



PLANNING COMMISSION AGENDA REPORT

VI. 3.

MEETING DATE: NOVEMBER 13, 2006

ITEM NUMBER:

**SUBJECT: PLANNING APPLICATION PA-06-40
2043 CHARLE STREET, UNITS A1 THROUGH C7**

DATE: NOVEMBER 2, 2006

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

DESCRIPTION

The applicant is proposing to convert an existing 2-story, 24-unit apartment complex into a common interest development (condominiums) with a variance from private open space requirements for one of the units.

APPLICANT

The applicant is Pat Swanson, representing Mike Yamin, the owner 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

BACKGROUND

The subject property contains a 24-unit, two-story, apartment complex (Villa Nova Apartments), which consists of 20 two-bedroom units and 4 three-bedroom units in three main buildings. All of the units are two-story. One of the buildings, at the rear of the property (Building B), is constructed over a basement-level parking garage. The project was approved in 1990 under Development Review DR-90-08. The project approval included two density bonus units. Per the Land Use Restriction and Density Bonus Agreement, these units were required to remain affordable rental units for very low income persons or families for a period of 10 years, which expired in 2001.

The applicant proposes to convert all of the units to condominiums. Per 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%. A variance is also required because one of the units does not comply with the minimum private open space standards.

If the request is approved, the applicant would be required to obtain approval of a tentative tract map before the units could be sold independent of one another.

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 the façade breaks and on-site lighting requirements. With regard to the private open space requirement, the applicant is proposing to expand the existing patio areas to comply with the minimum private open space dimensions per code, however, there is one unit that will not be able to satisfy this requirement (Unit C5) for which the applicant is requesting approval of a variance, discussed later in this report.

As indicated earlier, the development was approved in 1990. As a result, the development 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%.

As indicated earlier, the property contains 20 two-bedroom units and 4 three-bedroom units. The tenants are currently paying approximately \$1,425 a month in rent for the two-bedroom units, and \$1,625 a month in rent for the three-bedroom units. Current affordable rental rates for two-bedroom units are \$881 a month for very-low income, \$1,057 a month for low-income, and \$1,300 a month for moderate income persons; three-bedroom units are \$979 a month for very-low income, \$1,175 a month for low-income, and \$1,860 a month for moderate income persons¹.

Conversion would result in a loss of affordable units for the 4 three-bedroom units, as the residents are paying rent lower than the above affordable level for moderate income persons. However, staff supports the conversion because only four of the units within the complex are affected, these units are not required to remain affordable, and the tenants will be offered right of first refusal as discussed below. 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. 6) 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.

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 March 15, 2005 (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 September 28, 2006, memo prepared by the Building Safety Division.
3. Treat termite infestations and repair dryrot damage as recommended by a termite control company.
4. Decorative paving and upgraded landscaping where appropriate, subject to Planning Division approval.

Variance

As indicated earlier, the applicant is proposing to expand and/or modify the existing patio areas for the units to comply with the minimum 10-foot by 10-foot private open space

¹ Affordable Rental Rate Based Upon Fair Market Rent Established by US Dept. of Housing and Urban Development (HUD) for 2006 and 2007.

dimensions per code, however, Unit C5, located to the rear of the "C" building on the left hand side (see attached exhibits) will not be able to satisfy this requirement.

Code Section 13-29(g)(1) allows granting a variance where special circumstances applicable to the property exist, such as an unusual lot size, lot shape, topography, or similar features, and where strict application of the zoning ordinance would deprive the property owner of privileges enjoyed by owners of other properties in the vicinity under an identical zoning classification. Other factors (such as existing site improvements) may also be considered.

According to the applicant, Unit C5, which is a handicap-accessible unit, was originally built without a patio. Because of the proximity of the unit to the existing surrounding walkways and the main drive aisle, a private patio cannot be accommodated, creating a special circumstance due to the existing site improvements on the property. Additionally, it should be noted that the project does have a common pool area as well as overall open space that exceeds code requirements (40% required; 42% provided). As a result, staff supports the variance request.

