along East 21st Street. The project proposes a reduced setback along Lots 13 through 17 ranging from seven to nine feet. The applicant indicates that the strict application of the 10-foot side street setback would reduce the developable area of the site and physically preclude construction of the project at the proposed density. Accordingly, a waiver is requested pursuant to State Density Bonus Law.
6. **Building to Building.** Small lot subdivision developments are required to provide a minimum 10-foot setback between buildings. Lots 8 and 9 are separate, detached structures proposed with a six-inch separation to accommodate the density bonus unit count. The applicant indicates that the strict application of the setback would physically preclude the project at the proposed density. The facing walls are designed as one-hour fire-rated exterior walls with no openings or projections, consistent with applicable California Residential Code requirements, and the remaining units are proposed to maintain at least 6.5 feet of separation. Accordingly, a waiver is requested pursuant to State Density Bonus Law.
7. **Open Space.** RSLs developments are required to provide 35% open space of the total lot area. Based on a development lot area of 64,982 square feet, the required minimum open space is 22,744 square feet, or 29.5% of the development lot area. The applicant indicates that providing the required minimum open space would reduce the site's developable area and physically preclude construction of the project at the proposed density. Accordingly, a waiver is requested pursuant to State Density Bonus Law.
8. **Private Open Space.** RSLs developments are required to provide a minimum of 200 square feet of private open space, with no dimension less than 10 feet. The applicant proposes private open space ranging from 237 and 620 square feet. However, some of these areas are proposed with a five-foot minimum dimension and do not meet the required 10-foot minimum dimension. The applicant indicates that providing the 10-foot minimum dimension would reduce the developable area of the site and physically preclude construction of the project at the proposed density. Accordingly, a waiver is requested pursuant to State Density Bonus Law.
9. **Parking.** In all zones, no parking is permitted in any required setback areas abutting a public street except in driveway serving the garage of only one dwelling unit. The project includes one parking space within the front setback along Tustin Avenue. The applicant indicates that a waiver is necessary to

accommodate the proposed site and residential unit configuration within the available developable area. Accordingly, a waiver of this requirement is requested pursuant to State Density Bonus Law.

10. **Sidewalk in Public Right-of-Way.** During plan review, the Engineering Division requested that the applicant remove the existing sidewalk along East 21st Street at the curb, relocate it adjacent to the site's property line, and replace the area between the sidewalk and curb with a landscaped median within the public right-of-way, consistent with the City's standard practice for new development and the City's Streetscape and Median Development Standards, section 3.0, Public Rights-of-Way and Parkways - General Criteria. The applicant subsequently requested a Density Bonus waiver from this requirement, asserting that relocating the sidewalk would reduce the area between the public right-of-way and the proposed development and further constrain the project's street side setback. The project frontage along Tustin Avenue was not subject to this infrastructure improvement because the public right-of-way is within the City of Newport Beach. The requested waiver applies only to the public right-of-way along East 21st Street; the existing sidewalk would remain in its current location. The Engineering Division evaluated the request and determined that allowing the existing sidewalk to remain would not result in a specific adverse impact on public health or safety, and staff has not identified any conflict with state or federal law.

Concession

The applicant is not requesting a concession/incentive to deviate from any development standards. However, the applicant has reserved the right to request an available incentive or concession should it become necessary during project processing.

A concession or incentive must be granted unless the City makes one of the written findings set forth in Government Code section 65915(d), including that:

- (1) the concession does not result in identifiable and actual cost reductions to provide for affordable housing costs;
- (2) the concession would have a specific, adverse impact on public health or safety or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable to low-income and moderate-income households; or
- (3) the concession would be contrary to state or federal law.

General Plan Conformance

The proposed residential development fulfills the goals, objectives, and policies of the general plan by providing new housing opportunities and will create new temporary construction employment opportunities within the City. The following analysis evaluates the proposed project's consistency with specific goals, objectives, and policies of the General Plan including the Land Use, Housing, Circulation, and Open Space Elements.

Policy LU-1.3: *Strongly encourage the development of residential uses and owner-occupied housing (single-family detached residences, condominiums, townhouses) where feasible to improve the balance between rental and ownership housing opportunities.*

Consistent. Table HOU-12 in the City's General Plan Housing Element indicates that 43 percent of Costa Mesa households are owners while 57 percent are renters. The proposed development would provide 21 additional ownership housing units that will reduce the gap between ownership and rental housing in the City.

