CITY COUNCIL AGENDA REPORT

MEETING DATE: SEPTEMBER 5, 2006 **ITEM NO:**

SUBJECT: **APPEAL OF PLANNING APPLICATION PA-06-29**
2379 AND 2381 ELDEN AVENUE, UNITS A – F

DATE: **AUGUST 24, 2006**

FROM: **DEVELOPMENT SERVICES DEPARTMENT – PLANNING DIVISION**

PRESENTATION BY: **WENDY SHIH, ASSOCIATE PLANNER**

FOR FURTHER INFORMATION CONTACT: WENDY SHIH, ASSOCIATE PLANNER (714)754-5136

RECOMMENDED ACTION

Conduct public hearing and adopt a resolution to uphold, reverse, or modify Planning Commission's decision. As an alternative, Council could refer this application to the Commission for review of revised plans submitted subsequent to the Commission's hearing.

BACKGROUND

At their meeting of July 10, 2006, by a vote of 3 to 2 (Donn Hall and Bruce Garlich voted no), the Planning Commission denied Planning Application PA-06-29 for conversion of an existing 12-unit apartment complex into a common interest development (condominiums). On July 17, 2006, the project applicant, Peter Zehnder, appealed their decision.

ANALYSIS

In his appeal, the applicant states the conversion would be compatible with residential zoning in the area and would provide upgrades to the property and additional home ownership opportunities within the City. He also feels that the conversion is in compliance with the nonconforming provisions of the Zoning Code since the proposed conversion would not increase the project's degree of nonconformity. As a part of his appeal, the applicant proposes adding another two parking spaces and approximately 1,000 square feet of landscaping.

Planning Commission denied the conversion since the project has insufficient parking and open space, and exceeds maximum allowable density. Even with proposed parking and landscaping upgrades proposed by the applicant subsequent to the Commission's denial, the property will still not comply with current Code requirements for parking and landscaping; however, it would bring the project closer to compliance. See revised Planning Application Summary sheet.

ALTERNATIVES CONSIDERED

If the Planning Commission's decision is upheld, the units could continue to be rented without the proposed upgrades.

If the Planning Commission's decision is reversed, the units could be sold separately, subject to conditions of approval and Code requirements.

City Council also has the option of referring the project back to the Planning Commission for consideration of new information presented as part of the appeal application.

FISCAL REVIEW

Fiscal review is not required.

LEGAL REVIEW

Legal review is not required.

ENVIRONMENTAL REVIEW

Pursuant to Section 15301 (Existing Facilities) of the California Environmental Quality Act (CEQA) Guidelines, this project is exempt from CEQA.

CONCLUSION

The Planning Commission denied the applicant's request because the existing development is substantially under parked, exceeds density, and lacks sufficient open space. The applicant feels that the conversion will provide substantial upgrades to the property, and that the proposed development will be in compliance with the Nonconforming Provisions of the Zoning Code since the degree of nonconformity will remain unchanged or lessened.

WENDY SHIH
Associate Planner

DONALD D. LAMM, AICP
Deputy City Mgr. – Dev. Svs. Director

Attachments:
- Zoning/Location Map
- Plans
- Photo Exhibit
- Draft City Council Resolution
- Exhibit "A" – Draft Findings
- Exhibit "B" – Draft Conditions of Approval
- Appeal Application
- Minutes of Planning Commission meeting of July 10, 2006
- Planning Division Staff Report with Supplemental Information
- Planning Commission Resolution
- Exhibit "A" – Findings
- Exhibit "B" - Conditions

Distribution: City Manager
Assistant City Manager
City Attorney
Deputy City Mgr.,-Development Svs. Dir.
Public Services Director
City Clerk (2)
Staff (4)
File (2)

Evans Trust
1720 Whittier Avenue
Costa Mesa, CA 92627

Peter Zehnder
P.O. Box 15126
Newport Beach, CA 92659

Occupant
2379 A thru F Elden Avenue
Costa Mesa, CA 92626

Occupant
2381 A thru F Elden Avenue
Costa Mesa, CA 92626

File: 090506PA0629Appeal	Date: 082106	Time: 1:30 p.m.

PLANNING APPLICATION SUMMARY (REVISED)

Location: 2379 – 2381 Elden Avenue (A – F) Application: PA-06-29

Request: To convert an existing 1-story, 12-unit apartment complex to a common interest development (condominiums).

Zone:	R2-MD	North:	Surrounding properties
General Plan:	Medium Density Residential	South:	are all residentially
Lot Dimensions:	132 ft. x 305 ft.	East:	zoned and
Lot Area:	40,260 sq.ft.	West:	developed.
Existing Development:	12 unit, 2-bedroom apartment project comprised of 6 duplexes.		

DEVELOPMENT STANDARD COMPARISON

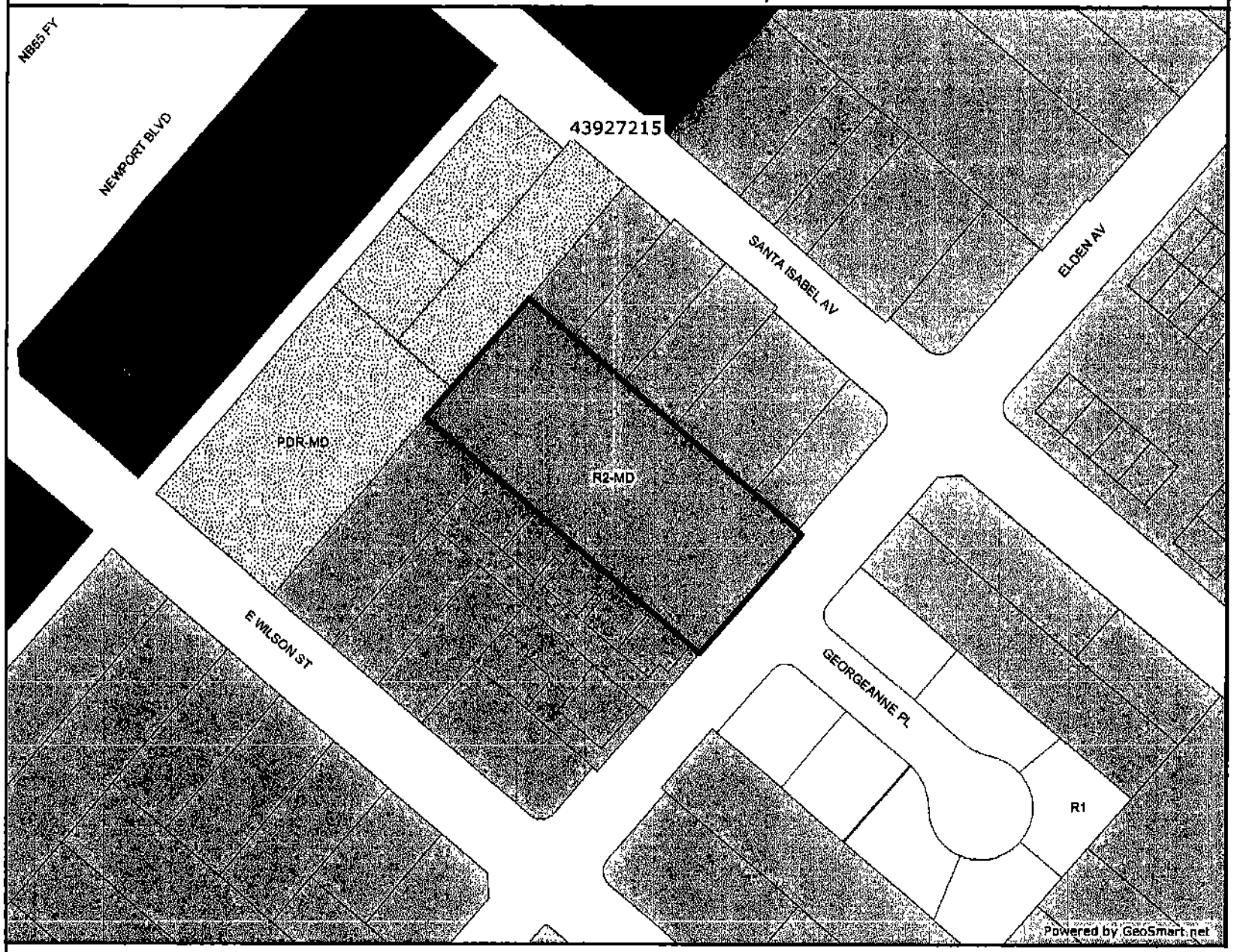
Development Standard	Code Requirement	Proposed/Provided
Lot size:		
Lot width	100 ft.	132 ft.
Lot area	12,000 sq.ft.	40,260 sq.ft.
Density: Zone/GP	1 du/ 3,630 sq.ft.	1 du/ 3,355 sq.ft.[1]
Building coverage – overall project:		
Buildings	NA	35% (14,076 sq.ft.)
Paving	NA	30% (12,200 sq.ft.)
Open Space	40% (16,104 sq.ft.)	**35% (13,984 sq.ft.)**[1,2]
TOTAL	100% (40,260 sq.ft.)	100% (40,260 sq.ft.)
Min. private open space dimension	10 ft. by 10 ft. min.	11 ft. min. dimension
Building Height:	2 stories/27 ft.	1 story/12 ft.
Building separation:	10 ft. min.	18 ft. min.
Setbacks:		
Front	20 ft.	30 ft.
Side (left/right)	5 ft./5 ft.	5 ft./5 ft.
Rear	10 ft.	28 ft.
Parking:		
Covered	12	12
Open	18	**14**[1,2]
Guest	6	0[1]
TOTAL	36	**26**[1,2]
Driveway width:	16 ft.	18 ft.
Landscape parkways -- common driveway:	3 ft. min. one side/ 10 ft. combined	3 ft. min./ 6 ft.[1] – 22 ft. combined

CEQA Status Exempt, Class 1
Final Action Planning Commission

1 Existing, nonconforming.
2 Applicant proposes to add 2 parking spaces and approximately 1,000 sq.ft. of landscaping (3,000 sq.ft. stated in applicant's appeal is incorrect based on comparison of original and revised plans).