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 to be rented 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 the apartment units will result in a general upgrading of the property, as well as providing additional home ownership opportunities within the 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 variance can be supported on the basis of the existing site improvements and the existing common open space amenities provided within 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

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)

Pat Swanson
Senior Apartment Advisor
Sperry Van Ness
18881 Von Karman Ave. 800
Irvine, CA 92612

Mike Yamin
33 Goleta Point Drive
Corona Del Mar, CA 92625

Occupant
2043 Charle Street, #A1
Costa Mesa, CA 92627

Occupant
2043 Charle Street, #A2
Costa Mesa, CA 92627

Occupant
2043 Charle Street, #A3
Costa Mesa, CA 92627

Occupant
2043 Charle Street, #A4
Costa Mesa, CA 92627

Occupant
2043 Charle Street, #A5
Costa Mesa, CA 92627

Occupant
2043 Charle Street, #A6
Costa Mesa, CA 92627

Occupant
2043 Charle Street, #A7
Costa Mesa, CA 92627

Occupant
2043 Charle Street, #B1
Costa Mesa, CA 92627

Occupant
2043 Charle Street, #B2
Costa Mesa, CA 92627

Occupant
2043 Charle Street, #B3
Costa Mesa, CA 92627

Occupant
2043 Charle Street, #B4
Costa Mesa, CA 92627

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2043 Charle Street, #B5
Costa Mesa, CA 92627

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2043 Charle Street, #B6
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2043 Charle Street, #B9
Costa Mesa, CA 92627

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2043 Charle Street, #B10
Costa Mesa, CA 92627

Occupant
2043 Charle Street, #C1
Costa Mesa, CA 92627

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2043 Charle Street, #C2
Costa Mesa, CA 92627

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2043 Charle Street, #C3
Costa Mesa, CA 92627

Occupant
2043 Charle Street, #C4
Costa Mesa, CA 92627

Occupant
2043 Charle Street, #C5
Costa Mesa, CA 92627

Occupant
2043 Charle Street, #C6
Costa Mesa, CA 92627

Occupant
2043 Charle Street, #C7
Costa Mesa, CA 92627

File: 111306PA0640	Date: 103006	Time: 9:00 a.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-06-40**

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

WHEREAS, an application was filed by Pat Swanson, representing Mike Yamin, owner of the real property located at 2043 Charle Street, Units A1 through C7, requesting approval to convert 24 units of an existing 2-story, 24-unit apartment complex into a common interest development (condominiums) to allow 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 November 13, 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-06-40 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-06-40 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 13th day of November, 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.
- 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 information presented complies with Section 13-29(g)(1) of the Costa Mesa Municipal Code in that special circumstances applicable to the property exist to justify granting of the variances from private open space requirements. Specifically, because of the proximity of the unit to the existing surrounding walkways and the main drive aisle, a private patio cannot be accommodated, creating a special circumstance due to the existing site improvements on the property. Additionally, the project does have a common pool area as well as overall open space that exceeds code requirements (40% required; 42% provided).
- 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 under Section 15301 (Existing Facilities).
- 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. All improvements listed in the applicant's letter dated March 15, 2005, shall be completed in all units under the direction of the Planning staff. In addition, the applicant shall provide decorative paving and upgraded landscaping where appropriate, subject to Planning Division approval.
2. Applicant shall contact the Building Safety Division to provide proof that the Uniform Building Code requirements for condominiums have been satisfied, and to complete any additional items created through this conversion, prior to final Planning Division inspection.
3. Applicant shall treat termite infestations and repair dryrot damage as recommended by a termite control company prior to Planning Division final.
4. The conditions of approval and ordinance or code provisions and special district requirements of Planning Application PA-06-40 shall be blueprinted on the face of the site plan.
5. 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.
6. 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.
7. The CC&R's shall disclose that the available parking on-site is short of the current condominium parking standards because of its existing nonconforming status.
8. The applicant shall expand the existing patio areas, where appropriate, to comply with the minimum 10-foot by 10-foot private open space dimensions per code.
- Bldg. 9. Comply with all building, plumbing, electrical, and mechanical corrections listed in the September 28, 2006, Building Safety Division memo.