Policy HOU-2.1: *Facilitate the development of housing that meets the needs of all segments of the population including affordable housing and households with specialized needs.*

Consistent. The project proposes to include 21 residential units, including one-very-low income unit. By increasing the City's housing supply and providing an affordable housing opportunity, the project would further the City's goal of facilitating housing for a range of household income levels.

FINDINGS

Pursuant to CMMC section 13-29(g), Findings, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets specified findings to approve each application.

Design Review

Pursuant to CMMC section 13-29(g)(14), in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets the following applicable required Design Review findings:

- *The project complies with the City of Costa Mesa Zoning Code and meets the purpose and intent of the residential design guidelines, which are intended to promote design excellence in new residential construction, with consideration being given to compatibility with the established residential community. This design review includes site planning, preservation of overall open space, landscaping, appearance, mass and scale of structures, location of windows,*

varied roof forms and roof plane breaks, and any other applicable design features.

Consistent. The project complies with the applicable objective provisions of the Costa Mesa Zoning Code and subdivision regulations, as identified in the Development Standards Table on page 3 of this report. The project has been reviewed for site planning, open space, landscaping, building mass and scale, and other applicable objective development standards. The project provides private and common open space, landscaping, pedestrian circulation, and varied building elevations and roof forms consistent with the applicable objective standards. Because the project is subject to the Housing Accountability Act, the City's subjective Residential Design Guidelines are not applied as a basis for approval or denial of the project. Accordingly, the project is consistent with the applicable objective standards and review criteria governing the proposed development.

- The visual prominence associated with the construction of a two-story house or addition in a predominantly single-story neighborhood has been reduced through appropriate transitions between the first and second floors and the provision of second floor offsets to avoid unrelieved two-story walls.

Consistent. The project is subject to the Housing Accountability Act and has therefore been reviewed based on applicable objective development standards and review criteria. The City's Residential Design Guidelines, including the provisions addressing visual prominence, second-story transitions, and second-floor offsets, contain subjective design standards and are not applied as a basis for approval or denial of the project. The proposed development consists of two-story detached residences and has been evaluated for compliance with the applicable objective standards governing building height, setbacks, building separation, and site design. Accordingly, compliance with the specific subjective design guideline regarding two-story visual prominence is not required for approval of the project.

- As applicable to affordable multi-family housing developments, the project complies with the maximum density standards allowed pursuant to the general plan and provides affordable housing to low or very-low income households, as defined by the California Department of Housing and Community Development. The project includes long-term affordability covenants in compliance with state law.

Consistent. The project consists of 21 dwelling units on a 1.49-acre site, resulting in a proposed density of 14.1 dwelling units per acre. The site's R2-MD zoning designation permits a maximum density of 12 dwelling units per acre, resulting in a base density of 17.88 units, which is rounded up to 18 base units;

the additional three units are provided pursuant to the State Density Bonus Law. The project includes one very-low-income, deed-restricted for-sale unit, which will be subject to long-term affordability restrictions in accordance with applicable state law.

Tentative Tract Map No. 19412

Pursuant to CMMC section 13-29(g)(13), Findings, in order to approve the project, the Planning Commission must find that the evidence presented in the administrative record substantially meets the following applicable required Tentative Tract Map findings:

- *The creation of the subdivision and related improvements is consistent with the General Plan, any applicable specific plan, and this Zoning Code.*

Consistent. The creation of the subdivision aligns with the land use designation of the General Plan by promoting residential ownership. Additionally, the subdivision complies with the local Zoning Code, and State laws by conforming to established development regulations. The proposed map will allow for each individual unit to be sold separately.

- *The proposed use of the subdivision is compatible with the General Plan.*

Consistent. The proposed development aligns with the General Plan by addressing the critical need for housing options within the community. Located near existing single and multi-family development, this development promotes the City's goals of increasing residential density and encouraging ownership occupied housing.

