



June 17, 2020

Sidekick Homes LLC
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Los Angeles, CA 90056
310-359-1842
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RE: 1536 Bonnie Brae, Hermosa Beach, CA 90254

Dear Homeowner,

Attached you will find a researched report regarding capacity to build and use ADUs on property located at 1536 Bonnie Brae in Hermosa Beach. **Overall findings are that this unpermitted garage conversion unit is a good candidate to be permitted as an ADU.** These findings are consistent with the City of Hermosa Beach zoning requirements and Urgency ADU Ordinance 20-1403U, which is in compliance with CA Government Code 65852.2 and 65852.22. The findings contained herein are specific to this property and should not be construed to apply to a different property. If you have any specific questions about what can be built or permitted on this property related to this ADU project, do not hesitate to reach out to me, and I will be happy to provide more specific detail. And we can help you with the permitting process when you are ready to proceed.

Warm regards,

Florentine Christian
Certified ADU Specialist



PROPOSED ADU PROJECT

Permitting of unpermitted unit—detached garage conversion to ADU.

PROPERTY OVERVIEW

Current Property Owner: Don and Rihoko Ponder

APN: 4185-009-019

Year Built: 1952

Lot Size: 3908

Primary Home Size: 1328sf

Lot Orientation: Interior lot, southwest facing

Zoning: HBR-1

Utility Easements: Unknown, refer to title report

MAXIMUM ALLOWABLE ADU UNITS ON THIS LOT

- One internal ADU, or JADU if owner occupied. Must be within the footprint of existing primary residence.

OR

- One detached, new construction ADU or conversion of an existing accessory structure to an ADU. The detached ADU may be combined with a JADU (JADU must be within footprint of existing primary residence).

OR

- One attached ADU.



OCCUPANCY REQUIREMENTS

Owner occupancy is waived for ADUs permitted from January 1, 2020 until January 1, 2025. Owner occupancy is required for JADU's, and a covenant restriction on the deed shall be recorded on title to this effect.

LOT PARAMETERS

Minimum Lot Size: None

Lot Coverage Limits: 65%; n/a if ADU is less than 800sf

Open Space Requirements: 400sf/unit w/ min 10' dimension; n/a if ADU is less than 800sf.

Setbacks:

Rear: 4'

Side: 4'

Building separation:

8' from main residence; 6' from accessory structures; n/a for existing permitted structures

Parking Requirement:

Since this property is within ½ mile of public transit, no additional parking is required for the ADU.

If a garage were converted to or demolished for the creation of an ADU, no replacement parking would be required.

Parking shall not be required for a JADU.



BUILDING PARAMETERS

Maximum Floor Area:

ADU: 850sf for studio or one bedroom; 1000sf for two or more bedrooms
50% of the size of primary residence if attached.

JADU: 500sf

Minimum ADU Floor Area:

Efficiency Unit is permitted at 150 sq. ft.

Maximum Height: 16' for detached; prevailing height of ADU converted from existing structure shall be permitted. 25' height max per zoning.

Fire Sprinklers:

Not required if they are not required for the main house.

Solar Requirements:

Title 24 regulations as of 2020 require solar on all new, detached ADU's. Garage conversions are exempt.

ACCESS, UTILITIES & CONSTRUCTION CONSIDERATIONS:

Rear driveway/parking adjacent to Campana Street appears to provide access for construction vehicles and material delivery.

Lot is sloped.

Closest power pole appears to be on neighbor's lot. If it is within 10' of project site, it may require a utility review during the plan check process, even if there is no easement.

ADUs built within existing structure shall not require additional utility connections.

Detached structures or ADUs that are an addition to the structure shall require separate utility connections.



PERMITTING AN UNPERMITTED UNIT AS AN ADU

Advantages of permitting your unit:

- Risk mitigation
- Increases the value of your home
- Peace of mind – knowing the unit meets health and safety requirements

Steps to Getting your Unit Permitted:

Step 1: As-Built Plans

A drafter/architect will create as-built plans for the unit, including structural and Title 24 calculations.

Step 2: Submittals

Plans will need to be submitted to the city planner, just like a new-built ADU. It is very important that you work with a professional with ADU expertise, as local city departments are not as adept with the new ADU laws and will oftentimes require things that will end up unnecessarily increasing your costs.

Step 3: Inspections

Once the city receives the plans, the city will have an inspector visit the property. The inspector will require certain aspects of the property to be opened up to inspect. This might be sections of drywall, digging/drilling to ascertain construction of foundation, etc. The inspector will note the things that need to be corrected to meet building code.

Step 4: Construction

Your general contractor will have to make any corrections that the inspector points out. Step 3 and 4 will continue until you get the final stamp of approval from the city.

Step 5: Permitting

Once the inspector is able to confirm all necessary corrections have been made, the city will approve your project for permitting.



