



**City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Planning Commission Staff Report
March 24, 2025**

Topic: Site Plan Review No. 2025-01, Vesting Tentative Tract Map No. 2025-01, and Density Bonus Agreement No. 2025-01 – MLC Holdings, Inc./Meritage Homes at 2020 East First Street

RECOMMENDED ACTIONS

1. Adopt a resolution approving Site Plan Review No. 2025-01, as conditioned;
2. Adopt a resolution approving Vesting Tentative Tract Map No. 2025-01 (County Map No. 19337), as conditioned; and
3. Adopt a resolution approving a concession in development standards as memorialized in Density Bonus Agreement No. 2025-01, as conditioned.

EXECUTIVE SUMMARY

Louisa Feletto, with MLC Holdings, Inc./Meritage Homes, representing property owner Paul Miskowicz with 2020 E First, LLC, is requesting approval of Site Plan Review Application (SPR) No. 2025-01, Vesting Tentative Tract Map (VTTM) No. 2025-01 (County Map No. 19337) for condominium purposes, and Density Bonus Application (DBA) No. 2025-01 to allow the construction of a multi-family residential development, which includes eighty townhome units and six duplexes (eighty-six total units), at the property located at 2020 East First Street. Pursuant to Sections 2.3 and 8.1 the Metro East Mixed-Use Overlay Zone (MEMU), in order to exercise the option to develop a multi-family residential project under the MEMU, an SPR application needs to be approved by the Planning Commission. Specifically, the applicant is requesting the SPR to facilitate the redevelopment of the site and activate the Active Urban (AU) district of the MEMU. In addition, pursuant to Section 34-127, approval of a VTTM application is required for projects proposing to create four or more parcels.

The development will include five units designated for very low-income households earning 30-50 percent of the Area Median Income (AMI). As proposed, the project will utilize one concession to deviate from MEMU development standards through the density bonus agreement pursuant to California Government Code Sections 65915 through 65918 and

Santa Ana Municipal Code (SAMC) Sections 41-1600 through 41-1607. Staff recommends approval of the applicant's request as the project aligns with the intent of the General Plan and MEMU overlay district to establish residential mixed-use and employment centers that are well-connected to public transportation. Additionally, the project contributes to the community's affordable and market-rate ownership housing stock, represents a significant reinvestment in a currently-vacant site, does not result in adverse environmental impacts or serious public health concerns, and is consistent with various goals and policies of the General Plan.

DISCUSSION

Table 1: Project and Location Information

Item	Information	
Project Address and Council Ward	2020 East First Street – Ward 3	
Nearest Intersection	East First Street and Golden Circle Drive	
General Plan Designation	District Center – Medium High (DC – 3)	
Zoning Designation	General Commercial (C2); Active Urban (AU) within the Metro East Use Overlay Zone (MEMU)	
Surrounding Land Uses	North	Eating Establishment/Commercial
	East	Multifamily Residences
	South	School (in the City of Tustin)
	West	Medical Office and Recreation Field
Property Size	Gross Area: 3.72 acres (161,956 square feet)	
	Net Area: 3.68 acres (160,130 square feet)	
Existing Site Development	118,192-square-foot office building (Currently Vacant)	
Use Permissions	Multi-Family Residential	
Zoning Code Sections Affected	Uses	Article XVI.I (Density Bonus); Active Urban within the Metro East Mixed Use Overlay Zone (MEMU); and Chapter 34 (Subdivisions)

Background and Context

The project site is currently developed with a five-story, 118,192-square-foot office building and a parking lot, both constructed in 1985. The office building is currently vacant and has been vacant since December 2012. The vacant building would be demolished as part of the proposed project.