- *The subject property is physically suitable to accommodate the subdivision in terms of type, design and density of development, and will not result in substantial environmental damage nor public health problems, based on compliance with the Zoning Code and general plan, and consideration of appropriate environmental information.*

Consistent. The proposed project is an in-fill development and is located in an urbanized area. The proposed lots and residential units comply with the applicable RSLs standards and are designed to accommodate the proposed development and necessary utilities. There are no wildlife habitat or bodies of water on the site or nearby, further ensuring that the development will not result in substantial environmental damage. This strategic location allows for the efficient use of already developed land, minimizing the need for additional site disturbance and preserving green spaces elsewhere in the community.

- The design of the subdivision provides, to the extent feasible, for future passive or natural heating and cooling opportunities in the subdivision, as required by State Government Code section 66473.1.

Consistent. The design of the proposed development thoughtfully considers the orientation of the lot, aligning in a manner that maximizes solar exposure, ensuring natural passive heating during colder months. Each single-family residence has operable windows and doors on each side of the building which will allow for airflow through the units allowing for natural heating and cooling opportunities. All buildings (except Lots 8 & 9) are spaced a minimum six feet apart which allows for airflow between buildings throughout the project site. Additionally, the layout incorporates various outdoor amenity areas at the center of the development and green spaces to promote natural airflow and cooling, minimizing the need for artificial heating or air conditioning. This approach reflects the principles outlined in State Government Code section 66473.1.

- The division and development will not unreasonably interfere with the free and complete exercise of the public entity and/or public utility rights-of-way and/or easements within the tract.

Consistent. The proposed development has been designed to ensure that all existing public entity and utility rights-of-way and easements within the subdivision remain accessible and unobstructed. Coordination with utility providers and the City will be maintained throughout the development process to avoid any disruptions and ensure that essential services can continue to operate efficiently.

- The discharge of sewage from this land division into the public sewer system will not violate the requirements of the State Regional Water Quality Control Board pursuant to Division 7 (commencing with State Water Code section 13000).

Consistent. The discharge of sewage from this infill project into the existing public sewer system will not violate the requirements of the State Regional Water Quality Control Board pursuant to Division 7 of the State Water Code (commencing with section 13000), as the project site is currently served by existing utilities with adequate capacity, and the proposed development will not exceed the design limitations of the existing sewer infrastructure or treatment facilities.

In addition, pursuant to the California Subdivision Map Act at Government Code section 66474, a proposed subdivision must be denied if one or more of the below findings are made:

1. "That the proposed map is not consistent with applicable general and specific plans as specified in section 65451;

2. That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans;
3. That the site is not physically suitable for the type of development;
4. That the site is not physically suitable for the proposed density of development;
5. That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat;
6. That the design of the subdivision or type of improvements is likely to cause serious public health problems; and
7. That the design of the subdivision or the type of improvements will conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision. In this connection, the governing body may approve a map if it finds that alternate easements, for access or for use, will be provided, and that these will be substantially equivalent to ones previously acquired by the public. This subsection shall apply only to easements of record or to easements established by judgment of a court of competent jurisdiction and no authority is hereby granted to a legislative body to determine that the public at large has acquired easements for access through or use of property within the proposed subdivision."

None of the above findings of section 66474 can be made or associated with the proposed subdivision as the subdivision addresses, among other things, consistency with the General Plan, physical suitability of the site for the proposed type and density of development, potential environmental impacts, and potential conflicts with public easements. Based on the analysis of the proposed subdivision, the project is consistent with applicable General Plan and zoning designations, the site is physically suitable for the proposed residential density and improvements, and the design does not result in identified environmental or public health impacts. Furthermore, the proposed subdivision does not conflict with any recorded easements for public access.

Density Bonus

Pursuant to CMMC section 13-29(g)(3) in order to approve the request for Density Bonus, the Planning Commission must find that the evidence presented in the administrative record substantially meets the following applicable required Density Bonus findings:

- The request is consistent with State Government Code section 65915 et. seq. regarding density bonuses and other incentives, the general plan, any applicable specific plan, and Chapter IX special regulations, Article 4 density bonuses and other incentives.

