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# Housing Element Update

## 2021-2029

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# Current Households by Income Category Estimates



Households by Income Category, 2020

Income Category (% of Orange County's AMI)	No. of Households	Percent
Extremely Low (30% AMI or less)	6,610	16.3%
Very Low (31 to 50% AMI)	5,220	12.9%
Low (51 to 80% AMI)	7,325	18.1%
Moderate or Above (over 80% AMI)	21,405	52.8%
<b>Total</b>	<b>40,555</b>	<b>100%</b>

Source: Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS), 2013-2017.



# Costa Mesa RHNA Allocation

Income Category	% of Area Median Income (AMI)	Affordable Monthly Rent <sup>1</sup>	Income Range <sup>2</sup>		RHNA Allocation (Housing Units)
			Minimum	Maximum	
Very Low Income	0 - 50% AMI	\$961-\$1,281	--	\$64,050	2,919 units
Low Income	51 – 80% AMI	\$2,561	\$64,051	\$102,450	1,794 units
Moderate Income	81 – 120% AMI	\$3,090	\$102,451	\$123,600	2,088 units
Above Moderate Income	>120% AMI	> \$3,090	\$123,601	--	4,959 units
<b>TOTAL:</b>					<b>11,760 units</b>

1. 30% gross household income is “affordable” for a family of 4 and includes utilities/services such as basic water, sewer, and trash.
2. Income range is based on HCD’s State Income Limits for 2020 for Orange County (based on a median of \$103,000 for a family of 4).



# Recommended Strategies

- Amendments to Specific Plans, Urban Plans, and Overlays within the City as the mechanism for making zoning changes
- Accessory Dwelling Units (ADUs) estimate, to be built over the next 8 years
- Identifying capacity in new areas not previously considered





# Recommended Strategies

- The City will identify sites within each corridor/area as part of the Housing Element, but the boundary and development characteristics of those areas will be determined through programs following adoption of the Housing Element





# Current vs. Potential

Urban Plan/Specific Plan/Overlay	Current	Proposed
<b>Residential Incentive Overlay</b>	<b>Size:</b> 12 acres <b>Density:</b> 30 du/ac <b>Potential Units:</b> 473	<b>Density Proposed:</b> 50 du/ac <b>Potential Units:</b> 1,075 – 1,125
<b>Harbor Blvd. Mixed Use Overlay</b>	<b>Size:</b> 24.5 acres <b>Density:</b> 40 du/ac <b>Potential Units:</b> 491	<b>Density Proposed:</b> 50 du/ac <b>Potential Units:</b> 1,350 – 1,400
<b>Mesa West Residential Ownership Overlay</b>	<b>Size:</b> 129 acres <b>Density:</b> 20 du/ac <b>Potential Units:</b> 282 remaining	Propose to remove.
<b>19 West Urban Plan</b>	<b>Size:</b> 129 acres <b>Density:</b> 20 du/ac <b>Potential Units:</b> 282 remaining	<b>Density Proposed:</b> 50 du/ac <b>Potential Units:</b> 750 – 800
<b>Mesa West Bluffs Urban Plan</b>	<b>Size:</b> 277 acres <b>Density:</b> 20 du/ac <b>Potential Units:</b> 562 remaining	<b>Density Proposed:</b> 40 du/ac <b>Potential Units:</b> 2,080 – 2,120