ZONING/LOCATION MAP

2379 AND 2381 ELDEN AVENUE, UNITS A - F



Legend

- Selected Features
- Street Names
- Parcel Lines
- City Boundary
- Zoning
  - AP
  - C1
  - C1-S
  - C2
  - CL
  - I&R
  - I&R-S
  - MG
  - MP
  - P
  - PDC
  - PDI
  - PDR-HD
  - PDR-LD
  - PDR-MD
  - PDR-NCM
  - R1
  - R2-HD
  - R2-MD
  - R3
  - TC
- Parcels

N W E S

Printed: 6/28/2006 1:38:40 PM

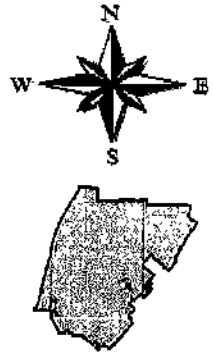
Powered By GeoSmart.net

AERIAL PHOTO

2379 AND 2381 ELDEN AVENUE, UNITS A - F

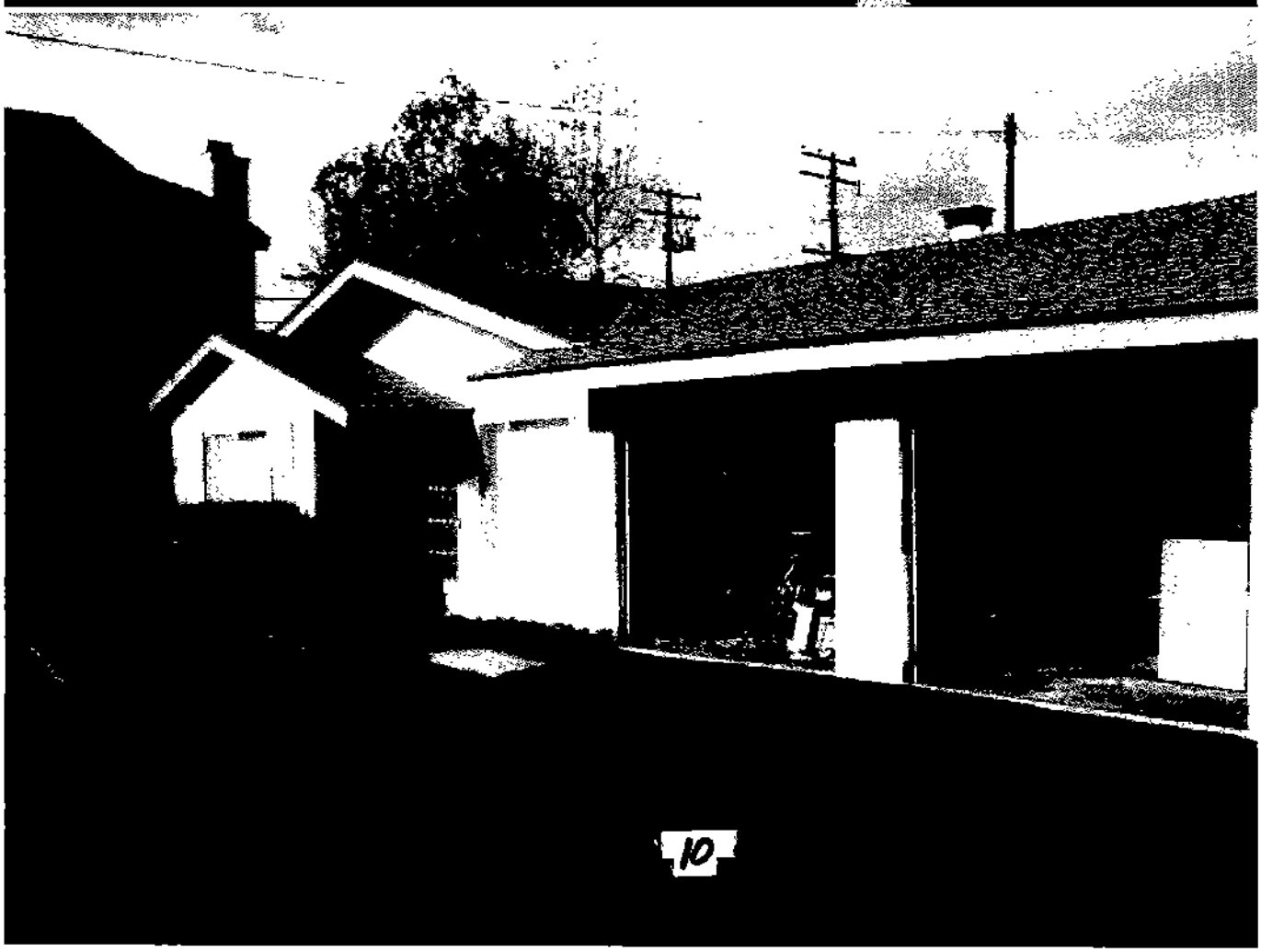
Legend

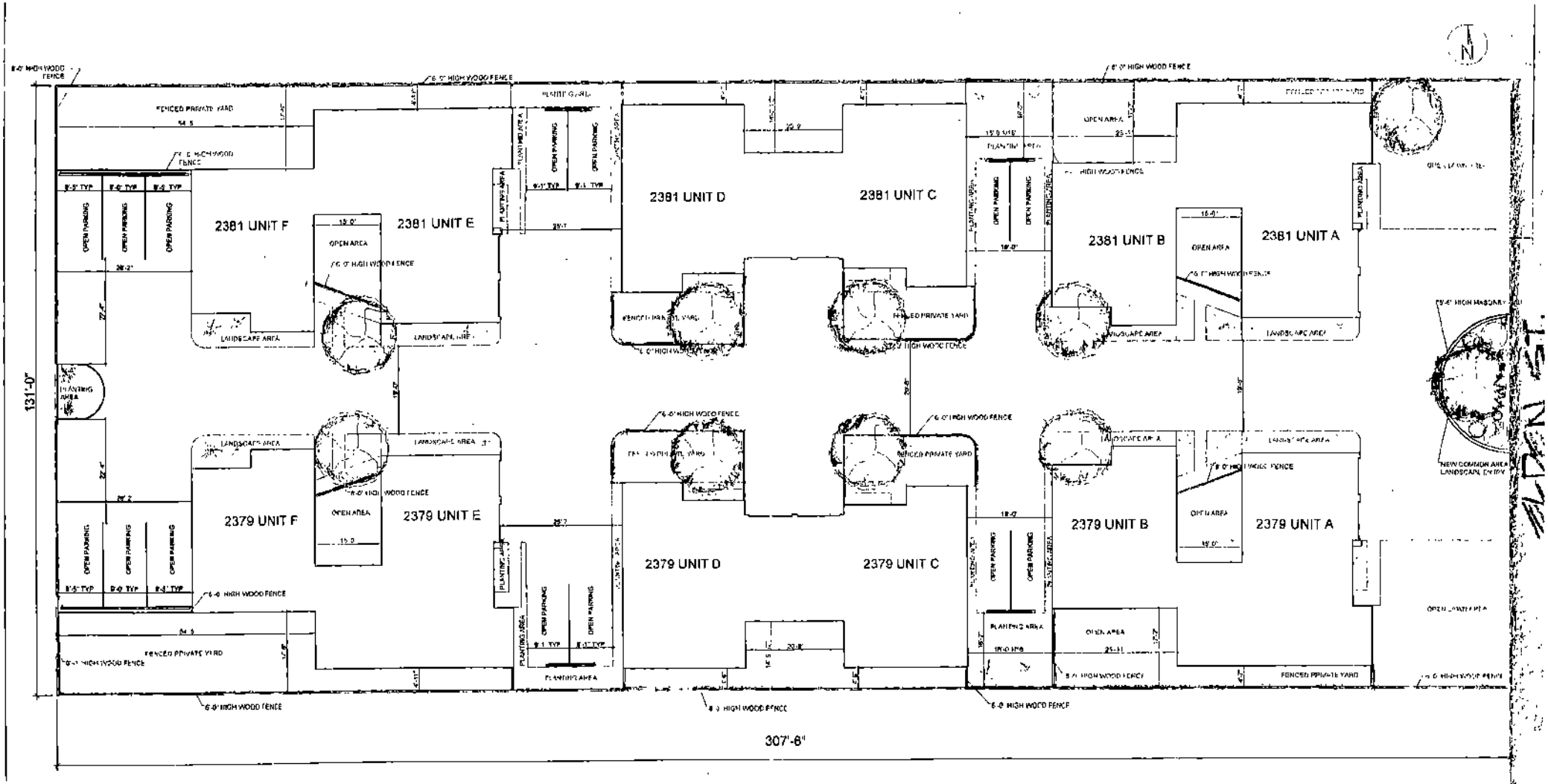
- Selected Features
- Street Names
- Parcel Lines
- City Boundary
- Ortho Photography
- Parcels



