CALIFORNIA COASTAL COMMISSION

South Coast District Office 301 E. Ocean Blvd, Suite 300 Long Beach, CA 90802-4325 Voice (562) 590- 5071



Th14g

5-20-0181 (B&J Capital Group Investments) February 11, 2021

EXHIBITS

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Exhibit 1 - Vicinity Map and Project Location

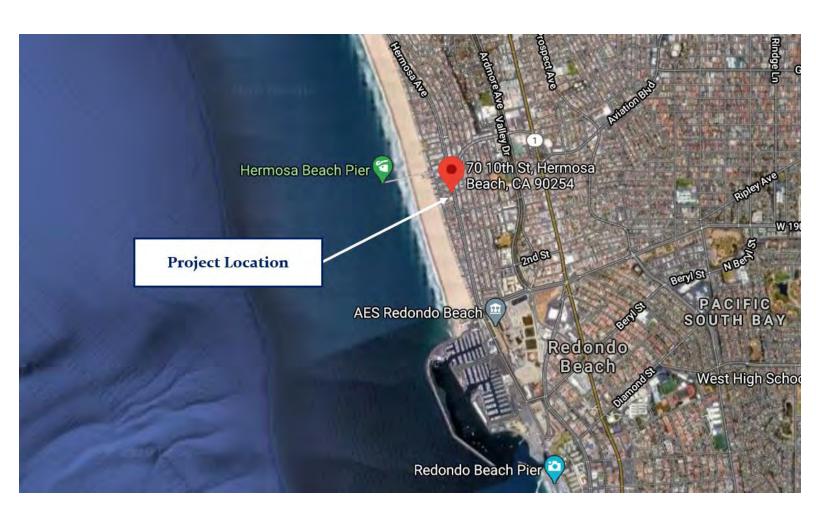
Exhibit 2 – Site Plans

Exhibit 3 – Hermosa Certified LUP Map

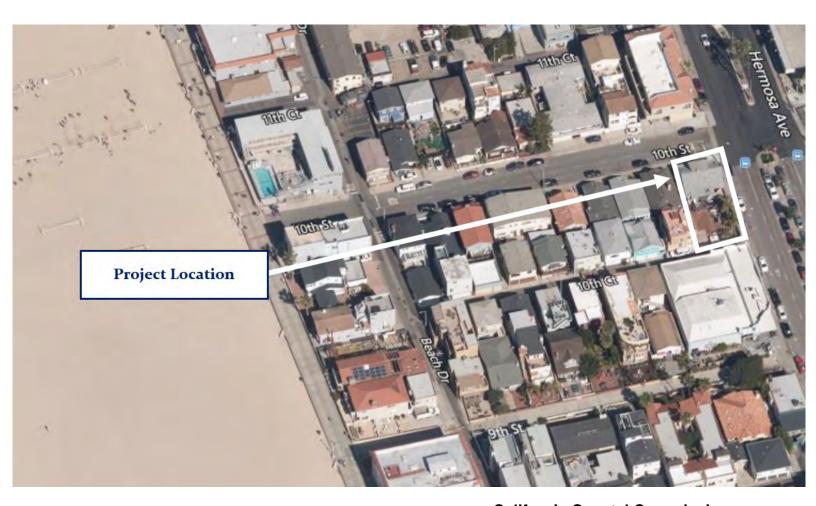
Exhibit 4 – Feasibility Analysis

Exhibit 5 – Cost-Per-Sq. Ft. Analysis from Applicant

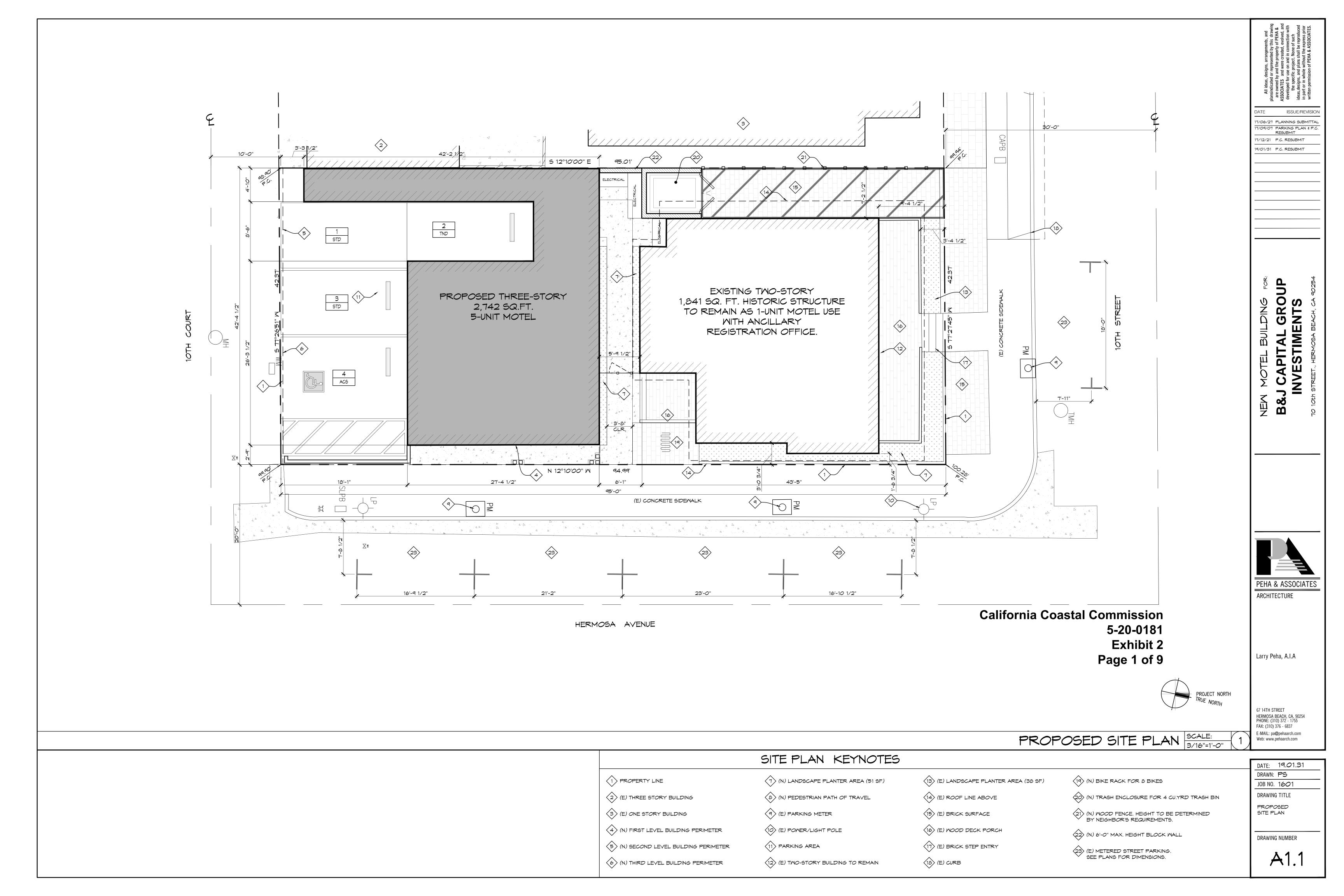
Exhibit 6 – Parking Constraints of the Proposed Development