The project site is located within the MEMU Overlay Zone. The MEMU Overlay Zone was adopted in 2007 to facilitate mixed-used development opportunities in a portion of the City between the Santa Ana (I-5) and Costa Mesa (SR-55) freeways centered on First and Fourth streets. In 2018, the City approved an expansion of the MEMU primarily along First Street to Grand Avenue that resulted in an additional 33 acres of potential mixed-use development. As part of the MEMU expansion in 2018, the City Council certified a Subsequent Environmental Impact Report (SEIR), which contained an updated Mitigation

Monitoring and Reporting Program. The MEMU overlay allows for a variety of housing and commercial developments, including mixed-use residential communities, live/work units, hotels, and offices. The applicant would be activating the MEMU overlay zone to develop to the development standards allowable in the Active Urban (AU) district of the MEMU.

California Senate Bill 330

The applicant is proposing a “housing development project,” defined by Government Code Section 65589.5(h) as “a use consisting of residential units only, mixed use development consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use, and transitional housing or supportive housing.” As such, the subject development will be subject to the limitations imposed by California Senate Bill (SB) 330, the Housing Crisis Act of 2019 or the HCA.

SB 330 made numerous changes to existing State law and adopted the Housing Crisis Act of 2019. The changes proposed by SB 330 became effective on January 1, 2020, establishing a statewide “housing emergency” until January 1, 2025. One of the provisions of the senate bill amended Government Code Section 65941.1 with the broad goals of facilitating increased production of new residential units, protecting existing units, and providing for an expedited review and approval process for housing development projects through submittal of a “preliminary application.” On January 1, 2022, the HCA was extended until January 1, 2030, with the passage of Senate Bill 8.

Among other changes, SB 330 requires the following for applicable housing development projects:

- New, non-objective development standards established after January 1, 2020, cannot be imposed or enforced.
- Applicable housing development projects must receive a decision in no more than five (5) public hearings - whether the item is being heard by a Design Review Board, Planning Commission or City Council, and including any appeals (save for those related to a legislative action).
- Prohibits any moratorium, project or action that would result in a net downzoning, limit the number of permits to be issued, or otherwise reduce housing or limit overall population.

As a “housing development project,” the application is being submitted pursuant SB 330. The development is required to comply with the objective zoning code standards applicable to the property, but only to the extent that they facilitate the development at the density

allowed, 90 dwelling unit per acre (du/ac) per the District Center – Medium High (DC – 3) General Plan land use designation.

On May 30, 2024, the applicant submitted a SB 330 Preliminary Application for the proposed project, which was deemed incomplete on June 19, 2024. Subsequently, the applicant provided the additional information on June 24, 2024, and the preliminary application was deemed complete by staff on June 27, 2024. Since then, the applicant has worked with staff to address all development standards.

Project Description

The development will consist of twelve residential buildings with eighty (80) three-story townhouse units, and three residential buildings with six (6) four-story duplexes, with a proposed project density of 23.37 du/ac. The townhomes will include twelve (12) two-bedroom units, thirty-four (34) three-bedroom units, and thirty-four (34) four-bedroom units, and are designed as a tuck-under building type featuring a front porch/stoop frontage design. The six duplexes are all designed as three-bedroom units, and are also designed as a tuck-under building type featuring a shopfront frontage design and rooftop decks.

The unit sizes will vary between 1,215 and 2,488 square feet, and each unit will be fully equipped with a kitchen, bedrooms, bathrooms, common living areas, and will include a minimum of 90 square feet of private open space, provided in the form of a deck or balcony. They will also include a two-car garage at ground level (tuck-under building design) and in-unit laundry facilities. The duplexes will feature ground-floor, 210-square-foot flex spaces that may be used as home offices. These spaces would differ from traditional live-work units due to constraints related to the building construction type and building setbacks. While these offices may serve as commercial uses, they would not accommodate or serve as a traditional commercial storefront. However, the provided flex spaces would support the MEMU overall vision and goals by activating the public realm and enhancing connectivity with publicly accessible open space.

As previously described, the project will include affordable units, with five units designated for very low-income households earning 30-50 percent of the AMI which is currently \$78,900 for a four-person household, as determined by the California Department of Housing and Community Development (HCD). These will consist of two, four-bedroom units, two, three-bedroom units and one, two-bedroom unit, ranging in size from 1,215 to 1,781 square feet. Each unit will be fully equipped with a kitchen, bedrooms, bathrooms, and common living areas, ensuring a high standard of living for future residents.