Consistent. The project proposes 21 dwelling units on a 1.49-acre site, consisting of 18 base units and three additional bonus units provided pursuant to State Density Bonus Law. The project includes one very-low-income, deed-restricted for-sale unit, representing at least five percent of the total units, and therefore qualifies for the applicable density bonus and associated incentive, concession, waivers, or reductions of development standards under Government Code section 65915. The requested density bonus and development standard waivers are consistent with State Density Bonus Law and Chapter IX, Special Regulations, Article 4, Density Bonuses and Other Incentives, and support the production of affordable housing. The project is also consistent with General Plan Land Use Policy LU-1.3 and Housing Element Policy HOU-2.1, which support diverse housing opportunities and housing affordable to lower-income households.

- The requested density bonus and incentive or concession constitute the minimum amount necessary to provide housing at the target rents or sale prices and/or a child care facility.

Consistent. The project proposes 21 dwelling units, including one very-low-income, deed-restricted for-sale unit. The project qualifies for a density bonus and the applicable incentives, concessions, waivers, or reductions of development standards pursuant to Government Code section 65915 based on the provision of very-low-income housing. The requested waivers are limited to the development standards identified in this report and constitute the minimum relief necessary to allow the project to provide the proposed affordable housing at the permitted density and associated affordable sale price.

- The granting of the incentive or concession is required in order to provide for affordable housing costs, as defined in Health and Safety Code section 50052.5 or for rents for the targeted units.

Consistent. The project proposes 21 dwelling units, including one very-low-income, deed-restricted for-sale unit, representing approximately 5.6 percent of the project's 18-unit base density. Based on the provision of the very-low-income unit, the project qualifies for the applicable density bonus benefits under State Density Bonus Law, including an incentive or concession; however, the applicant is not requesting an incentive or concession at this time and is instead requesting waivers of development standards. Accordingly, there is no incentive or concession to evaluate under this finding regarding whether the incentive or concession is necessary to provide affordable housing costs as defined in Health and Safety Code section 50052.5. The applicant has reserved the right to request an available incentive or concession should it become necessary during project processing.

- The granting of the incentive or concession and/or the waiver or reduction of development standards does not have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Government Code section 65589.5 upon health, safety, or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact.

Consistent. The requested waivers are for lot cap, building height, front setback, rear setback, side setback, distance between buildings, open space, private open space, parking within the front setback, and sidewalk location. The requested waivers are minimal in that they will not impact the circulation or safety of the proposed development. The waivers are necessary to accommodate the number of units on the site. The buildings will be required to be constructed in compliance with the Building Code. Therefore, granting the waivers will have no negative impacts on the health, safety, or physical environment of the project site.

- The granting of the incentive or concession and/or the waiver or reduction of development standards does not have an adverse impact on any real property that is listed in the California Register of Historical Resources.

Consistent. The proposed project is not located in proximity to real property listed in the California Register of Historic Resources and will therefore have no impacts.

Review Criteria

Pursuant to CMMC section 13-29(e), all planning applications shall be reviewed for consistency with the following review criteria. Below is a summary of the project's conformity with each criterion:

Review criteria for all planning applications consist of the following:

- 1) Compatible and harmonious relationship between the proposed building and site development, and use(s), and the building and site developments, and uses that exist or have been approved for the general neighborhood.

The proposed development is consistent and compatible with the surrounding neighborhood in terms of land use, scale, and overall site design. The project has been designed to provide an appropriate transition to adjacent development through the incorporation of building articulation, landscaping, architectural elements, and site design features that complement the character of existing development in the area. The proposed residential use is compatible with the surrounding area, which includes a mix of single-family and multi-family residential uses.

- 2) Safety and compatibility of the design of buildings, parking area, landscaping, luminaries and other site features which may include functional aspects of the site development such as automobile and pedestrian circulation.

The project has been designed to provide safe and functional circulation for vehicles and pedestrians through the incorporation of designated drive aisles, parking areas, pedestrian pathways, landscaping, and lighting improvements. The project is a single-family detached residential development with a central driveway providing ingress and egress from East 21st Street and Tustin Avenue. Pedestrian access is provided by sidewalks accessing the public right-of-way and a paseo accessing Tustin Avenue. The proposed site improvements have been reviewed by applicable City departments to ensure compliance with applicable safety requirements and standards.

- 3) Compliance with any performance standards as prescribed elsewhere in this Zoning Code.