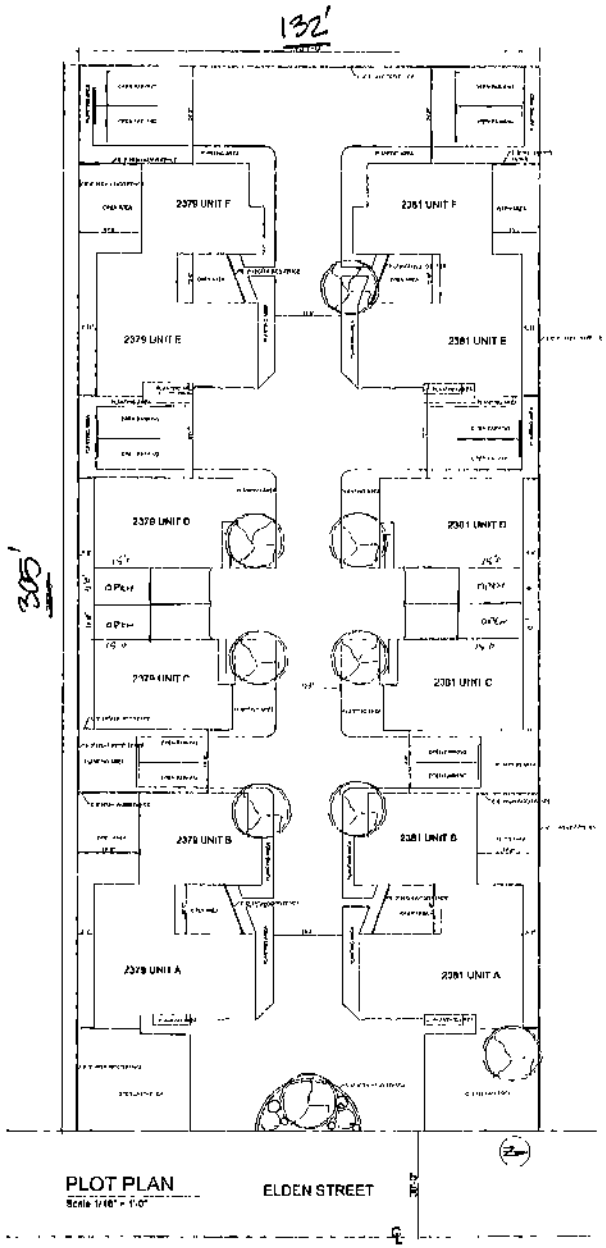
Printed: 6/28/2006 1:39:54 PM

Powered By GeoSmart.net





REVISED PLANS



PLOT PLAN
Scale 1/16" = 1'-0"

EXISTING PLAN

Project Information

Address	2379-2381 Elden Street Costa Mesa, Ca
Developer.	Peter Zohndler P.O. Box 16126 Newport Beach, CA 92659 949-230-5428
Structural Engineer	DJK Engineering 25102 Quetzal St Mission Viejo, CA 92692 949-458-9169
Zone:	R2-MD
Occupancy	R-2
Fire Zone	III
Construction Type:	Type V B

Site Area:	40,260 s.f. ~~48,289 s.f.~~	
No. of Apartments	12 units	
2 BDRM/2 BATH 8 @	980 s.f.	
2 BDRM/1 BATH 4 @	845 s.f.	
TOTAL	11,220 s.f.	
Parking	Open	Covered
Required		
Provided	12	12
Area of Garages	2856 s.f.	

1997 UBC
2000 UPC
2000 UMC
2002 NEC
2005 CEC

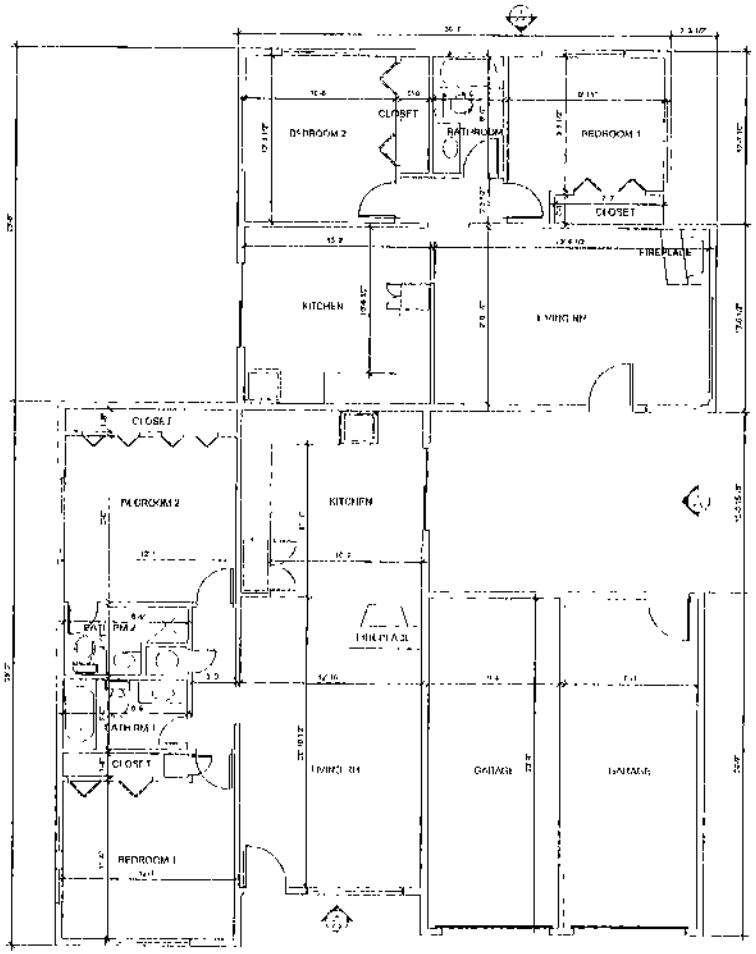
14 PA-06-29

Condominium Conversion Application
2379 - 2381 Elden Street Complex
Costa Mesa, CA

REVISIONS	DATE

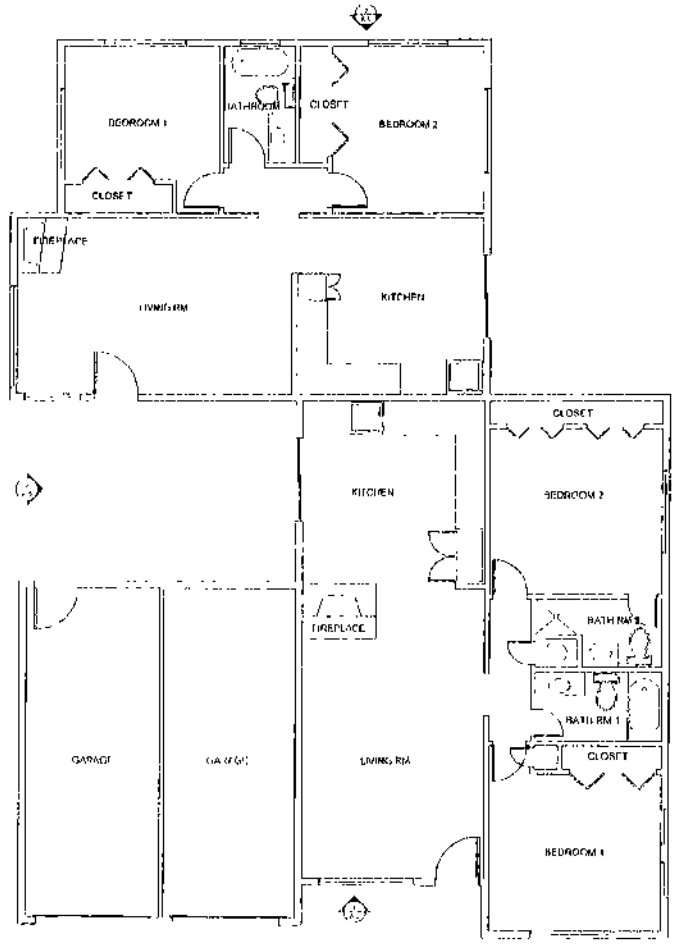
Date: 3.28.06
Application Set

A-1



EXISTING FLOOR PLAN - 2379 UNIT A & B

Scale 1/4" = 1'-0"



EXISTING FLOOR PLAN - 2381 UNIT A & B

Scale 1/4" = 1'-0"