As part of the development, a total of 9,767 square feet of the project site or six percent (6%) of total site will be dedicated to publicly accessible open space. This will include a public plaza along First Street, which will lead to a private courtyard that would serve as common

open space. Collectively, the common open space provided is 13,179 square feet, which exceeds the minimum 8,006 square feet required by the MEMU (five percent of the lot). The courtyard features seating areas, picnic tables, shade structures, a corn hole play area, and enhanced paseos for pedestrian connectivity. Dog waste stations will also be placed throughout the site to accommodate pet owners. The main entryway will be enhanced with decorative paving, and landscaping will be carefully curated to enhance aesthetics and improve the overall living environment. The plant selection will include California Sycamore and Southern Live Oak along the street, with Sweet Bay, African Sumac, and Southern Magnolia providing canopy coverage. Fern Pine and Brisbane Box trees will serve as vertical accents, while Crape Myrtle and Tulip trees will add flowering highlights. Shrubs such as agave, Dwarf Lily of the Nile, Sulfur Flower, and Red Yucca will contribute to the site's visual appeal.

The project incorporates a contemporary architectural style consistent with many multi-family and mixed-use residential communities currently under construction in Santa Ana and the surrounding region. The overall design, massing, materials, and architectural features are intended to be compatible with, yet distinct from, the existing multi-family residences to the east. The subject site is designed with a row of units positioned adjacent to the front property line, incorporating a storefront-style facade that enhances pedestrian engagement and activates the public realm. The contemporary architectural style is characterized by a combination of brick veneer and lap siding, complemented by wood canopies and metal awnings, which add both texture and depth to the design. Throughout the development, the cohesive contemporary aesthetic is maintained through the continued use of siding, brick veneer, and concrete flat tile roofing, ensuring visual consistency across the site while integrating modern design elements.

As part of the current entitlement, the applicant has submitted a vesting tentative tract map (VTTM) application to subdivide the project site into a condominium lot with eighty-six condominium units. The VTTM would allow for individual unit sales, with homes available at both market-rate and designated for very low-income households, contributing to the City's efforts to increase homeownership opportunities across various income levels. The applicant has prepared the required vesting tentative tract map, which clarifies the proposed subdivision for the proposed condominiums.

Table 2 below details the project's conformance to the MEMU development standards.

Table 2: Development Standards

Development Standards (MEMU)		
<i>Standard</i>	<i>Required/Allowed</i>	<i>Provided</i>
Density	90 Dwelling Units Per Acre	23.12 du/ac

Development Standards (MEMU)		
Standard	Required/Allowed	Provided
Lot Size	1 acre	3.72 acres
Building Height	3 stories minimum	Townhomes – 3 stories Duplex – 4 stories
Setbacks	Front: 10 feet East Side Yard: 15 feet (1 st /2 nd floor), 20/30 feet (3 rd /4 th floor) West Side Yard & Rear: 5 feet Internal Aisle: 3 feet Building to Building: 6 feet	Front: 30 feet East Side Yard: 24 feet West Side Yard: 9 feet Rear: 20 feet Internal Aisle: 3 feet Building to Building: 10 feet 7 inches
Frontage Type	Forecourt, Shop Front, Gallery, or Arcade	Gallery
Public Open Space	15 percent of the lot (24,020 square feet)	6 percent (9,767 square feet)
Common Open Space	5 percent of the lot (8,006 square feet)	8.23 percent of the lot (13,179 square feet)
Private Open Space	90 square feet per unit (7,740 square feet)	155 square feet per unit minimum 13,304 square feet
Minimum Floor Heights	10 ft. (ground); 9 ft. (upper)	9'-1" ground; 9'-1" upper
Parking Spaces	2 spaces per unit (172 spaces)	2.29 spaces per unit (197 spaces)

