



## PLANNING COMMISSION AGENDA REPORT

MEETING DATE: FEBRUARY 28, 2005

*III. 2*  
ITEM NUMBER:

SUBJECT: PLANNING APPLICATION PA-04-44  
535 THROUGH 545 BERNARD STREET

DATE: FEBRUARY 17, 2005

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

### DESCRIPTION

The applicant proposes to convert an existing 1-story, 12-unit apartment complex into a common interest development (condominiums), which would allow the units to be sold independent of one another.

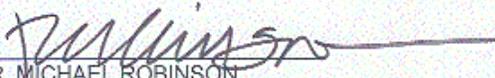
### APPLICANT

Peter Zehnder is representing the property owner Robert R. Boyd.

### RECOMMENDATION

Approve by adoption of Planning Commission resolution, subject to conditions.

  
WENDY SHIH  
Associate Planner

  
R. MICHAEL ROBINSON  
Asst. Development Services Director

### PLANNING APPLICATION SUMMARY

Location: 535 – 545 Bernard Street Application: PA-04-44

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

Zone: R2-HD North: Surrounding properties

General Plan: High Density Residential South: are all residentially

Lot Dimensions: 172 ft. x 218 ft. East: zoned and

Lot Area: 37,621 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.	172 ft.
Lot area	12,000 sq.ft.	37,621 sq.ft.
Density: Zone/GP	1 du/ 3,000 sq.ft.	1 du/ 3,135 sq.ft.
Building coverage – overall project:		
Buildings	NA	32% (12,021 sq.ft.)
Paving	NA	25 % (9,247 sq.ft.)
Open Space	40% (15,048 sq.ft.)	43% (16,353 sq.ft.)
TOTAL	100% (37,621 sq.ft.)	100% (37,621 sq.ft.)
Min. private open space dimension	10 ft. by 10 ft. min.	10 ft. by 10 ft. min.
Building Height:	2 stories/27 ft.	1 story/11 ft.
Building separation:	10 ft. min.	10 ft. 9 in.
Setbacks:		
Front	20 ft.	37 ft.
Side (left/right)	5 ft./5 ft.	4 ft. 7 in./8 ft.
Rear	10 ft.	30 ft.
Parking:		
Covered	12	12
Open	18	0**
Guest	6	6
TOTAL	36	18**
Driveway width:	16 ft.	10 ft. min.***
Landscape prkws. -- private driveways:	3 ft. min/10 ft. total	5 ft. min./15 ft. - 20 total

CEQA Status Exempt, Class 1

Final Action Planning Commission

- \* Existing, nonconforming.
- \*\* Existing, nonconforming on-site parking. Only 12 garage spaces are currently provided; the applicant proposes to add 6 open/guest parking spaces to gain closer conformance with parking requirements.
- \*\*\* The westerly driveway is 10' (existing, nonconforming). Minor modification requested to reduce a portion of the easterly drive to 10' min (see report for discussion).

### BACKGROUND

The property contains 12, 2-bedroom apartment units (6, single-story duplexes), each with an attached single-car garage. The applicant proposes to convert the apartments into condominiums.

Pursuant to Code Section 13-42(g), Planning Commission review is required when occupied apartments are proposed to be converted to a common interest development. The review is required to confirm compliance with applicable development standards and to consider potential impacts on the rental housing supply and displacement of tenants if the City's vacancy rate is below 3%. The City's current vacancy rate is 2.97%.

A minor modification is also requested to reduce the rear portion of the easterly driveway from 17 feet to 10 feet to allow additional landscaping/private yard area for the units.

A tract map will be required to be processed and recorded before the units can be sold independent of one another. The applicant is aware of this requirement, but did not want to have the map prepared until he was certain the conversion would be approved.

### ANALYSIS

#### CONDOMINIUM CONVERSION

Common interest developments must comply with additional development standards above those applicable to the zone of the property. These additional development standards include provision of a 10-foot by 10-foot private open space for each unit, having a break in the front plane of the building of at least 4 feet every 2 dwelling units, and provision of on-site lighting. The applicant proposes substantial upgrades to the property, including, but not limited to additional landscaping/private yard area for some of the units, enhanced landscaping at the front of the property, trellises to enhance entry area of individual units, and additional open/guest parking spaces at the rear of the lot. The project will comply with the common interest development requirements or can be conditioned to comply with these requirements.