Condominium Conversion Application

2379 - 2381 Elden Street Complex

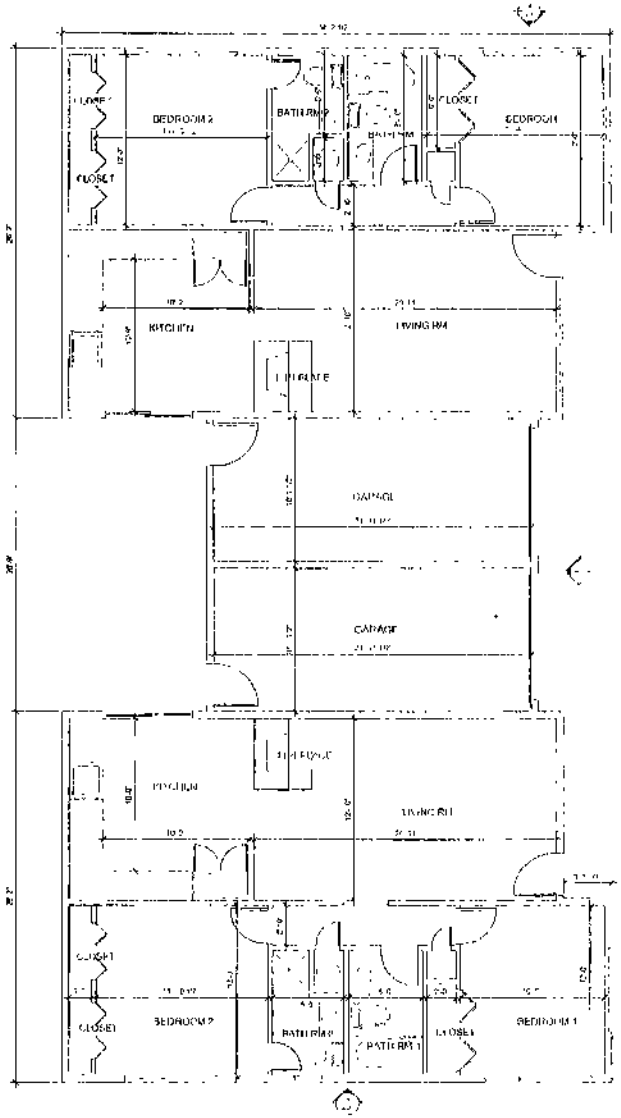
Dana Point, CA

REVISIONS	DATE

Date 3-26-08
Application Set

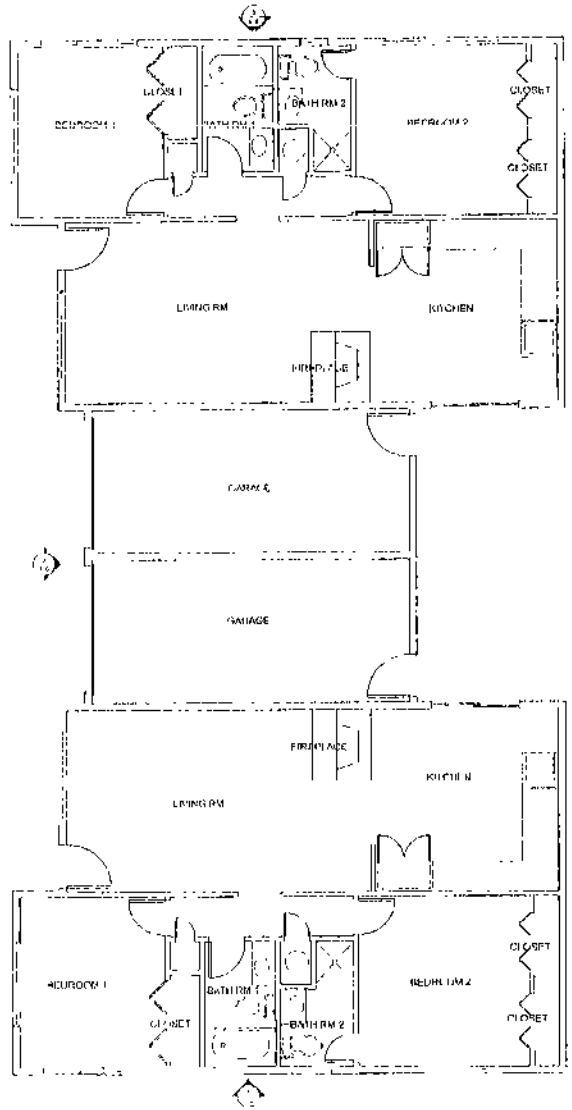
A-2

15



EXISTING FLOOR PLAN - 2379 UNIT C & D

Scale 1/4" = 1'-0"



EXISTING FLOOR PLAN - 2381 UNITC & D

Scale 1/4" = 1'-0"

16

Condominium Conversion Application

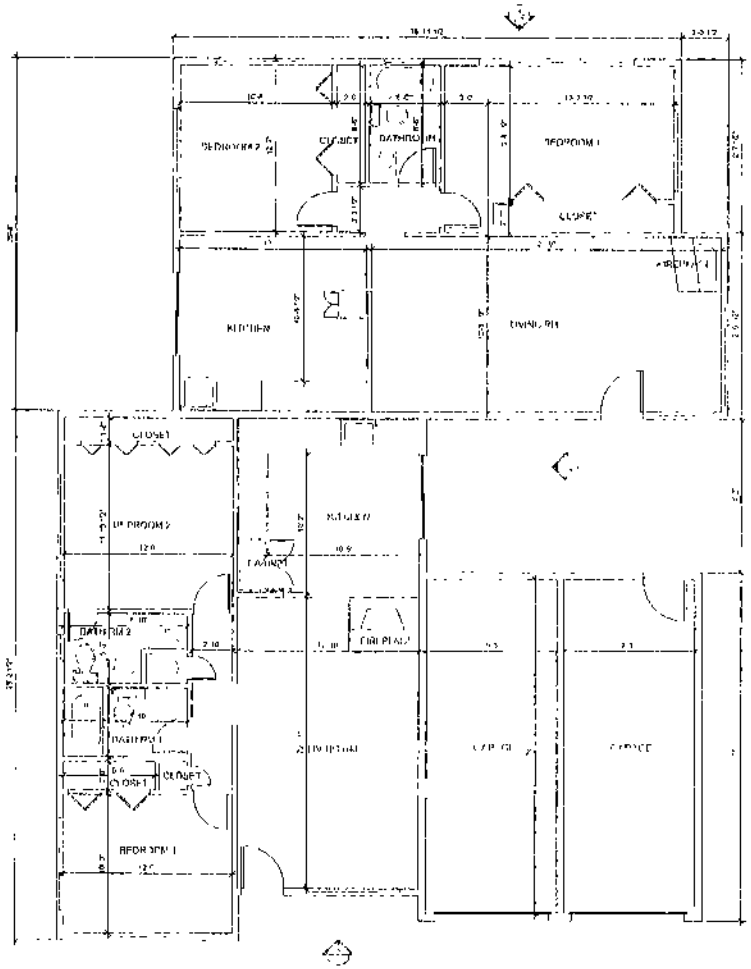
2379 - 2381 Elden Street Complex

Costa Mesa, CA

REVISIONS	DATE

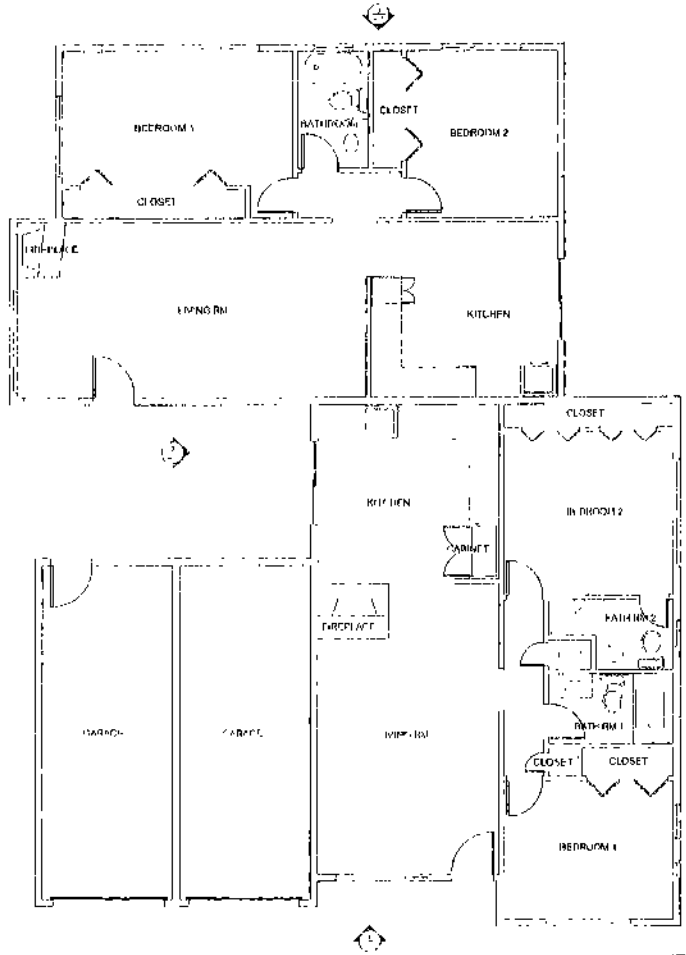
Date 3-28-08
Application Set

A-3



EXISTING FLOOR PLAN - 2379 UNIT E & F

Scale 1/4" = 1'-0"



EXISTING FLOOR PLAN - 2381 UNIT E & F

Scale 1/4" = 1'-0"

