



PLANNING COMMISSION AGENDA REPORT

MEETING DATE: APRIL 10, 2006

III.2
ITEM NUMBER:

SUBJECT: PLANNING APPLICATION PA-05-54
1940 MAPLE AVENUE, UNITS A1 THROUGH C9

DATE: MARCH 30, 2006

FOR FURTHER INFORMATION CONTACT: MEL LEE, AICP SENIOR PLANNER (714) 754-5611

DESCRIPTION

The applicant is proposing to convert 12 units of an existing 2-story, 16-unit apartment complex into a common interest development (condominiums) to allow all but four of the units to be sold independent of one another.

APPLICANT

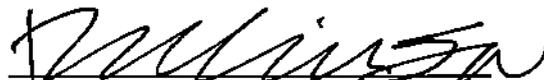
The applicant is Suzanne Levesque, representing Dennis and Jeanne Carpenter, the owners of the property.

RECOMMENDATION

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



MEL LEE, AICP
Senior Planner



R. MICHAEL ROBINSON, AICP
Asst. Development Services Director

PLANNING APPLICATION SUMMARY

Location: 1940 Maple Avenue Application: PA-05-54

Request: To convert an existing apartment complex to a common interest development (condominiums).

| | |
|---|---|
| Zone: <u>R3</u> | North: <u>Surrounding properties</u> |
| General Plan: <u>High Density Residential</u> | South: <u>are zoned residential and</u> |
| Lot Dimensions: <u>Irregular</u> | East: <u>contain residential</u> |
| Lot Area: <u>24,121 SF</u> | West: <u>dwelling units</u> |
| Existing Development: <u>2-story, 16-Unit Apartment Complex</u> | |

DEVELOPMENT STANDARD COMPARISON

| Development Standard | Required/Allowed | Proposed/Provided |
|-------------------------------|-------------------------|-------------------------------|
| Lot Size: | | |
| Lot Width | 100 FT | 167 FT |
| Lot Area | 12,000 SF | 24,121 SF |
| Density: | | |
| Zone | 1 du/2,178 SF | 1 du/1,507 SF* |
| General Plan | 1 du/2,178 SF | 1 du/1,507 SF* |
| Building Coverage: | | |
| Buildings | NA | 9,114 SF (38%) |
| Paving | NA | 5,358 SF (22%) |
| Open Space | 9,649 SF (40%) | 9,649 SF (40%) |
| TOTAL | | 24,121 SF (100%) |
| Building Height: | | |
| | 2 Stories/27 FT | 2 Stories/30 FT (w/basement)* |
| Private Open Space | 10 FT minimum dimension | 10 FT min. |
| Private Storage | 200 CU FT/unit | 200 CU FT/unit |
| Setbacks | | |
| Front | 20 FT | 20 FT |
| Side (left/right) | 5 FT/ 5 FT | 5 FT/5 FT |
| Rear | 20 FT | 18 FT* |
| Rear Yard Lot Coverage | | |
| | NA | NA |
| Parking: | | |
| Covered | 16 | 32 |
| Open | 32 | 0 |
| TOTAL | 48 Spaces | 32 Spaces* |
| Driveway Width | 25 FT | 25 FT |

NA = Not Applicable or No Requirement

*The property is existing nonconforming

CEQA Status: Exempt, Class 1 (Existing Facilities)

Final Action: Planning Commission

BACKGROUND

The subject property contains a 16-unit, two-story, apartment complex. The development was approved in 1989. The project approval included four density bonus units. Per the recorded Land Use Restriction and Density Bonus Agreement (a copy of which is attached to this report) these four units are required to remain as rental units for low or moderate income persons or families for 30 years (until 2019). In 1991, Planning Commission denied a request to convert the project to condominiums with a variance from parking. At that time, the Zoning Code had higher parking requirements for condominiums than for apartments. Therefore, a variance was required before the units could be converted.

The applicant proposes to convert all but the four density bonus units to 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%.

If the request is approved, the applicant would be required to obtain a approval of a tentative tract map to facilitate the conversion.

ANALYSIS

Common Interest Development Conversion

Common interest developments must comply with additional development standards above those applicable to apartments. These additional development standards include: minimum 10-foot by 10-foot private open space; having a break in the façade of at least 4 feet for every 2 dwelling units; and provision of on-site lighting. The existing development already complies with these requirements.

The development was constructed in 1990 and is legal nonconforming - whether as apartments or as condominiums - with regard to density and parking. The proposed conversion will not increase the project's degree of nonconformity.

The Zoning Code establishes a "critical vacancy rate" of 3% as the threshold for discouraging conversion of apartments to common interest developments, the idea being that conversions could diminish the supply of rental housing and displace residents unreasonably, particularly senior citizens and very low- and low-income families, as well as families with school age children. When the citywide rental vacancy rate is 3% or less, Planning Commission may deny any requested conversions. The 2000 census data indicates the City's rental vacancy rate is 2.8%.