The existing development was constructed in 1959 and is legal, nonconforming because the number of parking spaces and left (east) side setback do not comply with current Code for multiple-family projects – whether apartments or condominiums. The proposed change in the type of ownership will not increase the project's degree of nonconformity.

Approval of the conversion will satisfy General Plan Goal LU-1A.4 that encourages additional home ownership opportunities in the City. However, City Council is

concerned that conversions may diminish the supply of rental housing and displace residents unreasonably, particularly senior citizens, low- and moderate-income families, and families with school-age children. Consequently, City Council previously adopted a "critical vacancy rate" of 3% as the threshold for discouraging conversion of apartments to common interest developments. When the citywide rental vacancy rate is 3% or less, Planning Commission may deny any requested conversions. The latest census data indicates the City's rental vacancy rate is 2.97%.

The tenants are currently charged \$1,200 to \$1,300 a month in rent, which exceeds affordable rental rates of \$835 for very low income to \$1,162 for moderate income households. Therefore, conversion of the units would not result in a loss of affordable units. As conditioned, the applicant will offer right of first refusal to the tenants, with terms more favorable than those offered to the general public. If the tenants confirm that they are not interested in purchasing the units, the property owner will pay the registration fee for an apartment referral service. The City is only .03% (or 12 units City-wide) below the adopted vacancy rate threshold, it is staff's opinion that this proposal meets the goal of the General Plan's Housing Element to provide additional home ownership opportunities, and does not impact availability of affordable rental housing.

As required by Code, a property inspection report as well as a termite report was submitted, and a City property inspection report was prepared. Since these units are to be sold, it is staff's opinion that the property, as well as individual units, should be upgraded. Based on those reports, Planning staff's inspection of the site, and to allow a general upgrading of the site, staff recommends the following improvements:

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 minimum 6-foot high decorative block wall shall be provided on the project's perimeter property line.
3. Provide decorative paving at the driveway entry areas.
4. Upgrade landscaping to satisfy current code requirements.
5. Treat termite infestations as recommended by a termite control company.

This request is an example of renewed interest in conversion requests involving older apartments in the community. Staff has met with several potential conversion developers in the last few months. Historically, such requests have been discouraged or denied due to the degree of noncompliance with current development standards, especially parking, and amenities found in current common interest developments. However, these concerns must be reviewed in light of City

Council and community desires to increase opportunities for home ownership in the community.

As noted above, the interest in ownership housing is not only reflected in adopted general plan polices, but also expressed in a recent City Council Community Objective 03-D1. This objective directed staff to investigate incentives for owner-occupied housing on the Westside. It specifically asked staff to evaluate incentives to build new ownership projects but also to encourage condominium conversions, without involving Redevelopment Agency financial assistance, such as the case with the Habitat for Humanity conversion project at 1925 Pomona Avenue. Staff suggests that the current request fulfills this directive and that the upgrades and amenities included in the applicant's proposed improvements will result in a home ownership project that will compare favorably with new common interest developments.

#### MINOR MODIFICATION FOR DRIVEWAY WIDTH

Pursuant to Costa Mesa Municipal Code Section 13-93 (1), driveways providing access to 2 or more dwelling units must be at least 16 feet wide. The Code allows a minor modification for a decrease in minimum driveway width to not less than 10 feet (Section 13-28(j)(1)) if the improvement will not be materially detrimental to the health, safety and general welfare of persons residing on or near the property and if the improvement enhances the overall design of the project. The westerly driveway is 10 feet wide (legal, nonconforming). The easterly driveway is currently 17 feet wide. However, the applicant proposes to reduce the rear portion of the driveway to minimum 10 feet. Staff has no objections to a minor modification to allow a reduction of the driveway width because it allows additional private yard area and landscaping on both sides of the driveway that will enhance the development. The Transportation Services staff also has no objections to the proposed site improvement. The reduced driveway width will still provide adequate on-site circulation for all units.

#### ALTERNATIVES

The units could still be rented without the proposed site upgrades, if the requests are denied.