Condominium Conversion Application

2379 - 2381 Elden Street Complex

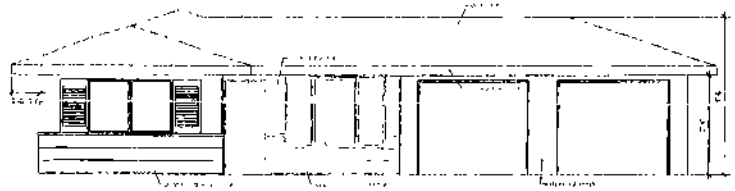
Costa Mesa, CA

REVISIONS	DATE

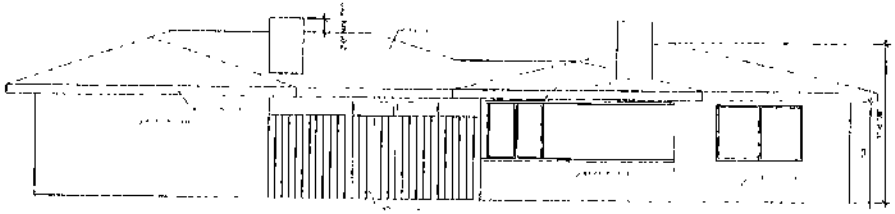
Date 3-26-08
Application Set

A-4

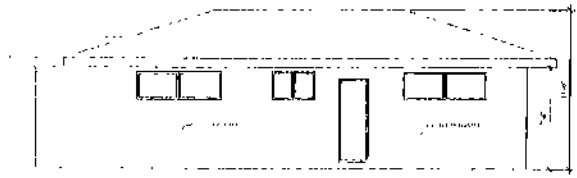
17



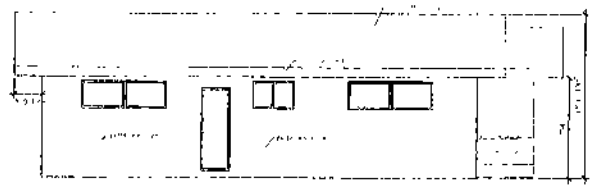
⑥ 2379 Unit A - West Elevation
Scale 1/4" = 1'-0"



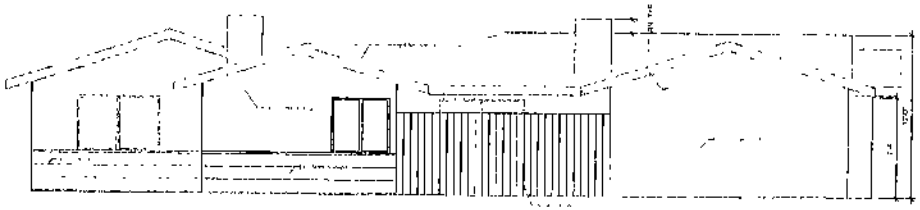
⑤ 2379 Unit A & B- South Elevation
Scale 1/4" = 1'-0"



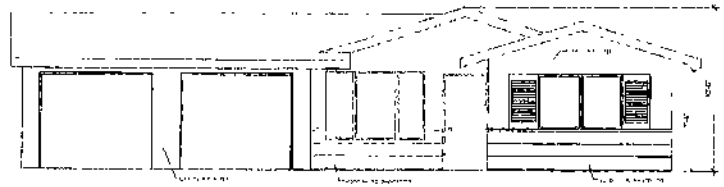
④ 2379 Unit B - East Elevation
Scale 1/4" = 1'-0"



③ 2381 Unit B - East Elevation
Scale 1/4" = 1'-0"



② 2381 Unit A & B- North Elevation
Scale 1/4" = 1'-0"



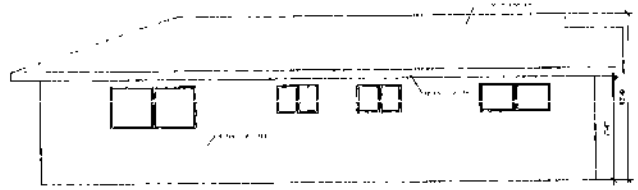
① 2381 Unit A - West Elevation
Scale 1/4" = 1'-0"

Conditional Common Application
2379-2381 Elden Street Complex
Costa Mesa CA

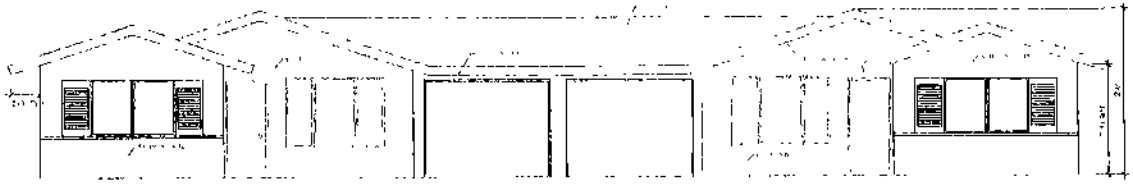
REVISIONS	DATE

Date 3-28-06
Application Set

A-5

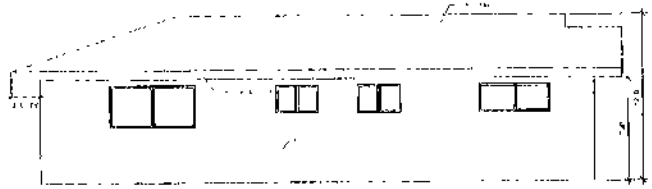


⑥ 2379 Unit C - West Elevation
Scale 1/4" = 1'-0"

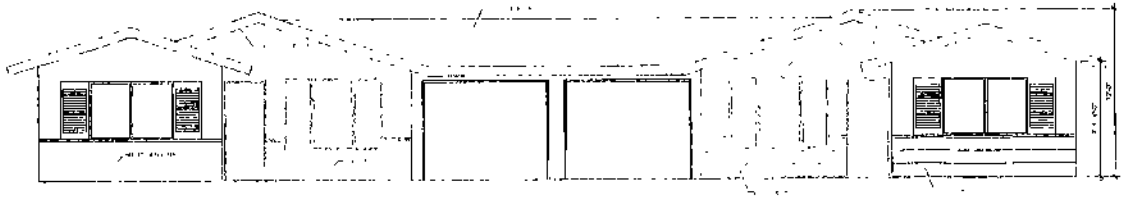


⑤ 2379 Unit C & D- South Elevation
Scale 1/4" = 1'-0"

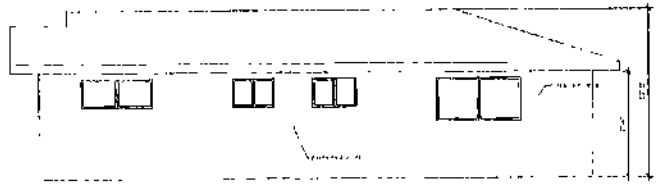
④ 2379 Unit D - East Elevation
Scale 1/4" = 1'-0"



③ 2381 Unit D- East Elevation
Scale 1/4" = 1'-0"



② 2381 Unit D & C- North Elevation
Scale 1/4" = 1'-0"



① 2381 Unit C - West Elevation
Scale 1/4" = 1'-0"

Condominium Conversion Application

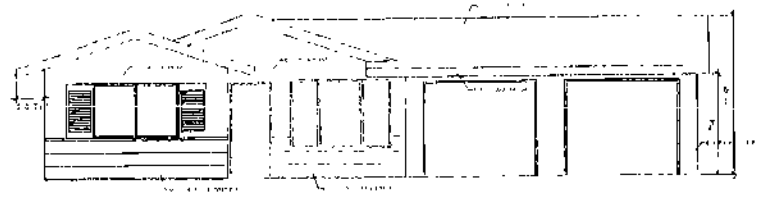
2379-2381 Elden Street Complex

Costa Mesa, Ca.

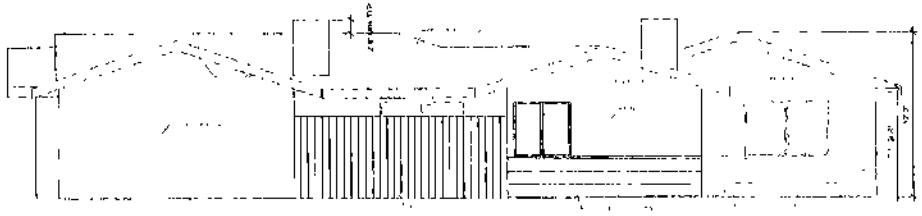
REVISIONS	DATE

Date: 3-26-08
Application Set

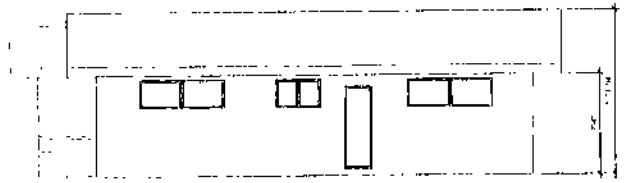
A-6



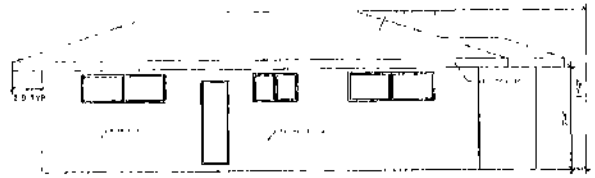
⑥ 2379 Unit E - West Elevation
Scale 1/4" = 1'-0"