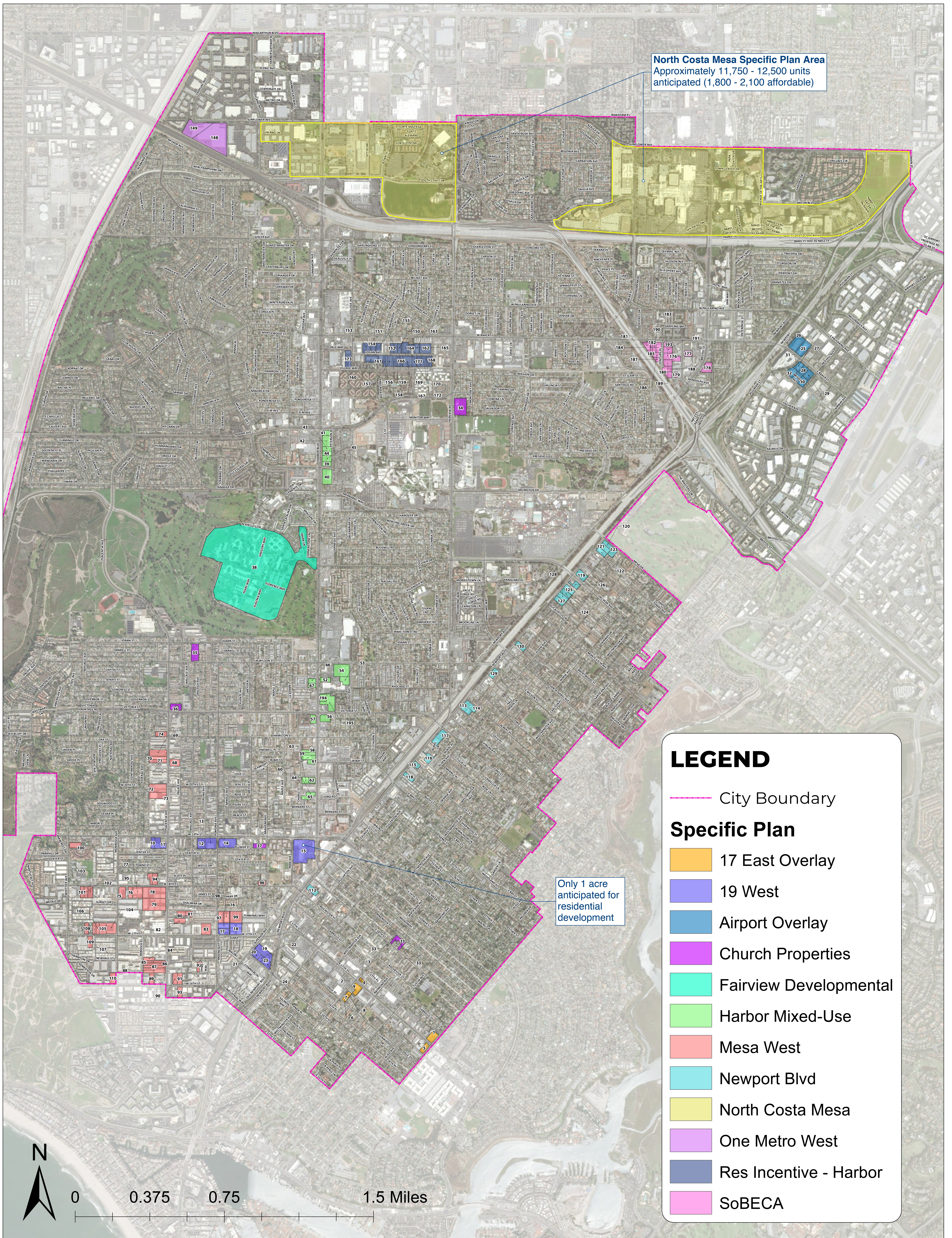


# Current vs. Potential

Urban Plan/Specific Plan/Overlay	Current	Site Area Identified
<b>North Costa Mesa Specific Plan</b>	<b>Size:</b> 37 acres <b>Density:</b> 30-100 du/ac <b>Potential Units:</b> 535	<b>Density Proposed:</b> 80-90 du/ac <b>Potential Units:</b> 11,750 – 12,500
<b>Newport Blvd Specific Plan</b>	<b>Size:</b> 68 acres <b>Density:</b> 17.4 du/ac <b>Potential Units:</b> 159	<b>Density Proposed:</b> 50 du/ac <b>Potential Units:</b> 900 - 950
<b>SoBECA Plan</b>	<b>Size:</b> 32 acres <b>Density:</b> 40 du/ac <b>Potential Units:</b> 450	<b>Density Proposed:</b> 60 du/ac <b>Potential Units:</b> 750 - 800
<b>Fairview Developmental Center</b>	<b>Size:</b> 102 acres <b>Density:</b> Up to 40 du/ac <b>Potential Units:</b> 535	<b>Density Proposed:</b> 60 du/ac <b>Potential Units:</b> 1500 - 2500