#### ENVIRONMENTAL DETERMINATION

The project is exempt from the provisions of the California Environmental Quality Act.

#### CONCLUSION

Conversion of the apartments will result in a general upgrading of the property, as well as providing additional home ownership opportunities. In staff's opinion,

conversion of the units will not diminish affordable housing stock. Additionally, current tenants will be offered right of first refusal to purchase, or the property owner will pay registration fees for an apartment search service to help them find a new apartment if they decide not to purchase.

Attachments:      Draft Planning Commission Resolution  
                         Exhibit "A" - Draft Findings  
                         Exhibit "B" - Draft Conditions of Approval  
                         Applicant's Project Description and Justification  
                         Proposed Improvements letter  
                         Inspection Reports  
                         Location Map  
                         Plans

cc:      Deputy City Manager - Dev. Svs. Director  
            Sr. Deputy City Attorney  
            City Engineer  
            Fire Protection Analyst  
            Staff (4)  
            File (2)

Robert R. Boyd  
P.O. Box 691  
Corona Del Mar, CA 92625

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

Wilford Laughrey  
P.O. Box 10242  
Santa Ana, CA 92711

File: 022805PA0444	Date: 021505	Time: 1115 a.m.
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**RESOLUTION NO. PC-05-**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE  
CITY OF COSTA MESA APPROVING PLANNING  
APPLICATION PA-04-44.**

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA HEREBY  
RESOLVES AS FOLLOWS:

WHEREAS, an application was filed by Peter Zehnder, authorized agent for Robert R. Boyd with respect to the real property located at 535 through 545 Bernard Street, requesting approval of the conversion of 12 apartments to a common interest development, in conjunction with a minor modification to allow reduced driveway width, in the R2-HD zone; and

WHEREAS, a duly noticed public hearing was held by the Planning Commission on February 28, 2005.

BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit "A", and subject to the conditions contained in Exhibit "B", the Planning Commission hereby **APPROVES** Planning Application PA-04-44 with respect to the property described above.

BE IT FURTHER RESOLVED that the Costa Mesa Planning Commission 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-04-44 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 28<sup>th</sup> day of February, 2005.**

\_\_\_\_\_  
Chair, Costa Mesa  
Planning Commission

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## EXHIBIT "A"

**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 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. A condition is also included to require that current tenants be offered right of first refusal to purchase, 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(g)(6) in that approval of a minor modification to reduce a portion of the westerly driveway to 10 feet will not be materially detrimental to the health, safety and general welfare of persons residing or working within the immediate vicinity of the project or to property and improvements within the neighborhood. The improvement is compatible and enhances the existing and anticipated development in the vicinity. This includes the site planning, land coverage, landscaping, appearance, open space and any other applicable features relative to a compatible and attractive development.
- C. 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.
  - d. The planning application is for a project-specific case and is not to be construed to be setting a precedent for future development.
  - e. The cumulative effect of all the planning applications has been considered.
- D. 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.
- E. 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:
- a. All exterior and interior improvements listed in applicant's "Proposed Improvements" letter. This condition shall be completed under the direction of the Planning staff.
  - b. Replace all fences throughout the property. A minimum 6-foot high decorative block wall shall be provided on the project's perimeter property line, subject to City standards.
  - c. Provide decorative paving at the driveway entry areas.
  - d. Upgrade landscaping to satisfy current code requirements.
  - e. 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 1/2" 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 1/4" stroke and shall contrast sharply with the background.
  5. To avoid an alley-like appearance, the shall be developed 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 site plan shall show provisions for the placement of centralized mail delivery units, if applicable. Specific locations for such units shall be to the satisfaction of the Planning Division, Engineering Division, and the US Postal Service.
  8. The conditions of approval and ordinance or code provisions and special district requirements of Planning Application PA-04-44 shall be blueprinted on the face of the site plan.
  9. 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.
10. 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.
  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. Provide double-pane windows for energy conservation.
    - b. Comply with current bedroom egress window requirements.
    - c. Restore firewall between dwelling units and garages.
    - d. Provide minimum 100 AMP electrical services. All panels shall be labeled.
    - e. Provide house meter for common area.
    - f. Comply with all interior and exterior electrical receptacle requirements.
    - g. Provide seismic strapping for water heaters and T/P discharge lines shall terminate to exterior.
    - h. Provide gas lines sizing survey.
    - i. Clean kitchen exhaust fans.
  - Eng. 14. Maintain the public right-of-way in a "wet-down" condition to prevent excessive dust and promptly remove any spillage from the public right-of-way by sweeping or sprinkling.