The property contains 16 two-bedroom units. The tenants of the non-density bonus units are currently paying approximately \$1,500 - \$1,600 a month in rent, which

exceeds the affordable rental rate of \$1,234 for a 2-bedroom unit¹. Therefore, conversion of the units would not result in a loss of affordable units. Conversion of the units could result in the displacement of long-term residents and families with school age children. To mitigate the displacement of these residents, the owner will be required, as a condition of approval (condition no. 7) to offer right of first refusal to the tenants, with terms more favorable than those offered to the general public. As conditioned, if the tenants confirm that they are not interested in purchasing the units, the property owner will be required to pay the registration fee for an apartment referral service.

The property is located within the Mesa West Residential Ownership Urban Plan area, which was recommended for approval to the City Council by the Planning Commission on March 13, 2006. According to the plan, the properties within this area are 81% renter occupied and 19% owner occupied. The intent of the plan is to increase the supply of ownership units. Therefore, it is staff's opinion that the conversion of the rental units to ownership units is consistent with the intent of the Mesa West Residential Ownership Urban Plan that was recently recommended for adoption by the Commission.

As required by Code, a property inspection report and a termite report were submitted by the applicant, and a City property inspection was conducted by Building Safety staff. A copy of all three reports are attached for reference. Based on those reports, and to allow a general upgrading of the site, staff recommends the following improvements:

1. Improvements listed in applicant's property report dated February 3, 2006 (a copy of which is attached to this report). This condition is required to be completed under the direction of the Planning staff.
2. Comply with all building, plumbing, and electrical, and mechanical corrections and upgrades listed in the January 18, 2006, memo prepared by the Building Safety Division.
3. Treat termite infestations and repair dryrot damage as recommended by a termite control company.

Existing Density Bonus Units

As indicated earlier, the project was approved with four density bonus units – those units are currently A4, B3, C2, and C6. These units are required to remain as rental units for low or moderate income persons or families until 2019; as a result, they cannot be converted to ownership units. Staff has included as a condition of approval that these units be held by a single property owner or ownership entity until December 28, 2019 (30 years from the date the Land Use Restriction and Density Bonus Agreement for the project was approved).

¹ Affordable Rental Rate Based Upon Fair Market Rent Established by US Dept. of Housing and Urban Development (HUD) for 2005 and 2006

GENERAL PLAN CONFORMITY

Approval of the conversion is consistent with the City's General Plan, particularly Goal LU-1A.4, which encourages additional home ownership opportunities in the City to improve the balance between rental and ownership housing within the City.

ALTERNATIVES

The units could continue as rental units without the site upgrades, if the request is denied.

ENVIRONMENTAL DETERMINATION

The project is exempt from the provisions of the California Environmental Quality Act under Section 15301 for Existing Facilities.

CONCLUSION

Conversion of all but four of the apartment units will result in a general upgrading of the property, as well as providing additional home ownership opportunities within the newly approved Mesa West Residential Ownership Urban Plan area. 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. The four density bonus units will be required to continue as affordable rental housing until 2019, per the previously approved Land Use Restriction and Density Bonus Agreement for the project.

Attachments: Draft Planning Commission Resolution
 Exhibit "A" - Draft Findings
 Exhibit "B" - Draft Conditions of Approval
 Applicant's Project Description and Justification with Attachments
 Land Use Restriction and Density Bonus Agreement
 Inspection Reports
 Zoning/Location Map
 Plans

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

Suzanne Levesque, Ph.D.
Impact Real Estate
27742 Vista Del Lago, Suite J-3
Mission Viejo, CA 92692

Dennis & Jeanne Carpenter
c/o Impact Real Estate
27742 Vista Del Lago, Suite J-3
Mission Viejo, CA 92692

Occupant
1940 Maple Avenue, #A1
Costa Mesa, CA 92627

Occupant
1940 Maple Avenue, #A2
Costa Mesa, CA 92627

Occupant
1940 Maple Avenue, #A3
Costa Mesa, CA 92627

Occupant
1940 Maple Avenue, #A4
Costa Mesa, CA 92627

Occupant
1940 Maple Avenue, #B1
Costa Mesa, CA 92627

Occupant
1940 Maple Avenue, #B2
Costa Mesa, CA 92627

Occupant
1940 Maple Avenue, #B3
Costa Mesa, CA 92627

Occupant
1940 Maple Avenue, #C1
Costa Mesa, CA 92627

Occupant
1940 Maple Avenue, #C2
Costa Mesa, CA 92627

Occupant
1940 Maple Avenue, #C3
Costa Mesa, CA 92627

Occupant
1940 Maple Avenue, #C4
Costa Mesa, CA 92627

Occupant
1940 Maple Avenue, #C5
Costa Mesa, CA 92627

Occupant
1940 Maple Avenue, #C6
Costa Mesa, CA 92627

Occupant
1940 Maple Avenue, #C7
Costa Mesa, CA 92627

Occupant
1940 Maple Avenue, #C8
Costa Mesa, CA 92627

Occupant
1940 Maple Avenue, #C9
Costa Mesa, CA 92627

| | | |
|--------------------|--------------|-----------------|
| File: 041006PA0554 | Date: 032406 | Time: 3:35 p.m. |
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RESOLUTION NO. PC-06-