PLANNING DIVISION - CITY OF COSTA MESA

DESCRIPTION/JUSTIFICATION

Application #:

Environmental Determination:

Address: 2043 CHARLE ST, COSTA MESA
CONDO CONVERSION

1. Fully describe your request: THE OWNER OF THE "ULLA NOVA APARTMENTS (2043 CHARLE ST, COSTA MESA) HAS ASKED FOR A VARIANCE TO MEET THE REQUIREMENT OF 100 SQ FT PATIO SPACE FOR ONE UNIT (C5) IN HIS COMPLEX.

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.

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. ✓

PLEASE PROVIDE A VARIANCE FOR THE CONDO CONVERSION LOCATED AT 2043 CHARLE ST., COSTA MESA. ALL UNITS EXCEPT UNIT C5 (HANDICAPPED UNIT), HAVE OR CAN ACCOMMODATE FOR THE REQUIRED 100 SQ FT. PATIO SPACE. C5 COULD POSSIBLY HAVE A SMALLER PATIO, BUT NOT 100 SQ FT. ALL OTHER ASPECTS OF THIS PROJECT MEET

3. This project is: (check where appropriate) AND EXCEED CURRENT CONVERSION STANDARDS.

- 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.

Paul Dawson

Signature

949-225-1868

13

9-13-06

Date

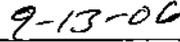
office of Planning and Res... and reproduced on the rear of this ... and have determined that the project:

___ Is not included in the publication indicated above.

___ Is included in the publication indicated above.



Signature



Date

March '96

File Number: 326-122005-0615
Address of Inspection: 2043 Charle St.
Date of Inspection: 3/15/2005

GENERAL DESCRIPTION:

Throughout this report, the terms "right" and "left" are used to describe the 24 unit complex as viewed from the street. A system or component has a major visual defect if it is either unsafe or not functioning and cannot be replaced or rendered safe or functional for less than \$1,000. The Home Team inspects for evidence of structural failure and safety concerns only. The cosmetic conditions of the paint, wall covering, carpeting, window coverings, etc., are not addressed. All conditions are reported as they existed at the time of the inspection.

Routine maintenance and safety items are not within the scope of this inspection unless they otherwise constitute major, visually observable defects. Although some maintenance and/or safety items may be disclosed, this report does not include all maintenance or safety items, and should not be relied upon for such items.

The inspected property consisted of a 24 unit complex with plaster siding that was occupied at the time of the inspection. There were no major visual defects on the visual portions of the siding.

The approximate temperature at the time of the inspection was 72 degrees Fahrenheit, and the weather was sunny and clear. The utilities were on at the time of the inspection.

The complex was situated on a level lot. The general grade around the complex appeared to be adequate to direct rain water away from the foundation.

There was a concrete walkway leading to a concrete entry way in the front of each unit. There were no major visual defects observed in the walkways or the entry ways.

#1 Note: Of a maintenance concern, the weep screed around building "B" has been compromised by the height of the walkway. A weep screed should be within two inches from concrete and four inches from soil.

There was an asphalt driveway on the left side of the complex which led to the lower-level parking garage. There were no major visual defects observed in the driveway.

GARAGE:

The lower-level parking garage was visually inspected. There were no major visual defects in the parking garage.

PATIO:

There were concrete patios located on the front and rear sides of various units. There were no major visual defects observed to the patios.

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Date of Inspection: 3/15/2005

ROOF STRUCTURE:

The roof structure on the units was a hip design covered with clay tiles. Observation of the roof surfaces and flashing was performed from ground level with the aid of binoculars. There was one layer of tiles on the roof at the time of the inspection.

There was normal surface wear observed on the roof tiles at the time of the inspection. These conditions indicate the roof tiles were in the first half of their useful life.

This visual roof inspection is not intended as a warranty or an estimate on the remaining life of the roof. Any roof metal, especially the flashing and valleys, must be kept well painted with a paint specially formulated for the use. There were no major visual defects detected on the exterior of the roof.