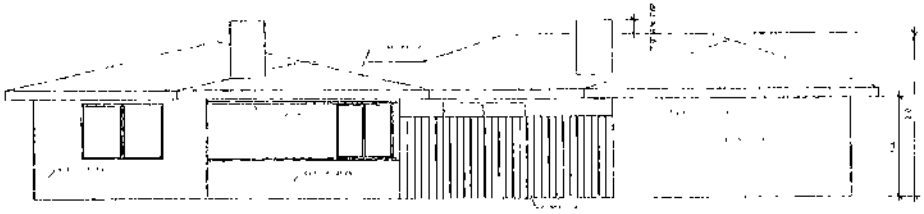
⑤ 2379 Unit E & F- South Elevation
Scale 1/4" = 1'-0"



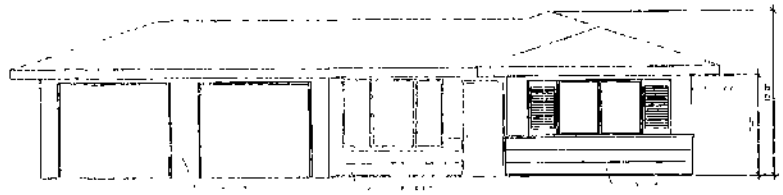
④ 2379 Unit F - East Elevation
Scale 1/4" = 1'-0"



③ 2381 Unit F- East Elevation
Scale 1/4" = 1'-0"



② 2381 Unit F & E- North Elevation
Scale 1/4" = 1'-0"



① 2381 Unit E - West Elevation
Scale 1/4" = 1'-0"

Condominium Conversion Application

2379-2381 Elden Street Complex

Costa Mesa, CA

REVISIONS	DATE

Date 3 28 08
Application Set

A-7

20

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA APPROVING PLANNING APPLICATION PA-06-29

THE CITY COUNCIL OF THE CITY OF COSTA MESA HEREBY RESOLVES AS FOLLOWS:

WHEREAS, an application was filed by Peter Zehnder, authorized agent for Evans Trust, with respect to the real property located at 2379 and 2381 Elden Avenue (Units A – F), requesting approval of the conversion of 12 apartments to a common interest development, in the R2-MD zone; and,

WHEREAS, a duly noticed public hearing was held by the Planning Commission on July 10, 2006, and PA-06-29 was denied by Planning Commission; and

WHEREAS, the item was appealed by Peter Zehnder to the City Council on July 17, 2006; and

WHEREAS a duly noticed public hearing was held by the City Council on September 5, 2006;

NOW, THEREFORE, BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit "A", the City Council of the City of Costa Mesa hereby **APPROVES** Planning Application PA-06-29 with respect to the property described above.

BE IT FURTHER RESOLVED that the Costa Mesa City Council does hereby find and determine that adoption of this Resolution is expressly predicated upon the activity as described in the Staff Report for Planning Application PA-06-29 and upon applicant's compliance with each and all of the conditions contained in Exhibit "B". Any approval granted by this resolution shall be subject to review, modification or revocation if there is a material change that occurs in the operation, or if the applicant fails to comply with any of the conditions of approval.

PASSED AND ADOPTED this 5th day of September 2006.

_____
Mayor of the City of Costa Mesa

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA DENYING PLANNING APPLICATION PA-06-29

THE CITY COUNCIL OF THE CITY OF COSTA MESA HEREBY RESOLVES AS FOLLOWS:

WHEREAS, an application was filed by Peter Zehnder, authorized agent for Evans Trust, with respect to the real property located at 2379 and 2381 Elden Avenue (Units A – F), requesting approval of the conversion of 12 apartments to a common interest development, in the R2-MD zone; and,

WHEREAS, a duly noticed public hearing was held by the Planning Commission on July 10, 2006, and PA-06-29 was denied by Planning Commission; and

WHEREAS, the item was appealed by Peter Zehnder to the City Council on July 17, 2006; and

WHEREAS a duly noticed public hearing was held by the City Council on September 5, 2006;

NOW, THEREFORE, BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit "A", the City Council of the City of Costa Mesa hereby **DENIES** Planning Application PA-06-29 with respect to the property described above.

PASSED AND ADOPTED this 5th day of September 2006.

_____
Mayor of the City of Costa Mesa

ATTEST:

_____
Deputy City Clerk of the City of Costa Mesa

STATE OF CALIFORNIA)
COUNTY OF ORANGE)ss
CITY OF COSTA MESA)

I, Julie Folcik, Deputy City Clerk and ex-officio Clerk of the City Council of the City of Costa Mesa, do hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the said City Council at a regular meeting thereof held on the 5th day of September 2006.

_____
Deputy City Clerk and ex-officio Clerk of the
City Council of the City of Costa Mesa

EXHIBIT "A" (APPROVAL)

FINDINGS

A. The information presented substantially complies with Costa Mesa Municipal Code Section 13-29 (10) in that, although the critical vacancy rate is less than the rate established in Section 13-42 (c) (Residential Common Interest Development Conversions), the condominium conversion will not diminish affordable housing stock for the very-low income households within the City. Conversion of the apartments will result in a general upgrading of the property, as well as providing additional home ownership opportunities within the City. To ensure that existing tenants are not displaced unreasonably, a condition is included to require that current tenants be offered right of first refusal to purchase a unit, or the property owner pay registration fees for an apartment search service to help them find a new apartment if they decide not to purchase.

B. The information presented substantially complies with Costa Mesa Municipal Code Section 13-29(e) in that:
   a. The project is compatible and harmonious with existing development and uses in the general neighborhood.
   b. Safety and compatibility of the design of buildings, parking areas, landscaping, luminaries and other site features, which includes functional aspect of the site development such as automobile and pedestrian circulation, have been considered.
   c. The project is consistent with the General Plan's Land Use and Housing Element goals and objectives for additional ownership housing and to improve the balance between rental and ownership housing opportunities within the City.
   d. The planning application is for a project-specific case and is not to be construed to be setting a precedent for future development.

C. The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City environmental procedures, and has been found to be exempt from CEQA under Section 15301 for Existing Facilities.

D. The project is exempt from Chapter XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

EXHIBIT "B"

CONDITIONS OF APPROVAL

Plng. 1. The following improvements shall be made:

1. All exterior and interior improvements listed in applicant's "Proposed Improvements" letter. This condition shall be completed under the direction of the Planning staff.
2. Replace all fences throughout the property. A 6-foot high decorative block wall shall be provided on the project's perimeter property line (minimum 10-foot setback from front property line required).
3. Replace existing driveway and re-design without a center concrete swale. This condition shall be completed under the direction of Development Services and Public Services Departments.
4. Provide decorative paving at the driveway entry areas.
5. Upgrade landscaping to comply with current code requirements.
6. Treat termite infestations as recommended by a termite control company.

2. The address of individual units shall be blueprinted on the site plan and on all floor plans in the working drawings.
3. Prior to issuance of building permits, applicant shall contact the US Postal Service with regard to location and design of mail delivery facilities. Such facilities shall be shown on the site plan, landscape plan, and/or floor plan.
4. Street addresses shall be displayed on the complex identification sign or, if there is no complex identification sign, on the wall in a manner visible to the public street. Street address numerals shall be a minimum 6" in height with not less than ½" stroke and shall contrast sharply with the background. Identification of individual units shall be provided adjacent to the unit entrances. Letters or numerals shall be 4" in height with not less than ¼" stroke and shall contrast sharply with the background.
5. To avoid an alley-like appearance, the driveway shall be reconstructed without a center swale. Design shall be approved by the Planning Division.
6. Applicant shall contact the Building Safety Division, prior to the release of utilities for any units, to provide proof that the Uniform Building Code requirements for condominiums have been satisfied, to obtain a change of occupancy permit, and to complete any additional paperwork created through this conversion.
7. The conditions of approval and ordinance or code provisions and special district requirements of Planning Application PA-06-29 shall be blueprinted on the face of the site plan.
8. The applicant shall contact the Planning Division to arrange for an inspection of the site prior to the final Building Division inspections. This inspection is to confirm that the conditions of approval and code requirements have been satisfied.

9. The applicant shall offer the existing tenants right of first refusal to purchase the units with terms more favorable than those offered to the general public. If the existing tenants confirm in writing that they are not interested in purchasing the units, the property owner will pay the registration fee for an apartment referral service.
10. The CC&Rs shall disclose that the available parking on-site is 12 spaces short of the current condominium parking standards because of its legal nonconforming status.
11. The applicant shall show proof of compliance with all applicable conditions of approval and code requirements prior to recordation of the final map. This condition shall be completed under the direction of the Planning Staff.
12. The CC&R's shall require that garage spaces be used for parking, and any changes made to this provision require prior review and approval by the City of Costa Mesa.

Bldg. 13. The following Building Division corrections shall be made:
   a. Smoke alarms required at locations referenced by the California Building Code.
   b. Install draft stops in attic areas, separating dwelling units.
   c. Maintain one-hour separation between garages and dwelling units.
   d. Install water heaters per California Plumbing Code requirements.
   e. Remove plastic piping installed in garage.
   f. Above-ground gas lines shall be installed minimum 6 inches above grade.
   g. Provide type B gas vent termination caps.
   h. Provide GFCI protection for receptacles at kitchens, bathrooms, garages, and outdoors.
   i. Remove illegal wiring methods in garages.