Density Bonus Law

As part of the project the applicant is seeking concessions allowable by the California Density Bonus law which allows developers proposing five or more residential units to seek increases in base density for providing on-site housing units in exchange for providing affordable units on site. To help make constructing on-site affordable units feasible, the law allows developers to seek up to three incentives/concessions and an unlimited number of waivers, which are essentially variances from development standards that would help the project be built without significant burden and without detriment to public health. The first version of the Density Bonus Law was adopted in 1979 and has since been amended at various times. Recent revisions allow affordable housing developers to request incentives/concessions and/or waivers for affordable or mixed-income developments, even if they do not require a numerical density bonus. Moreover, in early 2017, the law was amended to restrict the ability of local jurisdictions to require studies to “justify” the density bonus and requested incentives/waivers and places the onus on local jurisdictions to prove that the incentives/concessions or waivers are not financially warranted.

For this project, the developer is not requesting a State density bonus for additional units but will avail themselves of the incentive/concession and waivers that are required to be provided by State density bonus law for projects with the requisite affordability. Due to the

project's six percent (6%) affordability rate, the developer can seek one density bonus incentive/concession and unlimited waivers, pursuant to Section 65915 et al. of the California Government Code (Density Bonuses and Other Incentives). In addition, California Assembly Bill No. 2345, approved September 28, 2020, revised the State Density Bonus Law originally adopted in 1979 to provide additional benefits for projects that include qualifying affordable housing.

The purpose of the State Density Bonus Law is to encourage the development and availability of affordable housing. Pursuant to California Government Code sections 65915 (d)(1) and 65915 (e)(1), a local jurisdiction is limited in its ability to deny requested incentives, concessions, and waivers. The City has analyzed the project and has identified several areas of potential impacts; however, the conditions of approval proposed for the project are intended to address the project's potential impacts.

Table 3: Requested Concession and Waivers

Standard	Required by MEMU	Provided
Public Open Space	Fifteen Percent of Lot (24,020 square feet)	Six Percent of the Lot (9,767 square feet) <i>Requires Concession (1 of 1), Cal. Gov't Code Sec. 65915 (d)(2)(A)</i>

Onsite Parking

To proactively address any neighborhood parking impacts that could result from the project, the conditions of approval for the VTTM and terms of the DBA include provisions requiring the following parking management practices, to be incorporated into the final, recorded CC&Rs, and applicable throughout the life of the project:

- Requiring onsite parking permits (such as stickers or hang-tags) for any parking in the surface guest parking spaces;
- Policies for maximum time vehicles may be parked in the surface guest spaces;
- Policies for towing unauthorized vehicles; vehicles parked in unauthorized locations, such as fire lanes; vehicles parking in surface guest parking without a sticker, hang-tag, or other identifiers; and vehicles parked longer than any maximum guest parking timeframes allowed; and
- Routine garage inspections to ensure garages are available for vehicle parking.

Project Analysis

MEMU Site Plan Review

Pursuant to Section 41-595.5 of the SAMC and sections 2.3 and 8.1 of the MEMU, approval of a Site Plan Review by the Planning Commission is required for any project wishing to develop per the MEMU standards. Planning staff has reviewed the project and finds that it complies with a majority of development standards applicable to the proposed project, with the exception of the publicly accessible open space standard for which the applicant is requesting a concession under Section 65915 of the California Government Code. In accordance with Section 8.2 (Findings for Granting a MEMU Overlay Zone Site Plan Review Approval) an analysis of the project's compliance with the MEMU is provided in Table 4 below.

Table 4: MEMU Findings for Site Plan Review Approval

Finding	Project Compliance
That the proposed development plan is consistent with and will further the objectives outlined in Section 1.2 for the MEMU Overlay Zone.	The objectives of the MEMU are to create an active, mixed-use urban village where residents can live, work, shop, and play within a short walking distance of one another. It aims to facilitate well-designed mixed-use developments, achieve the harmonious integration of new projects, and encourage contemporary architectural designs that enhance the built environment. The proposed project is consistent with these objectives, as it incorporates both residential units and flex spaces within the proposed duplexes, allowing owners the opportunity to live and work in the same space. Additionally, the contemporary design of the project strengthens its connection to the public realm, enhancing pedestrian accessibility and connectivity to open spaces on-site. The mass and scale of the development are also comparable to that of neighboring properties with approved projects, ensuring a harmonious and cohesive urban environment.
That the proposed development plan is consistent with the development standards specified in Section 4 of the MEMU Overlay Zone.	The proposed project conforms to the majority of development standards detailed in Section 4 of the MEMU, with the exception of publicly accessible open space, for which a concession is being requested under the Density Bonus Law. However, the project exceeds the required amount of common open space, providing approximately 13,179 square feet where only 8,007 square feet are required which may help offset the reduction in publicly accessible open space. As designed, the project promotes connectivity to the public realm