Note: Of a general concern, it is recommended, not required that rain gutters be installed around the roof line of the units to direct water runoff away from the foundation.

FOUNDATION:

The foundation was constructed of a slab on grade. A single inspection cannot determine whether movement of a foundation has ceased. Any cracks should be monitored regularly. There were no major visual defects observed on the visible portions of the foundation.

SLAB ON GRADE:

The full slabs in each unit were not visible at the time of the inspection because of carpet or other floor coverings. There were no indications of moisture present in each unit. There were no major visual defects observed on the visible portions of the slabs. Please note that, the condition of any utilities within or under a slab-on-grade, such as plumbing or ductwork, are not within the scope of the inspection.

PLUMBING:

The visible water supply lines throughout the complex were copper pipe. The water was supplied by a public water supply. The visible waste lines consisted of ABS plastic and steel pipe. Each was connected to a public sewer system. All plumbing fixtures not permanently attached to a household appliance were not operated and not inspected for visible leaks. Water flow throughout the complex was average. Water pressure was tested at an outdoor sillcock and found to be 60 pounds per square inch. There were no major visual defects observed in the visible portions of the plumbing system. **Note: All angle stops/water supply valves under sinks and toilets are not tested because of the vulnerable nature of uncontrollable leakage. Angle stops/water supply valves are visually inspected only and reported if corroded or if missing**

File Number: 326-122005-0615
Address of Inspection: 2043 Charle St.
Date of Inspection: 3/15/2005

handles.

The water meter was located at curb side. The main water shutoff valve for the complex was located adjacent to the water service entry point on the front exterior.

The gas meters were located on the front exterior of the complex. Although no actual testing was performed to detect the presence of gas fumes, there was no noticeable odor of gas detected at the time of the inspection.

There were 40 gallon capacity, natural gas water heaters located in each unit. The water heaters were manufactured by State. A temperature and pressure relief valve (T & P) was present on each water heater. Because of the lime build-up typical of T & P valves, we do not test them. An overflow leg was present on each water heater and they terminated close to the floor. Your safety depends on the presence of a T & P valve and an overflow leg terminating close to the floor. The water heaters were functional but the seismic restraints were not properly installed.

#2 Note: Of a safety concern, the seismic straps were not properly installed on each individual water heater, to comply with the present safety standards for a water heater. If you have any questions regarding the installation requirements for a water heater contact the local municipal building department.

ELECTRIC SERVICE:

The underground electric service wire entered the complex in the association utility closets. The electric meters were located on the end of each building. The service wire entered Challenger service panels, located on the guest bedroom walls or upstairs hallway walls of each unit with a 125 amp and 120/240 volt rated capacity. The branch circuits within the panels were copper. These branch circuits and the circuit breakers to which they were attached appeared to be appropriately matched. The visible wiring in each unit consisted primarily of the Romex type and appeared to be in good condition.

A representative number of installed lighting fixtures, switches, and receptacles located throughout the units were inspected and were found to be functional. The grounding and polarity of receptacles within six feet of plumbing fixtures, and those attached to ground fault circuit interrupters (GFCI), if present, were also tested. All GFCI receptacles and GFCI circuit breakers should be tested monthly. There were GFCI protected circuits located in the bathrooms, kitchen and on the exterior of most units. The present and tested GFCI's were not all functional. A non-functional GFCI should be replaced with functional GFCI's.

#3 Note: Of a safety concern, the GFCI receptacles in the rear guest bathroom of A2, B3 and in the kitchen of A6, B7, and C6 were not operable.

#4 Note: Of a safety concern, there was an open/exposed junction box in the attic of A1.

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The electrical service appeared to be adequate. Alarms, electronic keypads, remote control devices, landscape lighting, telephone and television, and all electric company equipment were beyond the scope of this inspection. There were no major visual defects observed in the electrical system.

SMOKE ALARMS:

There were operable smoke alarms found in the units. For safety reasons, the smoke alarms should be tested upon occupancy. The batteries (if any) should be replaced with new ones when you move into the home, and tested on a monthly basis thereafter.