The project has been evaluated for consistency with the applicable objective development standards of the Costa Mesa Municipal Code. The applicant has requested waivers of certain development standards, including lot cap, building height, front setback, rear setback, side setback, distance between buildings, open space, private open space, parking within the front setback, and sidewalk location requirements, pursuant to the State Density Bonus Law (Government Code section 65915). The requested waivers are permitted under the State Density Bonus Law and are necessary to accommodate the proposed development while providing affordable housing units. Therefore, with approval of the requested waivers and applicable conditions of approval, the project remains consistent with the applicable performance standards of the Zoning Code.

- 4) Consistency with the general plan and any applicable specific plan.

The proposed project is consistent with the broader goals of the General Plan by providing a development of residential uses and owner-occupied housing, as specified in General Plan Land Use Policy LU-1.3.

- 5) The planning application is for a project-specific case and is not to be construed to be setting a precedent for future development.

The application has been reviewed based on the specific characteristics of the proposed development, including the site constraints, applicable regulations, and project design. Approval of this application does not establish a precedent or authorize future projects to deviate from applicable standards, as each future application will be evaluated independently based on its own merits and applicable regulations.

- 6) When more than one planning application is proposed for a single development, the cumulative effect of all the planning applications shall be considered.

The proposed development has been evaluated based on the cumulative effects of all requested planning approvals associated with the project.

- 7) For residential developments, consistency with any applicable design guidelines adopted by city council resolution.

The project is a housing development project subject to the Housing Accountability Act. Pursuant to Government Code section 65589.5, the City may not apply subjective design standards to the project as a basis for approval or denial. The project has therefore been evaluated based on applicable objective development standards.

- 8) For affordable multi-family housing developments which include a minimum of 16 affordable dwelling units at no less than 20 dwelling units per acre, the maximum density standards of the general plan shall be applied, and the maximum density shall be permitted by right and not subject to discretionary review during the design review or master plan application process.

The project does not qualify as an affordable multi-family housing development meeting the criteria identified above because it does not include a minimum of 16 affordable dwelling units at a density of no less than 20 dwelling units per acre. Therefore, this criteria is not applicable to the proposed development.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The project is exempt from the provisions of the CEQA pursuant to CEQA Guidelines section 15332 (Class 32), Infill Development Projects. The Class 32 exemption applies to projects characterized as in-fill development that are consistent with the applicable General Plan designation and zoning regulations; occur within city limits on a site of no more than five acres substantially surrounded by urban uses; have no value as habitat for endangered, rare, or threatened species; would not result in significant effects relating to traffic, noise, air quality, or water quality; and can be adequately served by all required utilities and public services.

The proposed project consists of a 21-unit for-sale single-family residential development and associated site improvements on an approximately 1.49-acre site within an urbanized area of the City of Costa Mesa. The project meets the location and site-related criteria for the exemption because the site is less than five acres, is located entirely within City limits, and is substantially surrounded by existing urban development, and does not contain habitat of value for endangered, rare, or threatened species. The project is also consistent with the applicable General Plan

designation and zoning regulations, subject to approval of the requested planning applications.

The project would not result in significant environmental effects related to traffic, noise, air quality, or water quality. As part of the project review, technical studies were prepared to evaluate potential environmental impacts associated with the proposed use and were also peer reviewed by EPD Solutions, Inc., a City retained consultant. The traffic analysis determined that the proposed 21-unit residential development would generate approximately 191 net daily trips, 15 AM peak-hour trips, and 19 PM peak-hour trips and is located within a Low VMT Zone. Therefore, the project satisfies the City's Low VMT Area Screening criteria and is presumed to result in a less-than-significant VMT impact and would not result in significant transportation impacts.

The noise and vibration analysis determined that that noise generated by the future residential uses would be approximately 54.2 dBA during the daytime and 49.9 dBA during the nighttime at the site boundary, which would not exceed the City's applicable exterior noise thresholds of 55 dBA and 50 dBA, respectively.

The air quality analysis determined that construction and operational emissions would remain below applicable SCAQMD significance thresholds and would not result in significant air quality impacts.

Furthermore, the project includes an on-site stormwater drainage system that would collect and convey runoff to an underground infiltration basin beneath the internal driveway, where stormwater from minor events would be treated and infiltrated. During larger storm events, overflow would discharge to the adjacent public streets consistent with existing drainage patterns.