Finding	Project Compliance
	and may function as publicly accessible open space.
That the proposed development plan is designed to be compatible with adjacent development in terms of similarity of scale, height, and site configuration and otherwise achieves the objectives of the Design Principles specified in Section 5 of the MEMU Overlay Zone.	The proposed development is designed to be compatible with the adjacent properties, as the applicant has thoughtfully designed the units to range from three to four stories, ensuring a compatible mass and scale with the surrounding area while maintaining a minimum building height of three stories. Along the frontage, the proposed duplexes feature a mix of materials and incorporate a stepped-back fourth floor, which is offset by a trellis to provide articulation and architectural variety. The ground-floor shopfront frontage further enhances the streetscape by creating the appearance of a vibrant commercial storefront, seamlessly integrating with the public plaza and fostering an active, pedestrian-friendly environment. Lastly, landscaping within the public plaza helps soften the building's appearance, further blending the development with the public realm and enhancing the overall aesthetic and connectivity of the space.
That the land use uses, site design, and operational considerations in the proposed development plan have been planned in a manner that will result in a compatible and harmonious operation as specified in Section 7 of the MEMU Overlay Zone.	The proposed project is consistent with the applicable operational standards outlined in Section 7, as it has been carefully designed to ensure safety, privacy, and functionality for future residents and the surrounding community. The development incorporates lighting throughout the site to enhance visibility and security in shared spaces such as walk ways, adjacent to trash enclosures, and within the private plaza as detailed in the lighting plan of Exhibit 7. Additionally, windows have been strategically placed to maintain privacy between units and neighboring properties, minimizing potential intrusions while maximizing natural light. Furthermore, on-site activities will be regulated and formalized as part of the conditions of approval, ensuring that community spaces are used in a way that promotes a balanced and well-maintained environment. Common entrances will also be designed to prevent direct access to individual residential units, enhancing resident security and controlled access within the development.

Density Bonus Application

Pursuant to Section 41-1607 of the SAMC, an application for a density bonus agreement is required to be approved by the Planning Commission for any project containing “deviations”

(incentives/concessions and/or waivers). The Planning Commission’s review of the density bonus agreement is based on the following findings:

1. The proposed development will materially assist in accomplishing the goal of providing affordable housing opportunities in economically balanced communities throughout the city.
2. The development will not be inconsistent with the purpose of the underlying zone or applicable designation in the general plan land use element.
3. The deviation is necessary to make it economically feasible for the applicant to utilize a density bonus authorized for the development pursuant to section 41-1603.

Table 5: Analysis of the Requested Concession (1)

Standard	Analysis
Open Space	Concession – MEMU, Section 4.5. Publicly Accessible Open Space
Public Open Space	<p>The total common open space required for the project site is equal to 15 percent of the lot, or approximately 24,020 sq. ft. Instead, the project provides a 9,767 sq. ft. of publicly accessible open space (approximately six percent – 6%).</p> <p>Providing the required publicly accessible open space would reduce the total number of units that can be developed and/or impact the drive aisle area, compromising the project's feasibility and safety for residents and emergency responders. The site cannot accommodate the additional nine percent (9%) open space required by the AU district without making the project financially infeasible. This would likely lead to a reduced unit count, smaller unit sizes along First Street, or a narrower drive aisle, creating a ripple effect that ultimately decreases the size of Buildings 10, 11, and 12. The units have been carefully designed to balance common areas and bedroom space, and any further reduction could compromise livability for future owners. Moreover, if the project becomes financially unviable, it could result in the loss of the five affordable townhouse units. Lastly, the overall site design and proposed amenities took into account the proximity of the City of Santa Ana Zoo/Prentice Park, which is located approximately 1,500 linear feet (0.2-miles) to the west of the project site. The close proximity of the City park space reduces the overall impact of the concession for the open space requirement.</p>

Based on the analysis provided within this report, the proposed development will materially assist in accomplishing the goal of providing additional affordable and market-rate ownership housing stock in the city and will consistent with the applicable designation in the general plan land use element. In addition, the proposed deviations are necessary to make the project economically feasible pursuant to section 41-1603.

