



ORANGE COUNTY
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Project Type: For-Sale, Single Family Detached

Total Units: 30, Market Rate

Typical Lot Size: 1,500-2,000 sf

Typical Unit Size: 1,660-1,750 sf

Site Size: 1.68 Acres

Density: 18 du/acre

Developer: The Preface Group

Regional Location: The subject site is located in the City of Costa Mesa, California approximately 37 miles southeast of Los Angeles. Located in the heart of Orange County, Costa Mesa has become one of the county's leaders in culture, business and education. The City encompasses approximately 16 square miles with its southern most border only 1 mile from the Pacific Ocean.

Physical Location: The site is located on Victoria Street, approximately a 1/4 mile west of State Highway 55 and 1/8th of a mile east of Harbor Blvd.

Surrounding Land Uses: The western edge of the property is adjacent to for-sale town homes built in the late 1980's, while the eastern and northern edges are bounded by for-rent apartments built in the 1970's.

Product Type Information: Attached studio, one, two and three bedroom apartment units in a three story configuration with an at-grade parking structure. The complex is a Neo-French Provencal architectural style that includes asphalt shingle roofs and stucco finishes. There is an on-site leasing/office building with a multi-purpose room, kitchen, gym, and game room. Located on an upper deck are a pool, spa, shade pavilion, picnic tables, benches and barbeques.

Project Description: Named for its proximity to Newport Boulevard, Harbor Boulevard, State Highway 55, South Coast Plaza, Triangle Square, and the beaches of Newport and Huntington, "Stonestrow" is a 30 unit single family residential detached project located on 1.68 acres in Costa Mesa, California. Prior to the site's redevelopment, it consisted of three contiguous but separately owned parcels with 18 for-rent dwelling units built in the 1940's and 1950's.

Planning and Site Background: The City of Costa Mesa historically has a very unique and complex land planning environment. Prior to the City's incorporation much of the land in east and west Costa Mesa was subdivided into parcels approximately 300 feet deep and 60 to 66 feet wide. As Costa Mesa grew and development pressure increased many of these lots took the form of multi-family apartments (per the City of Costa Mesa, approximately 2/3 rd's of the City's housing stock is rental units). In the late 1970's as problems arose with the inefficiency of fragmented development, the City passed a number of specific plans that encouraged lot consolidation, by way of density increases. One of the policies that aided the Stonestrow Project allows projects in excess of one acre to qualify for Planned Development Residential-High Density (PDR-HD) zoning. PDR-HD zoning allows a three story height limit and does not establish specific requirements for minimum and average lot sizes.

In addition, a long-awaited update to the California Building Code went into effect in January 2007, permitting third stories on detached homes to be built greater than 500 square feet in size without the need for a secondary fire escape. The Stonestrow team has elected to provide fire sprinklers in each home for the added safety of its residents.

Lessons Learned: When developing in urban infill locations a litany of challenges arise, but one of the most significant is assembling contiguous parcels with separate owners. Invariably each owner has a host of concerns and desires, it is imperative though that you do not lose sight of your bottom line when trying to satisfy them. Before submitting its application for 30 homes on 1.68 acres, The Preface Group originally submitted a proposal for 85 attached town homes on 3.34 acres. However, as the market changed, they realized that two of the parcels had too high of a price to make the proposal financially viable. As a result, the decision was made to release two of the owners from their contracts and redesign the project on 1.68 acres.

Observing that the market for attached town homes softened significantly from late 2005 to late 2006, The Preface Group decided to design a product that they believed would absorb more quickly and serve a market niche that had not been penetrated. Prevalent in Northern California where they are popular with young professional but untested in Orange County, The Preface Group decided to design a high density detached project. The reason for their decision was because they did a significant amount of market research and believed that the Costa Mesa young professional wanted a detached home, but would trade a large yard with upkeep and maintenance for a home with a small yard close to work, services and amenities.

Approval Process: Initially, the City did have a few concerns about the density of the proposed project, but once The Preface Group explained the difficulty of assembling multiple parcels of land and how it usually requires paying above market prices, they understood that a higher density was necessary to make the project feasible. Moreover, the city also liked that the project removed blighted buildings on a major thoroughfare and

replaced it with residences that add to the city's income and property tax base.

Product Design: The project consists of thirty, three story single family detached units that range in size from 1,660 to 1,750 s.f. Each unit has a two-car garage and a den, in addition to two large master bed rooms and a large kitchen and family room. The homes include two full bathrooms and two half bathrooms. The homes lend themselves to a sophisticated urban buyer that will trade in a yard for the convenience of being close to work, world class shopping, the airport, the beach and nightlife. The project was designed to incorporate the southern California lifestyle and highlight a beach bungalow theme. As seen below the project has a "Tommy Bahama" feel to it.



Community Design: The project is designed around a tree lined paseo that bisects the center of the community. In addition, the project has a barbeque and thirty guest parking spaces (one per unit).