WINDOWS, DOORS, WALLS AND CEILINGS:

A representative number of accessible windows and doors were operated and found to be functional. The primary windows were constructed of aluminum-clad, sliders with single pane glass. All exterior doors were operated and found to be functional. The exterior door locks should be changed or re-keyed upon occupancy. Possible problem areas may not be identified if the windows or doors have been recently painted. There were no major defects observed in the windows or doors.

The interior wall and ceiling surfaces were finished with drywall. Possible problem areas may not be identified if the interior wall and ceiling surfaces have been recently painted. There were no major visual defects observed in the interior walls or ceilings.

#5 Note: Of a maintenance concern, the wall behind the washer/dryer in unit C4 was missing/ possible prior water leak.

#6 Note: Of a maintenance concern, there were prior water stains on the family room ceilings in B1, B2 and on the stairway wall below the fire sprinkler in Unit B7.

#7 Note: Of a maintenance concern, there were prior repairs to the living room ceiling in C3 and A5; living room and dining area ceiling in C5; wall and ceiling on the stairway in C7; dining area ceiling in B6 with an access hole; laundry area ceiling in B9.

#8 Note: Of a maintenance concern, the flooring around the toilets in various units was discolored from possible water intrusion.

The visible portions of the cabinets and counter tops were in good condition. The kitchen appliances were not tested for operation or function. No warranty, express or implied, is given for the continued operational integrity of the appliances or their components.

ATTIC STRUCTURE:

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The attics were accessed through a scuttle in the hallways or master bedrooms of each unit. The attics above the living spaces were insulated with batted insulation, approximately 6-inches in depth. Ventilation throughout the attics was provided by roof vents. The roof structure consisted of two-inch by eight-inch wood rafters spaced 24 inches on center and plywood sheathing.

Because of the configuration of the framing and absence of a catwalk, which limited access, it was not possible to inspect all areas of the attic. There was no moisture visible in the attic spaces. The absence of visible indications of moisture is not necessarily conclusive evidence that the roof is free from leaks. The only way to be sure a roof does not leak is to inspect the underside of the roof during a heavy rain. There were no major visual defects observed in the attics or roof structures.

#9 Note: Of a safety concern, the firewalls that separate the neighboring homes in the attic of each unit were not completely covered. The firewalls in each unit were one-sided and/or compromised with an access hole. Any holes in the firewall should be properly sealed.

HVAC INSPECTION REPORT:

The heating, ventilating and air conditioning systems were inspected by the Home Team Inspector. Annual maintenance of the heating and cooling equipment is essential for safe and efficient performance, which will maximize the system's useful life.

The results of our visual and operational inspection of the heating and air conditioning system are described below.

The homes were heated by electric furnaces, heat pump and natural gas forced air furnaces that were located in the attic or upstairs hallway utility closets. Periodic preventive maintenance is recommended to keep these units in good working condition.

NOTE: Without removing the burners to gain complete access and with the limited viewing area of the heat exchanger, a thorough inspection on the natural gas heaters are not possible.

Termination of HVAC condensate lines were raised above the floor drains or drain inlet. The condensate lines were trapped. HVAC condensate lines must be trapped and not in contact with wet drain inlets to prevent the possible migration of bacteria and mold into the air-handling system.

The heating systems were found to be functional but in need of further evaluation.

#10 Note: Of a safety concern, the Premier natural gas forced air furnaces installed in the attic of various units, should be further evaluated by a representative from the local natural gas supplier or a qualified heating and air conditioning contractor for possible failures as outlined by the Orange County

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Fire Authority and the Consumer Product Safety Commission. The Premier furnaces were located in the attics of Units A2, A3, B1, B2, B8, B9, B10, C2, and C3. The model numbers on all the Premier furnaces were HCC050ND3XR.

#11 Note: Of a maintenance concern, the ductwork in the attic has separated from the furnace/duck connection in Units C4 and C6. A qualified technician in the appropriate trade should evaluate for correction or repair.