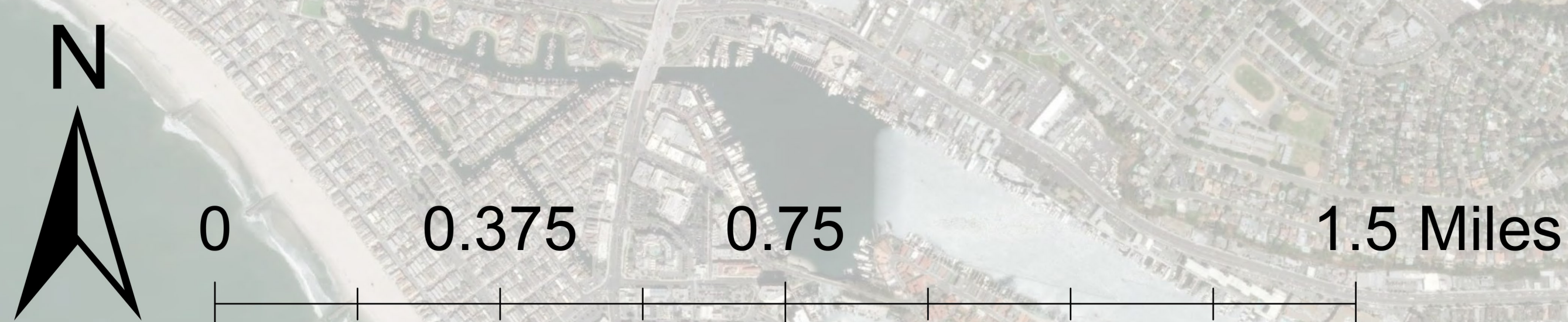


**North Costa Mesa Specific Plan Area**  
 Approximately 11,750 - 12,500 units  
 anticipated (1,800 - 2,100 affordable)

Only 1 acre  
 anticipated for  
 residential  
 development

**LEGEND**

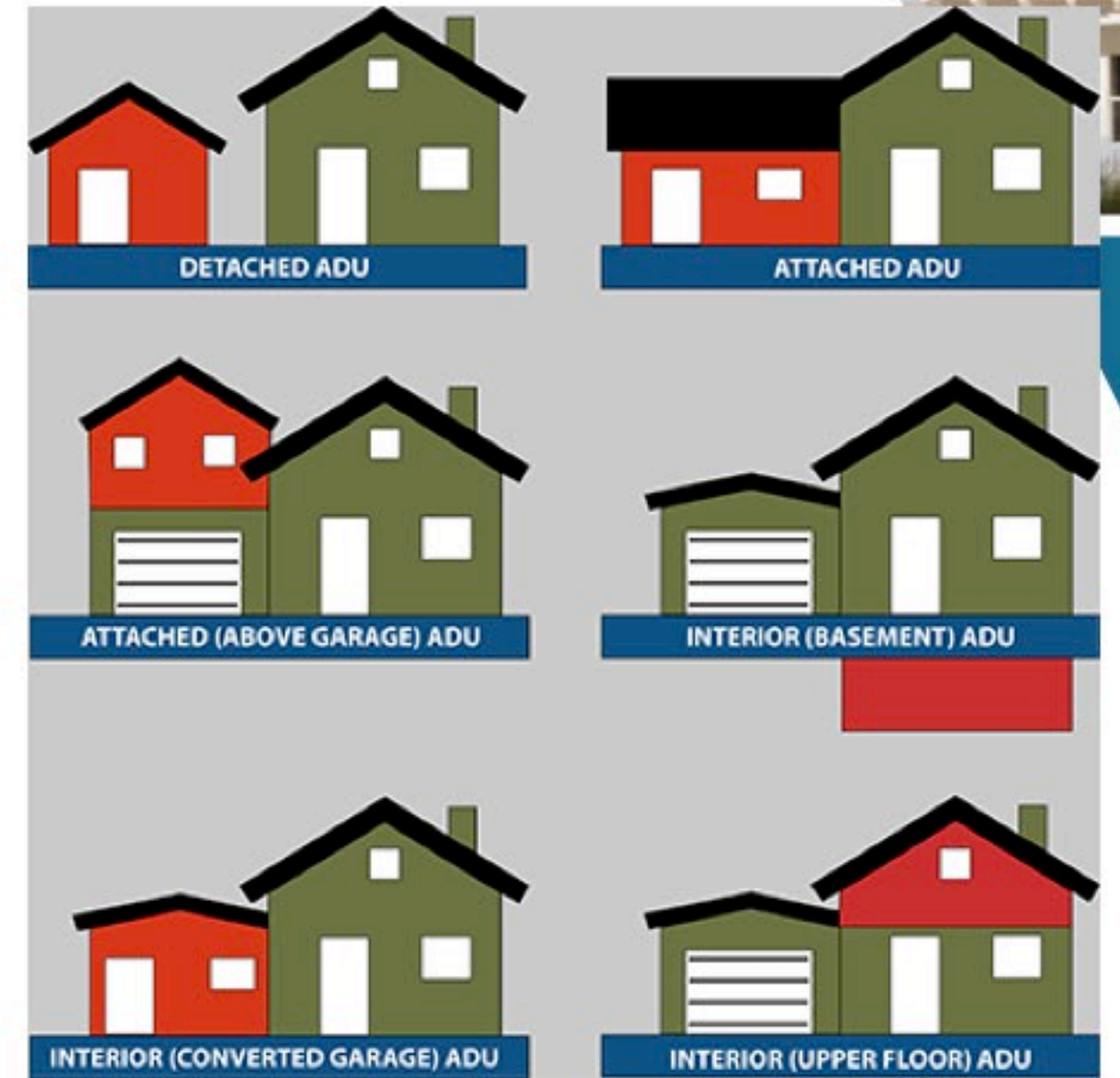
- City Boundary
- Specific Plan**
- 17 East Overlay
- 19 West
- Airport Overlay
- Church Properties
- Fairview Developmental
- Harbor Mixed-Use
- Mesa West
- Newport Blvd
- North Costa Mesa
- One Metro West
- Res Incentive - Harbor
- SoBECA





# ADU Draft Methodology

- Accessory Dwelling Units are an important way for Costa Mesa to create housing that may be more affordable
- The City has determined there is the potential for **approximately 850 accessory dwelling units** to be built within the next 8 years
  - City saw an increase from 6 ADUs in 2019 to 19 in 2020
  - To date in 2021, the City has received 34 applications for ADUs
  - Projected to continue to increase as new laws are implemented and the City considers programs which promote ADU development



Source: American Planning Association (APA)



# Opportunities & Constraints

- Potential governmental constraints
  - Local regulations and processes, such as fees or project review periods
  - Development standards
  - Local initiatives, such as Measure Y
- Potential non-governmental constraints
  - Land and construction costs
  - Protected land or unsuitable land





# Opportunities & Constraints

- The Housing Element also looks at opportunities and resources to potentially lessen or remove identified constraints
- Potential resources and opportunities
  - Inclusionary Housing Ordinance
  - State Density Bonus Laws
  - Streamlined application processing
  - Review of development standards
  - Housing Programs (examples discussed later in the presentation)





# Potential Constraint

- Measure Y requires voter approval of projects which meet certain criteria, including:
  - General Plan Amendment, Specific Plan Amendment, or Rezone; and
  - Exceeds 40 units, 10,000 square feet of new building area, or other specific criteria
- Introduces risk to the housing development process which discourages investment
- In mid-2020, the City Council voted to explore forming a citizen advisory committee to discuss Measure Y





# Potential Opportunity

- Revisions to Density Bonus Law (AB 2345 - January 1, 2021) expanded and enhanced development incentives for projects with affordable and senior housing.
  - Density Bonus from 35% to 50%
- Density Bonus projects must set aside at least:
  - 15% of units for very low-income households, or
  - 24% of units for low-income households, or
  - 44% of for-sale units for moderate income households.
- There have not been any Density Bonus projects in Costa Mesa in recent years





# Remaining Project Timeline