PERMITTING AN UNPERMITTED UNIT AS AN ADU (cont.)

Common Corrections:

Ceiling joists - Often joist spacing might not be sufficient and needs to be fortified for the increased load after insulation and drywall has been added.

Insulation and Title 24 – You will need to prove there is sufficient insulation for the unit to meet Title 24 building code energy requirements. In addition, new requirements may require an AC system, not just a wall heater.

Windows – Bedroom windows size/location needs to meet requirements for egress.

Moisture barrier - A moisture barrier is required between the slab and the flooring. If a moisture barrier has not been added, the flooring will need to be removed so the moisture barrier can be added.

Tankless water heater/solar - You may want to explore space or energy saving options for your unit. A tankless doesn't necessarily help with the energy-saving side, but is more space-efficient. Solar will also help you meet the Title 24 energy requirements.

Upgrading the electrical panel - With the addition of another unit you may find you need to upgrade your electrical panel. Most homes will need at least a 200 amp panel.

Power & gas meter - These cannot be located next to each other. If they are closer than 3 feet they may need to be relocated. Additionally, the water heater may need to be moved or enclosed. because it cannot just be in the open in a newly converted garage living space or bedroom.

What will it cost?

There is a lot of uncertainty in the cost of these projects, because costs cannot be ascertained until an inspector has the opportunity to inspect the property. You will want to budget for the costs of plans, permitting, and construction. The more structural changes that have been made the greater the likelihood that costs will be higher. Doing an as-built survey will help remove some of the uncertainty around the project.



ADDITIONAL NOTES

Client is advised to review permits to ensure existing structures are permitted.

No development or impact fees shall be assessed for ADUs that are 750sf or less; fees shall be proportional if larger than 750sf.

Building design must substantially match the primary residence.

Separate address will be assigned.

Rooftop decks shall not be permitted on ADUs or JADUs.

Storage facility required that is sufficient to house refuse containers.

A covenant restriction must be recorded on title providing notice that the property contains an ADU and future owners of the house will be subject to the city's ordinance.

Short term rentals are not permitted.

**Disclaimer: Sidekick Homes LLC did the initial leg work on this property regarding its potential for an ADU relying on information that is publicly available. However, since California's ADU laws and local ordinances governing ADUs are evolving, we encourage you to independently verify the information in this ADU Property Report prior to making any decision with respect to this property. There is no guarantee this property will be allowed to add an ADU. Accordingly, Sidekick Homes LLC will not be liable for any claims or loss arising from the content of, or errors or omissions in the information contained in this ADU Property Report.*



LOCAL MARKET RENT ANALYSIS

	Average	Median
Studio:	\$2167	\$1977
One Bedroom:	\$2334	\$2100
Two Bedroom:	\$3281	\$3013
Three Bedroom:	\$4784	\$4500
Four Bedroom:	\$6763	\$6395

*Due to the lack of nearby rental comps, this analysis covers a broader geographic area. A local real estate professional should be consulted for more targeted rents in this specific neighborhood.

FINANCING, CASHFLOW AND BREAK-EVEN CALCULATIONS

	Gar Conv - Permitting
Sq Ft	450
Loan Amt	\$50,000
Term	360
Int Rate	4.000%
Prin+Int	-\$239
Rent	\$2,200
Income	\$1,961
Less tax	-\$52
Less ins	-\$25
Net income	\$1,884
Annual Income	\$22,611
In 5 yrs	\$113,053
In 10 yrs	\$226,105
Length of time to break even	1 year, 11mos

*The illustration above is meant for illustrative purposes only and does not represent what actual costs or loan terms will be for this specific project.



ADU COST CONSIDERATIONS

Project Budget

Architectural fees, design consultants (surveyors, structural engineer, energy engineer), permit fees, utilities, hardscape, landscaping, etc.

Construction Budget

Excavation,, foundation, framing, roofing, flashing & gutters, exterior trim, decks, handrails, HVAC, plumbing, electrical, insulation, drywall, millwork, paint, hardware, fireplace, appliances, etc.

WAYS TO FINANCE AN ADU

Public Sources

(Mortgage Companies, Banks, Credit Unions)

- Purchase Money Loan
- Cash Out Refinance
- Home Equity Line of Credit
- Renovation Loan

Private Sources

(Homeowner)

- Savings
- Retirement Account Loan
- Retirement Acct Withdrawal
- Family Loans
- Credit Cards

ADU DESIGN BUILD PROCESS

It is important to keep in mind that building an ADU is akin to building a custom home, albeit a small one, on your property. It is a much bigger undertaking than a home remodel, even when converting an existing structure, such as a garage. These are the general steps to the ADU design build process. We find that following them in order will bring you peace of mind:

1. Assemble Team
2. Financing
3. Feasibility – Zoning, Building Codes, Ordinances, Easements, Utilities, Surveys and Assessments, etc.
4. Design – 2-4 weeks
5. Engineering Review & Title 24 – 2 weeks
6. Preliminary Construction Estimates
7. Plan Check & Utility Review – 60 days
8. Pull Permits
9. Finalize Construction Estimates
10. Construction – Approx 3-6 months



PUTTING TOGETHER YOUR TEAM

Due to the added complexity of ADUs and the relatively new legislative changes surrounding them, all affiliated industries have had to alter their practices in order to adapt. In order to navigate the design build process and have a complete a successful project, it is important that your team members are knowledgeable about and experienced with ADUs. It is also important that your team members work closely and congruently for a successful project. Hiring a team that is already put together or assembling team members who are already associated with one another and/or have worked together well on prior projects will ensure peace of mind throughout your ADU project. Here are the team members to consider when building an ADU:

- ADU Specialist/Consultant
- Lender
- Architect/Designer
- Engineer
- Title 24
- Permit Processor
- City Planner
- General Contractor
- Skilled Specialty Contractors
- Financial Planner, CPA, Tax Advisor
- Property Management Advisor

Your Sidekick Homes team has you covered from A to Z.

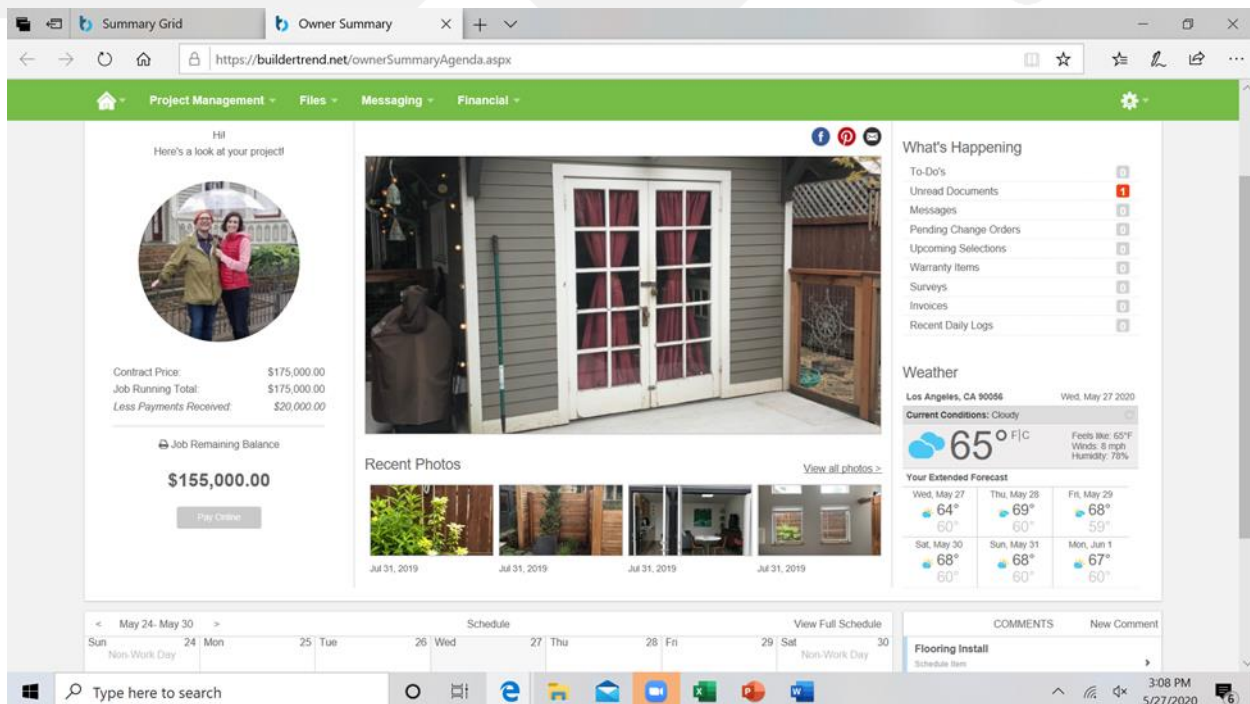


3 BIGGEST CONSTRUCTION COMPLAINTS:

1. Over Budget
2. Over Schedule
3. Poor Communication

WHAT MAKES US DIFFERENT?

- Consultation for Your Life Goals
- Design-Build Approach
- ADU Specialists
- Experience with New Build Construction
- Allied with Top ADU Industry Professionals
- Provide Line-Item Construction Estimates
- Sidekick Project Management Portal





In closing, we are happy to answer any ADU questions you may have and appreciate referrals to friends, family or neighbors who may be considering building an ADU.

Contact us at:

info@sidekick.homes
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