#12 Note: Of a maintenance concern, the furnace in A3 did not blow warm air and the furnace in A6 was not operable. A qualified technician in the appropriate trade should evaluate for correction or repair.

There were electric outdoor air conditioner condensing units for each individual unit that are located on the exterior of the homes. Periodic preventive maintenance is recommended to keep these units in good working condition.

The cooling systems were found to be functional or in need of service.

#13 Note: Of a maintenance concern, the refrigerant line leading to the A/C condenser for various units was not cold, indicating the units are in need of service or recharging.

#14 Note: Of a maintenance concern, the A/C in Units A1, A6, B2 and B3 were not operable. A qualified technician in the appropriate trade should evaluate for correction or repair.

There will be normal temperature variations from room to room and level to level, most noticeable between levels.

DUCTWORK:

Airflow throughout the units may be balanced by adjusting any dampers in the supply ducts, or by adjusting the supply registers.

CONTROLS:

The control for the heating and air conditioning systems was a 24 volt thermostat located on the family room walls of each unit. The thermostats were found to be in working order.

4. Subject Property

Subject Page

Villa Nova Apartments



2043 Charle St.	
Costa Mesa, CA 92627	
Building Sq. Ft.	26,024
Lot Size Sq. Ft.	38,331
Total Units	24

■ **Approved for Condo Conversion**

Cross Street	Victoria Street	Tax Parcel Number	422-092-45
Market	Costa Mesa	Sub Market	West Costa Mesa
Year Built	1992	Roof Type	Spanish Pitch
No. of Stories	2		

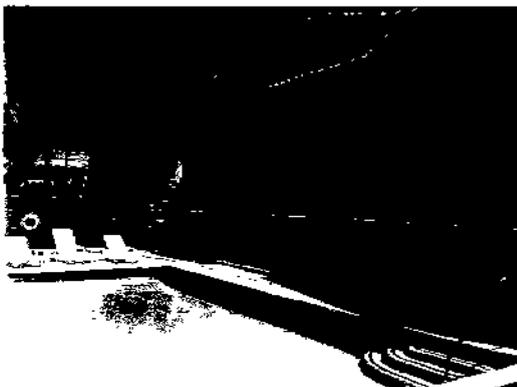
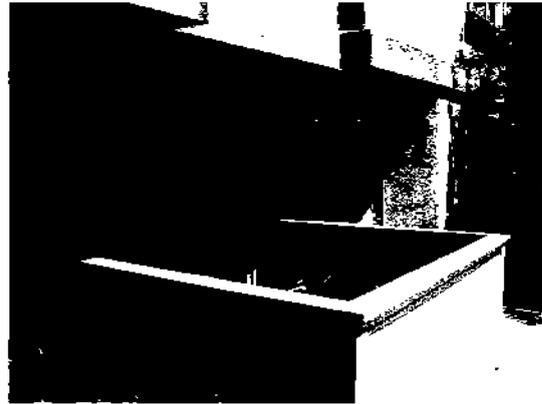
■ **Property Descriptions**

Utilities	Master metered water and trash. Separately metered gas and electricity.
Amenities	Patios, balconies, pool, laundry, central A/C and heat, gated, Subterranean parking and dishwashers.
Area	The City of Costa Mesa boasts of being one of Orange County's leading cultural and business centers. Located 37 miles southeast of Los Angeles, 88 miles north of San Diego and 475 miles south of San Francisco, Costa Mesa encompasses a total of 16 square miles with its southernmost border only 1 mile from the Pacific Ocean. Since 1953 (the city's incorporation date), it has evolved from a semi-rural farming community to a city with its local economy primarily based upon retail commercial business and light manufacturing of electronics, pharmaceuticals and plastics. A general law city, Costa Mesa has a council-manager form of government.
Property	This Pride of Ownership complex boasts 20 - 2BD/2.5 BA & 4 - 3BD/2.5 BA units. Located in the heart of Costa Mesa, tenants have easy access to freeways, shopping and Newport Beach. Approved for condos, this is truly an investor's dream.

Photos



Photos





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.**