**CITY OF COSTA MESA PLANNING APPLICATION**  
PROJECT DESCRIPTION AND JUSTIFICATION

1. Project Address: 535-546 BERNARD STREET

2. Fully describe your request:

CONVERSION TO RESIDENTIAL COMMON  
INTEREST DEVELOPMENT

3. Justification:

A. For a Conditional Use Permit or Minor Conditional Use Permit: On a separate sheet, describe how the proposed use is substantially compatible with uses permitted in the same general area and how the proposed use would not be materially detrimental to other properties in the same area.

B. For a variance or Administrative Adjustment: On a separate sheet, describe the property's special circumstances, including size, shape, topography, location or surroundings that deprive the property of privileges enjoyed by other properties in the vicinity under the identical zoning classification due to strict application of the Zoning Code.

4. This project is: (check where appropriate)

In a flood zone.

In the Redevelopment Area.

Subject to future street widening.

In a Specific Plan Area.

Includes a drive-through facility.

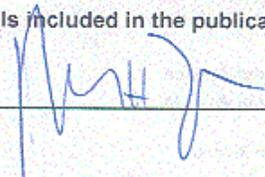
(Special notice requirements, pursuant to GC Section 65091 (d))

5. I have reviewed the HAZARDOUS WASTE AND SUBSTANCES SITES LIST reproduced on the rear of this page and have determined the project:

Is not included in the publication indicated above.

Is included in the publication indicated above.

Signature



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Date

10/19/04

## 535 Bernard St.

The applicant is proposing a unique and much needed housing concept for Costa Mesa.

Identifying the demand for affordable yet stylish housing, the project will transform the existing rental units into a community of 12 pride of ownership homes with a fresh and modern design aesthetic.

Taking advantage of the original mid-century modern design of the units, 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, etc. Doors and windows will be updated, repaired or replaced as necessary.

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

A new landscape plan will be developed to enhance the ample existing open space and create an environment of beautiful and useful common and private open areas.

Sales prices for the new homes are projected to be substantially below the current median price for homes in Orange County thereby reaching a previously underserved market of new and existing homeowners who have an appreciation for modern architectural design 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. There are no school aged children currently residing on the property.

Proposed Improvements

535-545 Bernard St.

RECEIVED  
CITY OF COSTA MESA  
DEVELOPMENT SERVICES DEPARTMENT

JAN 24 2005

Exterior improvements:

The existing architecture reflects a Mid Century Modern design with simple, clean lines and slightly sloped roof lines. We intend to keep the design aesthetic in tact and in fact enhance this architectural style wherever possible.

We are proposing to create and define a private open patio space of approximately 300 square feet at the entrance to each unit. These spaces will be defined by a combination of new landscape elements and architecturally pleasing fencing which will reflect the Mid Century Modern design in both materials and color. Each of these patio areas will be uniform in size and materials which will provide a very pleasing design element from both the exterior and interior of the units. In addition, many of the homes have attached private yards which far exceed the typical open space found in Condominium developments. The Modern design will be reflected in all new perimeter walls and fencing constructed on the site.

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

The Bernard Street elevations and entrances will have special landscape and hardscape features that clearly project the elements of design we have established throughout.

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 Bernard St. entrance.
- New exterior doors on all units.
- New architectural feature to define entry to each unit.
- Architectural trellis above garage entry to grow vine like plants.
- Architectural feature which will enhance front exterior window trim.
- New paving of all driveways.
- New address identification on all units.
- Repair and/or replace 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 which were identified by the City of Costs 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 both materials, appliances, fixtures, and color:

- New energy efficient and code compliant windows and trim.
- New code compliant 100 amp electrical service to each unit.
- New wall receptacles for electrical and data access.
- New 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.



## **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 PLANNING DIV. AT (714)754-5245.**