

## The Facts to Consider

### D'Alessio Investments LLC vs City of Costa Mesa

#### 1963 Wallace

1. 2019 The city posted a 'notice to abate" giving D'Alessio Investments LLC (DI) 3 days to comply. And a citation to Bring the property back to the last approved plans. DI Appealed the citation and WON! No other citation was ever issued.
2. Within the 3 day abatement period, DI showed the city code enforcement officer copies of my 2015 "As-Built Plans " and signed off cards. Describing exactly as the building sits today (city has proof of permits Pulled and approved plans) as 15 units and perhaps 17 if hallway doors are locked. 14 families lived on the property at time of abatement.
3. City's response was the "As Built Plans" have expired as the final inspection was not entered in the city computer by the inspector. Yet I have signed off as "Final" on building cards. How can an "as-built approval" expire anyway?
4. City does not dispute and will not correct the receivers' incorrect calculations of number of units allowed on the property the receiver is wrong that only 6 units and 1 ADU can be built on the property. Yet the city will not correct him.
5. The receiver and the city do not understand the zoning code is out of compliance with the General Plan. When a zoning code states 6 units are allowed and the general plan states 9 units are allowed the general plan is rules.
6. The receiver and the city do not understand that the state bonus density and the ADU laws are based on 9 units not 6.
7. The city is out of compliance with State law and is willfully wrong for not Representing the rights of it property owners in the receivership action it requested.

#### Simple math as to how many units are allowed under state law

##### In 2020

General Plan	9 units
50% Bonus density (rounded up)	<u>5 units</u>
Base Units	14 units

ADU 25% of existing units (rounded down)	<u>3 units</u>
Total units allowed on the property	17 Units

##### In 2023

General Plan	9 units
100% Bonus Density (rounded Up)	<u>9 units</u>
Base Units	18 units
ADU 25% of existing units (rounded down)	<u>4 units</u>
Total units Allowed on the property	22 Units

Conclusion 15/17 units have always been allowed on the property and the city could have reviewed our SB330 Plan and entitled the property as was and with-out displacing 14 families.

**Approximate Damages to D'Alessio the City and others  
From the petition to appoint a receiver.**

**Damages to The Families who lived on the property since the receiver appointment**

1. 14 families were wrongly evicted.
2. 14 families who were paying \$800-1800 per month now pay \$1600-\$3000 per month

**Damages to the City of Costa Mesa since receiver appointment**

1. Legal fees
2. 15 units vacant in a housing shortage and homelessness at an all-time high
3. Hundreds of police calls for vandalism, fights and drug use
4. Public nuisance for almost 4 years
5. Fires from one of the units

**Damages to D'Alessio since the receiver appointment**

Loss rents \$30,000 per month	\$ 420,000 & Increasing
Superior Lean on the property	\$ 360,000 +15% interest
Vandalism damage and fire to property	\$ 560,000 & Increasing
Legal fees	\$ 350,000
Receiver fees	<u>\$ 70,000</u>
	<b>\$1,760,000 &amp; Increasing</b>

**Perhaps punitive damage as well**

### **Facts to consider on 440 Fair Drive and 1777 Newport Blvd.**

The city just filed its 3<sup>rd</sup> amended complaint against D'Alessio Investments LLC asking for a nuisance and restraining order after knowing D'Alessio Investments LLC does not own the buildings any longer.

The MJ tenants:

1. D'Alessio Investments LLC never operated or controlled the operation of any of its tenants.
2. DI Evicted all the MJ tenants 4-5 years ago.
3. Since the time of citations, the Citizens of Costa Mesa voted 60% to allow for dispensaries
4. Costa Mesa now Has some 25 dispensaries in the city since the DI evicted the MJ
5. 440 is in a legal zone for MJ yet the city has refused to accept any Applications
6. DI Paid all the citations
7. The city placed a lean on the properties forcing DI to pay twice for every violation.

The Message Tenants:

1. There has never been a message tenant at 1777 Newport Blvd.
2. DI never operated or was anyway involved with any of the tenants at either building
3. Message tenants have occupied 440 Fair Drive for 30 years and 15 years before DI owned the property
4. All the tenants had City Business licenses.
5. The last three tenants DI also verified with the city to make sure that they not only had business licenses but also passed the city's background checks and were issued an operation permit.
6. 440 Fair drive was sold almost a year ago.
7. D'Alessio has paid or settled all citations issued to DI and paid for the same citation issued to its tenants for the same violation on the same day via a property tax lien.

Conclusion D'Alessio Investments LLC no longer owns 1777 or 440. The MJ tenants were evicted 4-5 years ago and there has not been a message business in operation at 440 for well over 2 years. It is impossible for D'Alessio Investments LLC to create any nuisance at either building.

**From:** [Shelby Feliciano-Sabala](#)  
**To:** [CITY CLERK](#)  
**Subject:** Public Comment Agenda Item: CDBG  
**Date:** Tuesday, May 21, 2024 11:28:49 AM

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Good morning,

I would like to thank Mayor Stephens and all esteemed city council members for their support in supporting our youth experiencing homelessness in Costa Mesa. We have worked with the city and district of Costa Mesa for years and are grateful for their partnership and support that enables us to work directly on school campuses, every day, with youth experiencing homelessness, while partnering with school staff to ensure all youth have the resources and support to thrive. 93% of our youth graduated last year, and this year all of our youth are on track to graduate.

We appreciate your support of our mission to end generational homelessness through prevention and wraparound support for youth. We look forward to impacting more youths' lives this next fiscal year and are extremely grateful for your support.

For the kids,

Shelby



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ending the cycle of homelessness one child at a time  
[www.ProjectHopeAlliance.org](http://www.ProjectHopeAlliance.org)

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