Vesting Tentative Tract Map

Subdivision requests are governed by Chapter 34 and Chapter 41 of the SAMC. Pursuant to Section 66473.5 and 66474 of the California Subdivision Map Act, applications for vesting tentative tract maps are approved when it can be shown that certain findings can be made in support of the request.

Specifically, findings related to the proposal need to be made that find the project is consistent with the General Plan, the site is physically suitable for the type and density of the proposed project, the proposed project will not cause substantial environmental damage or substantially and avoidably injure fish and wildlife or their habitat, the proposed project will not cause serious public health problems, or the proposed project will not conflict with easements necessary for public access through or use of the property must be made. Using this information staff has prepared the following analysis, which, in turn forms the basis for the recommendation contained in this report. In analyzing the applicant's request, staff believes that the following analysis warrants approval of the vesting tentative tract map.

The applicant is seeking approval of a vesting tentative tract map to subdivide for condominium purposes, as the proposed development consists of eighty (80) townhome units and six duplexes. The request would vest the right to proceed with development in substantial compliance with the ordinances, policies and standards in effect at the time the vesting map is deemed complete. Upon completion of the subdivision, the lots will continue to be utilized for residential use in the form of attached tuck-under unit type structures.

The proposed map is consistent with the General Plan, as the vision for the General Plan designation of District Center – Medium High (DC-3) is to establish distinctly urban retail, residential mixed-use, and employment centers that are well connected to public transportation. This includes townhome projects with ground-floor spaces intended for office use, as proposed in this project. Additionally, DC-3 allows for a density of 90 du/ac and a floor area ratio (FAR) of 3.0. The proposed project density/intensity meets these standards, ensuring consistency with the General Plan. Regarding the site, the project can accommodate the proposed improvements. With the exception of the publicly accessible open space, for which the applicant has requested a concession, the project conforms to the development standards of the zone. Lastly, conditions of approval would be included to maintain the site's landscaping, architectural design, and Covenants, Conditions and Restrictions (CC&Rs) to be in compliance with all applicable standards of the SAMC and the MEMU.

The proposed project is not anticipated to have adverse environmental impacts to fish or wildlife populations were identified as the project site is located in a built-out, urbanized

area that is currently developed with an office building and surface parking lot. Additionally, a consistency memo was drafted by the applicant's environmental consultant, First Carbon Solutions. The memo was reviewed by City staff and peer reviewed by the City's own environmental consultant, Ardura Consulting. The peer review found the proposed project to be consistent with the Environmental Impact Report (EIR) and Subsequent EIR approved and certified for the MEMU. It was also determined that the project would not result in serious health problems, as the proposed use is a compatible land use and the build out of the project site is within the anticipated build out MEMU area, which was evaluated under the MEMU EIR and Subsequent EIR.

The overall project site provides an opportunity for additional housing and development that would otherwise continue to remain as a vacant, under-utilized parcel. These improvements will help to enhance the quality of life in the surrounding community by providing eighty-six for-sale, market-rate and affordable housing, with five onsite affordable units. The proposed project is part of the MEMU and has been designed to incorporate significant design features, articulating elevations in order to minimize any visual impacts on surrounding land uses. Lastly, the project has been designed to maintain all easements and retain reciprocal access with the neighboring property. Based on this the proposed project warrants approval of the vesting tentative tract map.