Eng. 14. Submit subdivision application and comply with conditions of approval and code requirements.

Project Description

2379-2381 Elden Street

The applicant is submitting a Residential Common Interest Conversion and is proposing substantial improvements to the buildings and landscape areas as described in the accompanying Proposed Improvements.

The subject is a 12-unit bungalow style existing development currently being rented individually on a month-to-month basis. The property was originally constructed in 1963 and consists of eight units of two bedrooms and two bathrooms and four units of two bedrooms and one bathroom. Each unit has central heating and fireplaces.

There are twelve attached enclosed garages and additional open parking for twelve units. There are several areas of paved open space, which are not dedicated to parking, which may be utilized as additional parking if consistent with the new landscape plan.

The site is quite low density in its design, which affords opportunity for the developer to create a new landscape plan that takes advantage of the popular bungalow style environment of the site. Each unit has an adjacent private open area, which exceeds the requirement that no dimension be less than 10 feet.

The building is operated at market rents that are higher than the low or very low standards in The City of Costa Mesa. There are no school-aged children residing to our knowledge.

The project is extremely compatible with the neighborhood and surrounding properties, which are mostly single family, and multi family condominiums. The renovation of the homes and conversion will greatly enhance the neighborhood and provide much needed and affordable homeownership opportunities for the residents of Costa Mesa.

Proposed Improvements

2379 – 2381 Eldon Avenue.

Exterior improvements:

The existing architecture reflects a traditional bungalow design typical of the period with simple, clean lines and sloped rooflines. We intend to keep the design aesthetic in tact and in fact enhance this architectural style wherever possible.

Each unit has a large private open yard/patio area, which will provide a very pleasing design element from both the exterior and interior of the units. In addition, several of the homes have attached private yards, which far exceed the typical open space found in Condominium developments

A landscape plan conforming to City standards will be submitted which will feature new plant materials which also reflect the updated design. We intend to use Native California materials with an emphasis on drought resistant plants and water conservation.

.
The following is a list of other exterior features which will be reflective of our architectural design:

- New exterior lighting for each unit.
- Common area lighting.
- Lighted site identification at Elden Ave. entrance.
- New exterior doors on all units.
- New paving and/or repair of all driveways.
- New address identification on all units.
- Repair and/or replace and all exterior stucco and trim.
- New exterior paint and trim features on all units.
- New automatic garage doors on all units.

Interior Improvements:

In addition to the corrections that were identified by the City of Costa Mesa Building Department we intend to make the following interior improvements subject to approval by the appropriate department or utility authority. It is our intention to keep the architectural theme consistent in the selection of materials, appliances, fixtures, and color:

- New energy efficient and code compliant windows and trim.
- New wall receptacles for electrical and data access where necessary.
- Repair / replace communication lines with high-speed Internet availability.
- Replace and/or repair all drywall and ceilings as necessary.
- Replace all floor coverings with all new materials.
- Replace and/or repair all interior doors.
- Replace and/or repair all kitchen and bath cabinetry.
- New countertops in all kitchens and baths.
- New sinks in all kitchens and baths.
- Replace all existing appliances with new energy efficient appliances in kitchens.
- Replace and/or repair all existing interior heating units with energy efficient standards.
- Replace all existing light fixtures throughout.
- Replace all existing plumbing fixtures with energy efficient fixtures.
- Replace and/or repair all existing shower/bath tubs and enclosures.
- New paint on all interior walls and trim.

EXHIBIT "A" (DENIAL)

FINDINGS

A. The information presented does not comply with Costa Mesa Municipal Code Section 13-29 (10) in that the project is extremely under parked and requires a single ownership to address parking issues, exceeds density allowance, and lacks sufficient open space.

B. The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City environmental procedures, and has been found to be exempt from CEQA under Section 15301 for Existing Facilities.

C. The project is exempt from Chapter XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

CITY OF COSTA MESA
P. O. Box 1200
Costa Mesa, CA 92628-1200

FEE: $ 1070.

APPLICATION FOR REVIEW, APPEAL OR REHEARING

Applicant Name PETER ZEHNDER

Address P. O. BOX 15126 NEWPORT BEACH, CALIF. 92659

Phone 949/230-5426 Representing* EVANS TRUST

REQUEST FOR: ☐ **REVIEW**** ☐ **APPEAL** ☐ **REHEARING**

Decision of which review, appeal or rehearing is requested: (give number of rezone, zone exception, ordinance, etc., if applicable, and the date of the decision, if known.) PLANNING APPLICATION PA-06-29 JULY 10, 2006

Decision by: _____ Reasons for requesting review, appeal or rehearing:

SEE ATTACHED

RECEIVED
CITY CLERK
2006 JUL 17 PM 12:44
CITY OF COSTA MESA
BY

Date: 7/17/06 Signature:

For office use only – do not write below this line

SCHEDULED FOR THE CITY COUNCIL/PLANNING COMMISSION MEETING OF:
If review, appeal or rehearing is for person or body other than City Council/Planning Commission, date of hearing of review, appeal or rehearing:

* If you are serving as the agent for another person, please identify the person you represent and provide proof of agency.
** Review may be requested only by City Council or City Council Member
Costa Mesa/Forms1/Application for Review-Appeal-Rehearing

RECEIVED
CITY CLERK

2006 JUL 17 PM 12:45

CITY OF COSTA MESA
BY_____

Peter Zehnder
P.O. Box 15126
Newport Beach, Calif. 92659
949/230-5426 Fax: 949.548-8974

PA-06-29

2379 – 2381 Elden Avenue.

Pursuant to code section 13-42 G the above application was submitted to the City of Costa Mesa Planning Commission at the public hearing on July 10, 2006. . The Commission voted 3 yes and 2 no on a motion to deny the application.

The application meets or exceeds all code requirements for approval in the City of Costa Mesa. The application was recommended for approval by the City of Costa Mesa Planning Department staff. There were many comments expressed by members of the commission but the comments were not reflective of any specific grounds that would warrant a denial.

The question of parking was discussed but this project complies with the existing non conforming status and has 25% more parking than several projects have been recently approved by this Commission with almost identical characteristics. We are in fact proposing the addition of 2 guest parking places.

The subject project will transform the existing 12 rental homes into a lovely community of 12, pride of ownership homes with a fresh and modern design aesthetic.

We are spending a budget of over one million dollars on the improvements of the homes. Each home will be upgraded with new interior and exterior finishes and design elements. The kitchens and baths will be completely remodeled with new appliances, cabinets, fixtures and flooring. Doors and windows will be replaced.

Where applicable, the homes will be updated to include high speed internet and communication lines.

Taking advantage of the original low density design of the site, a new landscape plan will be developed to enhance the ample existing open space and create an environment of beautiful and useful common and additional private open areas.

Sales prices for the new homes are projected to be below the current median price for homes in Costa Mesa thereby reaching a previously underserved market of new and existing homeowners who have an appreciation for lower density living environments but have been priced out of the market for such developments.

The proposed use is extremely compatible with the residential zoning of the area and would certainly enhance the neighborhood.

The existing rental rates for the units exceed the applicable rates for very low and low income households.

RECEIVED
CITY CLERK
2006 JUL 17 PM 12:45
CITY OF COSTA MESA
BY_____

APPEAL TO COSTA MESA CITY COUNCIL

Since the Planning Commission hearing, the Applicant has met with City Staff and has provided the following Project modifications to address the Planning Commission's comments:

- The addition of 2 open parking spaces on site.
- The addition of approximately 3000 SQ FT open space/landscape area.
- The applicant is intending to invest over one million two hundred thousand dollars ($1,200,000) in the rehabilitation of the homes and site improvements.

The proposed conversion increases home ownership opportunities in the City, thereby furthering the adopted General Plan policy LU-1A.4

- The projected sales price of the homes is below the median sales price for the City of Costa Mesa which is currently $655,000.00, and far below the median sales price for the neighborhood which is reported to be $870,000.00.
- The project will qualify for the City's Home Buyer Assistance Program.

The proposed conversion would include the following relocation assistance and purchase assistance to the project's existing tenants:

- Assistance for Tenants Who Purchase Their Units

  Tenants who reside at the project at the time the 180-day notice of termination of tenancy is given ("Eligible Tenants") and who decide to purchase a unit will be given first opportunity to purchase a home before the general public at a price and/or financing terms which will be below market rate at the time of purchase. The value of this offer will be no less than $10,000,00 for each tenant who becomes home buyer.

- Relocation Assistance for Tenants Who Choose Not to Purchase Their Unit

  For up to 180 days after the notification of termination of tenancy is given, the owner will offer the following relocation assistance beyond the requirements of state and local law to Eligible Tenants who do not purchase their unit:

  (1) Transportation for Elderly and Handicapped Tenants

  Free transportation would be provided to and from alternative rental units in the project vicinity to elderly tenants over the age of 61 and handicapped tenants (as defined in California Health & Safety Code section 50072).

(2) Apartment Directory

A directory of other available apartments in the vicinity of the project will be maintained on-site.