**A RESOLUTION OF THE PLANNING COMMISSION OF THE
CITY OF COSTA MESA APPROVING PLANNING
APPLICATION PA-05-54**

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

WHEREAS, an application was filed by Suzanne Levesque, representing Dennis and Jeanne Carpenter, owners of the real property located at 1940 Maple Avenue, requesting approval to convert 12 Units of an existing 2-story, 16-unit apartment complex into a common interest development (condominiums) to allow all but four of the units to be sold independent of one another, in an R3 zone; and

WHEREAS, a duly noticed public hearing was held by the Planning Commission on April 10, 2006.

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-05-54 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-05-54 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 10th day of April, 2006.

Bill Perkins, Chair
Costa Mesa Planning Commission

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 upgrade of the property, as well as satisfying General plan Goal LU-1A.4 of providing additional home ownership opportunities within the City. To ensure that existing tenants are not displaced unreasonably, tenants will 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. The four density bonus units will be required to continue as affordable rental housing until 2019, per the previously approved Land Use Restriction and Density Bonus Agreement.
- 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.
 - 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.
- 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 (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 conversion is approved for 12 of the 16 units and does not include the four density bonus units required to be retained as affordable rental units as noted in condition no. 8 below.
2. All improvements listed in the applicant's letter dated February 3, 2006, shall be completed in all 16 units under the direction of the Planning staff.
3. Applicant shall contact the Building Safety Division to provide proof that the Uniform Building Code requirements for condominiums have been satisfied prior to final Planning Division inspection.
4. Applicant shall treat termite infestations and repair dryrot damage as recommended by a termite control company prior to Planning Division final.
5. The conditions of approval and ordinance or code provisions and special district requirements of Planning Application PA-05-54 shall be blueprinted on the face of the site plan.
6. The applicant shall contact the Planning Division to arrange for an inspection of the site prior to the final Building Safety Division inspections. This inspection is to confirm that the conditions of approval and code requirements have been satisfied.
7. 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. The applicant shall provide Planning Division staff a copy of the written offer and the tenant's written response to the offer prior to final inspections. The applicant shall also provide evidence of the payment of the registration fee for an apartment referral service for tenants not accepting the purchase offer.
8. The CC&R's shall include a provision stating that the four density bonus units cannot be owner occupied and are regulated and monitored by the City of Costa Mesa through a Land Use Restriction and Density Bonus Agreement recorded on December 28, 1989, as Instrument No. 89-701974 in the Official Records of Orange County, or subsequent agreement amendments as required under condition of approval no 10 below.
9. The four density bonus units shall be held by a single property owner or ownership entity until December 28, 2019 (30 years from the date of the approval of the Land Use Restriction and Density Bonus Agreement for the project). Separate ownership of any density bonus units is expressly prohibited.
10. Prior to the approval of the final map, the property owner shall identify the four density bonus units by unit number on the map; submit a request to the City Attorney's Office to amend the current Land Use Restriction and Density Bonus Agreement on the property; and reimburse the City for any legal expenses incurred to prepare the amended agreement. The agreement shall set forth affordable housing

- requirements through December 28, 2019.
- Bldg. 11. Comply with all building, plumbing, electrical, and mechanical corrections listed in the January 18, 2006, Building Safety Division memo.

PLANNING DIVISION - CITY OF COLORADO SPRINGS
DESCRIPTION/JUSTIFICATION

Application #: PA-05-54

Environmental Determination: *EXEMPT*

Address:

1940 Maple Avenue (APN 422-103-40)

1. Fully describe your request:

Applicant is requesting city approval of an application for a common interest conversion of ~~16~~ 16 existing rental units in four buildings located at 1940 Maple Avenue. The four remaining units are included in the city's density bonus program and will remain *affordable housing* ~~units~~ units. All 16 units located at this address are 2-bedroom units, approximately 1,197 square feet in size, and are identical in terms of floor plan. All units have direct access to/from subterranean parking (2 spaces per unit) All existing leases would be honored and existing tenants would have first right of refusal or acceptance to purchase their unit. No major structural or common area revisions are anticipated; as the units were originally constructed for sale as condominiums.

2. Justification

A. For a Conditional Use Permit or Minor Conditional Use Permit: 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.

N/A

B. For a Variance or Administrative Adjustment: 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.

N/A

3. This project is: (check where appropriate) N/A

In a flood zone.

Subject to future street widening.

In the Redevelopment Area.

In a Specific Plan Area.

4. I have reviewed the HAZARDOUS WASTE AND SUBSTANCES SITES LIST published by the office of Planning and Research and reproduced on the rear of this page and have determined that the project:

Is not included in the publication indicated above.

Is included in the publication indicated above.

Suzanne M. Lousque
Signature

9/16/05
Date



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.**