General Plan Consistency

The proposed project aligns with several goals and policies of the City's General Plan. Goal LU-1 of the Land Use Element (LU) aims to provide a land use plan that enhances quality of life while respecting the existing community. By introducing high-quality housing that includes both market-rate and affordable units, the project would improve the quality of life for the surrounding community by activating an underutilized site and contributing to the area's vibrancy. Additionally, the proposed development would be of a comparable mass and scale to the existing multi-family buildings in the area, ensuring compatibility with surrounding land uses. This aligns with Policy LU-1.1, which seeks to foster land use compatibility to enhance livability and promote a healthy lifestyle.

The project also supports homeownership opportunities at both market-rate and affordable levels, directly aligning with Policy LU-1.2, which encourages innovative development strategies to expand homeownership opportunities across all income levels. Furthermore, the proposed development is located within a built-out urban area, qualifying it as an infill project. By incorporating a mix of affordable and market-rate housing, it aligns with Policy LU-1.5, which promotes quality infill residential development that provides a diverse range of housing types while accommodating residents of all income levels and age groups as well as Policy LU-4.7 which promotes mixed-income developments with mixed housing types to create inclusive communities and economically diverse neighborhoods.

The design of the units, which incorporates a storefront-style appearance adjacent to a public plaza, aligns with Goal UD-1 of the Urban Design (UD) Element. This goal seeks to enhance the physical character and livability of the city while fostering a strong sense of place, a positive community image, and a high-quality built environment. The public plaza improvements contribute to an enhanced and well-designed environment, creating a welcoming gathering space not only for future residents but also for those in neighboring properties. This design approach is also consistent with Policies UD-1.3 and UD-1.5, which encourage site designs that clearly define public spaces through thoughtful building placement and orientation while promoting community interaction through enhanced plazas and open spaces. The public plaza is strategically located at the front of the development, ensuring accessibility to the public while remaining distinct from the private common areas of the residential community. This separation reinforces a clear delineation between public and private realms, enhancing both usability and community engagement.

Beyond land use and urban design, the project is aligned with key housing goals outlined in the Housing Element (HE). Goal HE-2 seeks to promote a diverse range of high-quality housing options at different affordability levels to meet the needs of Santa Ana's residents. By offering both market-rate and affordable housing units, the project directly supports this goal by ensuring housing opportunities for households with varying financial means. Similarly, Policy HE-2.5 aims to facilitate the development of a variety of housing types, prices, and sizes, including single-family homes, apartments, townhomes, duplexes, mixed-use developments, transit-oriented housing, multigenerational housing, accessory dwelling units, and live-work opportunities. The project contributes to this policy by providing a thoughtfully designed residential development that includes townhomes with ground-floor office spaces, promoting both housing diversity and economic vitality. Lastly, the proposed project complies with Policy HE-2.7, in accordance with the Affordable Housing Opportunity and Creation Ordinance (AHOCO), which requires that new for-sale residential projects allocate at least five percent of the units to moderate-income households. By providing five units to very-low income households the project meets this requirement and ensures that a portion of its housing stock remains attainable to buyers of varying means, fostering long-term community stability and homeownership accessibility.

Affordable Housing Opportunity and Creation Ordinance

The project exceeds the affordable housing goal for the ownership category of the City's Affordable Housing Opportunity and Creation Ordinance (AHOCO) by providing five (5) onsite units designated for households earning 30-50 percent of the AMI (very low-income), which is currently set at \$78,900 for a four-person, significantly enhancing the opportunity for income eligible Santa Ana households to own a home in the City at a lower cost. The units will be dispersed throughout the community. These affordable units will

consist of two three-bedroom and two three-bedroom units, ranging from 1,215 to 1,496 in size and will contain full kitchens, bedrooms, bathrooms, in-unit storage, and open/common (living) areas. The developer's Inclusionary Housing Plan has been reviewed and approved by the City's Housing Division.

Public Notification and Community Outreach

Project notifications were posted, published, and mailed in accordance with City and State regulations. Copies of the public notice, including a 1,000-foot notification radius map, and the site posting are provided in Exhibit 14. In addition, staff contacted the provided contacts for the Riverview West and Santa Anita Neighborhood Associations to ensure they were aware of the project and public hearing. At the time this report was printed, no issues of concern were raised regarding the proposed development.