The proposed conversion will result in significant property tax revenues to the City

- The Tax basis for the subject property will increase from $771,000.00 to over $7,000,000.00 adding over 6 million dollars of additional property value to the City tax base.

The Planning Commission's finding of inadequate parking is not supported by the record

- The proposed conversion has 12 units, 12 garage spaces, and 14 open parking spaces. The City has recently approved similar condominium conversion projects with fewer parking spaces than the proposed conversion, including 535 Bernard Street (12 units, 12 garage spaces, and 6 open parking spaces).
- The proposed conversion complies with the City's parking requirements because the structure is not proposed to be enlarged or increased (see Costa Mesa Municipal Code Sec. 13-85(b)). Furthermore, the proposed conversion meets the City's definition of a "Conforming Use in a Nonconforming Development" which permits a change of use so long as the proposed use does not require *more* parking than *currently* required for the existing use (see Costa Mesa Municipal Code Sec. 13-202 and Sec. 13-204). Here, the current parking requirements for apartments and condominiums are identical.
- As condominiums, each unit will have assigned parking spaces.
- Following conversion to condominiums, the parking areas will be controlled by the project's Homeowner's Association, a single entity responsible to address parking issues.
- Historically, parking at site has performed adequately and Applicant is not aware of any parking-related citations or complaints.

PLANNING APPLICATION PA-06-29

Evans Trust/Zehnder

The Chair opened the public hearing for consideration of Planning Application PA-06-29 for Peter Zehnder, authorized agent for Evans Trust, for a residential common interest development conversion of an existing 12-unit apartment project to condominiums, located at 2379 and 2381 Elden Avenue (units A-F) in an R2-MD zone. Environmental determination: exempt.

Associate Planner Wendy Shih reviewed the information in the staff report and gave a presentation. She said staff was recommending approval by adoption of Planning Commission resolution, subject to conditions.

Peter Zehnder, representing the property owner, Evans Trust, 521 Redlands Avenue, Newport Beach, stated that he has read the conditions of approval and has some questions. Condition of approval #1, paragraph #2, discussed the replacement of all fences throughout the property with a block wall. He asked permission to install a decorative redwood fence as a suitable alternative instead, and agreed to use appropriate matching materials as approved by staff.

Mr. Zehnder also discussed condition of approval #11 and the feasibility of submitting the final parcel map for recordation prior to completion of site improvements. He explained that it takes a great deal of time to record the map because the process is so time consuming, and they would like to have everything completed at the same time in order to commence with the sale of the condominiums.

He felt there were a number of ways to satisfy these conditions and requirements. He said typically, in other jurisdictions there is a "certificate of occupancy"; sometimes utilities are held, etc. Mr. Zehnder agreed to all the conditions of approval with the exception of #1.2 and #11 which he hoped to resolve with Planning Commission.

In response to the Chair, Ms. Shih stated that with regard to condition of approval #1.2 (replacing the fence), the main intent is to have consistent an durable material surround the property. She said staff would not be opposed to a 6-foot high wood fence as long as the material has been approved by Planning staff and that it is maintained (as contained in the code requirements for all multi-family residential properties). The Chair felt a block wall would be easier to maintain than a wooden fence. Ms. Shih stated that it is a preference by staff, but it is not a code requirement and depending upon how it will be constructed, staff would not be opposed to a wooden fence.

With regard to conditional of approval #11, Ms. Shih explained that this is a standard condition of approval for all condo conversion projects and the intent of this condition is so that staff can make sure that every single condition of approval, including upgrades to the property,

interior landscaping, as well as the building requirements, are all met before the City sign off. Further, she said the map is the last hold the City has to ensure the upgrades are made. She understands the applicant refers to the DRE (Dept. of Real Estate) report, the City does not have jurisdiction to overlook that.

Mr. Zehnder said that he understands the City's intent and they want to make sure the conditions have been met. He said the DRE has equal and perhaps more conditions that have to be met before they will allow the developer to sell a unit.

Commissioner Egan asked who owns the 2 large trucks that are stored at the back of the property. Mr. Zehnder said a motor home is being stored by the owner and is the only truck he knows about.

There was further discussion between the Commission and staff regarding potential problems if the map was to be finaled before the conditions were satisfied, and alternative solutions to the issue.

Commissioner Garlich said wooden fences are quickly and affordably being replaced with vinyl fences. He asked if that was an option. Ms. Shih agreed that could be an alternative. He also commented that after all this discussion about maps and bonding, there may be a solution, but he is not willing to try and invent one on the dais this evening.

Mike Evans, 1720 Whittier Avenue, Costa Mesa, representing the Evans Family Trust, owners of the property, confirmed that the RV on the back of the property is his and it will be moved soon. The truck that was there is owned by one of the tenants who has a fish company and takes the truck out every morning at 7:30 a.m., works all day and parks it back there at 4:00 or 4:30 p.m.

No one else wished to speak and the Chair closed the public hearing.

In response to a question from the Chair, Mr. Evans said the property was purchased in 1979, has several long-term tenants, and they are the sellers and not the ones doing the conversion. He and his mother (who is 75 years of age) were approached by Mr. Zehnder. In response to a statement from the Chair regarding 12 "displaced tenants", Mr. Evans stated that all rents were going to be raised this past January, closer to current rates and many would have been displaced at that time. However, having been approached by Mr. Zehnder, this gives all tenants another 6 months. In response to another question from the Chair regarding school-age children, Mr. Evans stated they 2 school-age children that are part-time occupants. The Chair asked staff if that would change anything in the staff report. Ms. Shih responded that the analysis and recommendation still remain the same with a condition of approval for the offers and paying the registration fee.

Mr. Zehnder explained that with respect to tenant displacement, if someone wanted to demolish these projects and build new ones, those issues would not come up and would not be discussed. He believed that with condominium conversions it does allow the introduction of

new homeownership to the City at rates far below what would be charged if all 12 units were demolished and 12 new units were built. In addition, it allows those people to take advantage of the City's "First Time Homebuyer Program." In conclusion, he felt this was a better alternative than what could be developed on the property.

The Chair inquired about the tenant rents. He said it was his understanding that the cost to buy a condo, and those who have been paying $870/month in rent, would not be able to afford one of those condos.

MOTION:
PA-06-29
Motion was not called

A motion was made by Vice Chair Hall, seconded by Commissioner Garlich, to approve by adoption of Planning Commission resolution, subject to conditions, based on information and analysis contained in the Planning Division staff report, and findings contained in exhibit "A", subject to conditions in exhibit "B", with the following modifications: #1.2. Replace all fences throughout the property. A 6-foot high decorative block wall, or suitable alternative as approved by staff shall be provided on the project's perimeter property line (minimum 10-foot setback from property line required). #11. The applicant shall show proof of compliance with all applicable conditions of approval and code requirements prior to ~~recordation of the final map~~ release of utilities to new owners. Motion was not called. (See substitute motion below).

During discussion on the motion, Commissioner Egan expressed that she was convinced this project needs to stay under a single management because the shortage of parking is so severe that there would be a lot of conflicts.

The Chair agreed with Commissioner Egan because he likes condition of approval #11 and it makes it more difficult for the developer and he could not see a situation where someone has a mortgage and is not able to move in because the utilities have not been released. It is also under parked and lastly, this project doesn't feel right.

Vice Chair Hall explained to the Chair that it's going to be under parked whether or not it is converted and that does not change. It can be left as rental property and eliminate the opportunity for people to become homeowners and visa versa. He listed the exterior and interior improvements expected to be completed on this property (pages 13 and 14, Planning Division staff report). He said he could find no reason to deny people the opportunity to become homeowners.

The Chair commented that this is absolutely a money-maker and it is not the Commission's job to see to that. This is several million dollars and we're looking at a couple of hundred thousand dollars in improvements which arguably could be done, or should be done anyway. Now they get sold for about half a million dollars, they should have adequate parking.

Commissioner Fisler said this project needs variances for density, open space and parking spaces. He said if one unit was gone, these things

could probably be met. He said Mr. Evans said they wanted to bring the rents up to current standards.

SUBSTITUTE MOTION:
PA-06-29
Denied

A substitute motion was made by Chair Perkins, seconded by Commissioner Fisler and carried 3-2 (Hall and Garlich voted no), to deny Planning Application PA-06-29 by adoption of Planning Commission Resolution PC-06-53, based on analysis and information contained in the Planning Division staff report and findings contained in exhibit "A", subject to conditions in exhibit "B" with the following modifications:

Findings

Replace as follows:

A. The information presented does not comply with Costa Mesa Municipal Code Section 13-29(10) in that the project is extremely under parked, and requires a single ownership to address parking issues, exceeds density allowance, and lacks sufficient open space.

B. Delete.

C. Change to "B" and remains the same.

D. Change to "C" and remains the same.

During discussion on the motion, Vice Chair Hall expressed his disappointment in the vote and detailed some of staff's findings and reiterated the interior and exterior improvements.

The Chair explained the appeal process.

CITY OF COSTA MESA

P.O. BOX 1200 • 77 FAIR DRIVE • CALIFORNIA 92628-1200

DEVELOPMENT SERVICES DEPARTMENT

FOR ATTACHMENTS NOT INCLUDED IN THIS REPORT,

PLEASE CONTACT THE CITY CLERK'S OFFICE AT

(714) 754-5121