Based on the findings of the technical studies, the proposed project would not result in significant impacts related to traffic, noise, air quality, or water quality. The project would also be adequately served by existing utilities and public services.

Additionally, none of the exceptions that would preclude the use of a categorical exemption pursuant to CEQA Guidelines section 15300.2 apply. The project would not result in a significant cumulative impact or have a significant effect on the environment due to unusual circumstances. The technical studies prepared for the project demonstrate that no significant impacts are anticipated from the proposed use. Additionally, the project would not result in damage to scenic resources within a designated state scenic highway; is not located on a hazardous waste site identified pursuant to Government Code section 65962.5; and would not cause a substantial adverse change in the significance of a historical resource. Therefore, the project qualifies for a Class 32 categorical exemption pursuant to CEQA Guidelines section 15332.

ALTERNATIVES

Planning Commission determination alternatives include the following:

1. Approve the project. The Planning Commission may approve the project as proposed, subject to the conditions outlined in the attached Resolution.
2. Approve the project with modifications. The Planning Commission may approve the project with modifications or additional conditions that are supported by the applicable findings for the Design Review, Tentative Tract Map, and Density Bonus applications, as described in the Findings section of this report, and that are consistent with applicable objective standards and State law. Because the project is subject to the Housing Accountability Act (Government Code Section 65589.5), Senate Bill 330, and State Density Bonus Law (Government Code Section 65915), Commission-directed modifications may not reduce the proposed residential density, have the same effect as reducing the project's ability to provide housing, impose an inapplicable or subjective development standard, or require compliance with a development standard for which a Density Bonus waiver is required, unless the applicable findings required by State law can be made. The Commission may identify other modifications for the applicant's consideration that the applicant may voluntarily accept. If the Commission determines that substantial modifications are necessary, it should identify the applicable finding or objective standard supporting the requested modification and may continue the hearing, as appropriate, to allow staff and the applicant to evaluate the proposed change, subject to applicable State law limitations on housing development review.
3. Deny the project. If the Planning Commission believes that there are insufficient facts to support the findings for approval, the Planning Commission should deny the application, provide facts in support of denial, and direct staff to incorporate the findings into a Resolution for denial. If the project is denied, the applicant could not submit substantially the same type of application for six months. However, because this project is subject to the Housing Accountability Act (Government Code section 65589.5), if the Planning Commission denies or directs a reduction in the proposed density of the housing project, and the development is determined to be consistent with applicable, objective general plan, zoning, and subdivision standards and criteria, the Planning Commission must make the following written findings:
 - The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density; and
 - There is no feasible method to satisfactorily mitigate or avoid the adverse impact, other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density. (Feasible means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors).

LEGAL REVIEW

The draft Resolution and this report have been approved as to form by the City Attorney's Office.

PUBLIC NOTICE

Pursuant to Title 13, section 13-29 (d) of the Costa Mesa Municipal Code, three types of public notification have been completed no less than 10-days prior to the date of the public hearing:

1. **Mailed notice.** A public notice was mailed to all property owners and occupants within a 500-foot radius of the project site on September 16, 2026. The required notice radius is measured from the external boundaries of the property.
2. **On-site posting.** A public notice was posted on each street frontage of the project site on September 17, 2026.
3. **Newspaper publication.** A public notice was published once at least 10 days before the Planning Commission meeting in the Daily Pilot newspaper on Friday, September 18, 2026.

As of the date of this report, one written public comment has been received. Any public comments received prior to the September 28, 2026, Planning Commission meeting will be forwarded separately to the Planning Commission.

CONCLUSION

The proposed residential ownership project would redevelop an existing vacant lot into a high quality, 21 dwelling unit project including one very-low income unit. The proposed development, as conditioned, would be compatible with the surrounding residential development and would not be materially detrimental to other properties within the area. Therefore, staff recommends approval of the proposed project, subject to conditions of approval.

ATTACHMENTS

1. Draft Planning Commission Resolution (Project)
 - Exhibit A - Findings
 - Exhibit B - Conditions of Approval
 - Exhibit C - Engineering Conditions of Approval
2. Applicant Letter
3. Density Bonus Letter
4. CEQA Class 32 Exemption Memo
5. Project Plans

6. Public Comments