In addition to the required public noticing, the applicant also held two community meetings in compliance with the City's Sunshine Ordinance (Ordinance No. NS-3040). The first meeting was held on October 15, 2024. Approximately twenty members of the community were in attendance and posed questions related to the unit count, unit type, parking availability, finishes on the interior, pricing, affordable units, and when the units would be available for sale. No issues of concern were raised regarding the proposed development.

The second meeting was held on September 4, 2024. Five members of the community were in attendance and posed questions related to the affordable housing units and when they would become available, but raised no issues related to the development. Materials from both meetings are posted to the project's City webpage.

ENVIRONMENTAL IMPACT

Pursuant to the California Environmental Quality Act (CEQA) and CEQA Guidelines, the proposed project is exempt from further environmental review under Section 15168 (Program EIR). This exemption applies when a previously certified Program Environmental Impact Report (Program EIR) has adequately analyzed the environmental effects of an activity, and no new significant impacts would result from the proposed project. If the proposed project remains within the scope of the Program EIR and does not require a subsequent Environmental Impact Report (EIR), no additional environmental documentation is required.

A CEQA Section 15168 Consistency Memorandum was prepared by First Carbon Solutions, the applicant's environmental consultant. The purpose of the memorandum was to determine whether the proposed project was exempt from further review, pursuant to the relevant 2007 MEMU Program EIR, certified in 2007, and the MEMU Subsequent EIR, certified in 2018. This memorandum was reviewed by City staff and the City's environmental consultant, Ardurra Consulting. Upon review, it was determined that the

project does not introduce new or more severe environmental effects beyond those previously identified. Additionally, there are no substantial changes in environmental circumstances that would necessitate further review. Moreover, as required under CEQA Guidelines Section 15168(c)(3), all applicable mitigation measures from the MEMU EIR and SEIR will be incorporated into the project. Based on this analysis, the project qualifies for an exemption under CEQA, and no further environmental documentation is necessary. Therefore, a Notice of Exemption, Environmental Review No. 2024-53, will be filed for the project.

FISCAL IMPACT

There is no fiscal impact associated with this action. However, a Fiscal Impact and Economic Benefit Analysis was prepared by the applicant for the proposed project. The analysis indicates that the project is anticipated to result in an increase in General Fund revenues following buildout of the project, which is estimated at approximately \$340,716 per year. In addition, there would be an increase in General Fund expenses estimated at approximately \$231,055 per year. Accordingly, there is expected to be an annual surplus of approximately \$109,662 to the General Fund following buildout of the project. Additionally, the project is anticipated to result in a one-time economic benefit to the City during the construction phase. Specifically, construction of the project would result in an increase in employment by 140.26 full-time equivalent construction-related jobs and an increase in labor income of approximately \$12,250,665. Moreover, the applicant is anticipated to pay approximately \$2,189,502 in development impact fees to the City. Further details related to the Fiscal Impact and Economic Benefit Analysis included in the report prepared by the applicant's consultant Zimmerman Group is included as Exhibit 12.

EXHIBITS

1. Resolution for SPR No. 2025-01
2. Resolution for VTTM No. 2025-01
3. Resolution for DBA No. 2025-01
4. Vicinity Zoning and Aerial View
5. Site Photo
6. Site Plan
7. Project Floor Plan and Elevations
8. Landscape Plan
9. Vesting Tentative Tract Map
10. Draft Density Bonus Agreement
11. Sunshine Ordinance Meeting Materials ([Available Online](#))
12. Fiscal Impact and Economic Benefit Analysis

SPR No. 2025-01, VTTM No. 2025-01, and DBA No. 2025-01 – MLC Holdings,
Inc./Meritage Homes (2020 East First Street)
March 24, 2025
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13. CEQA Consistency Memo

14. Copy of Public Notice

Submitted By:

Pedro Gomez, AICP, Principal Planner

Approved By:

Ali Pezeshkpour, AICP, Acting Executive Director, Planning and Building Agency