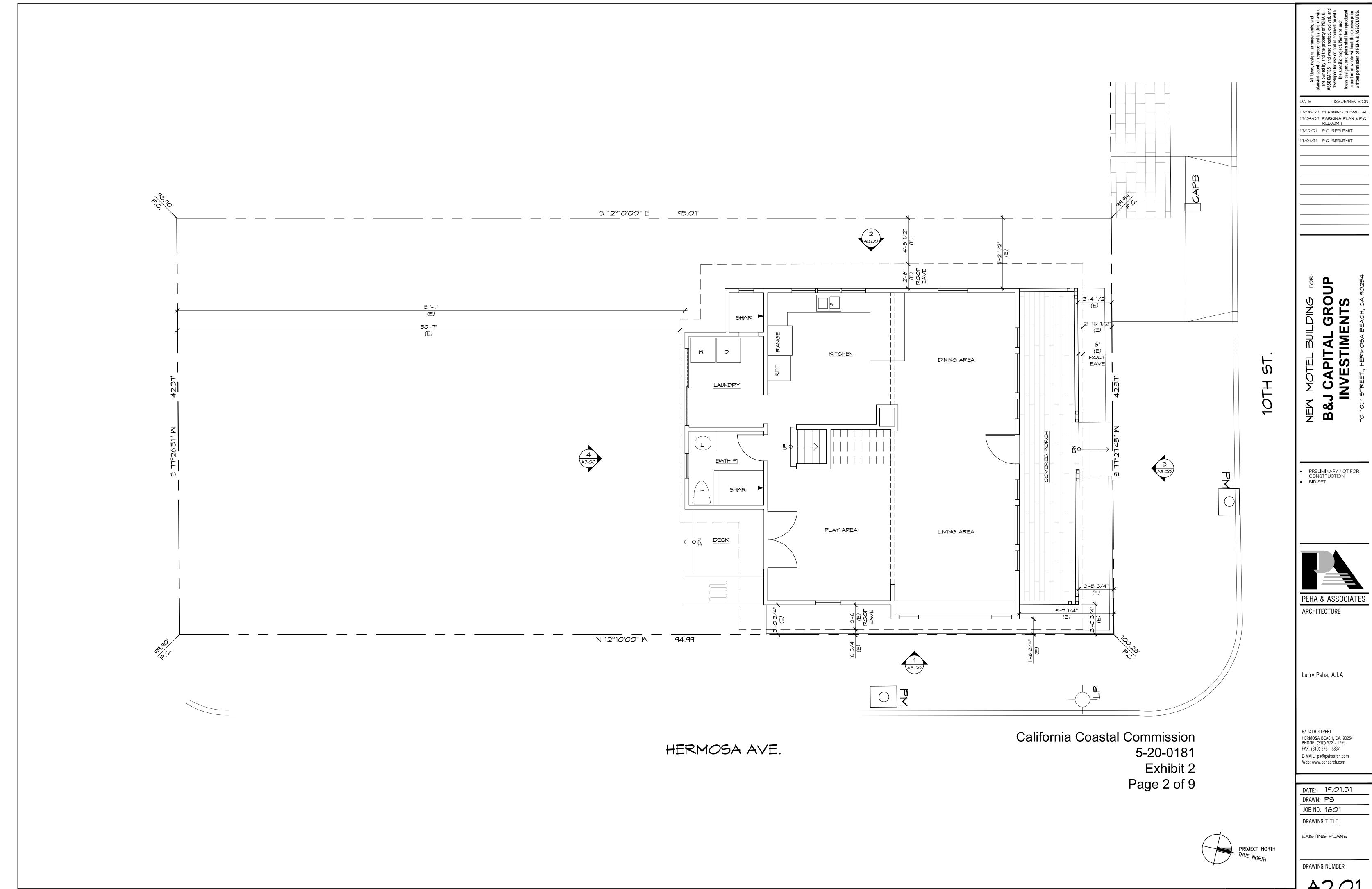


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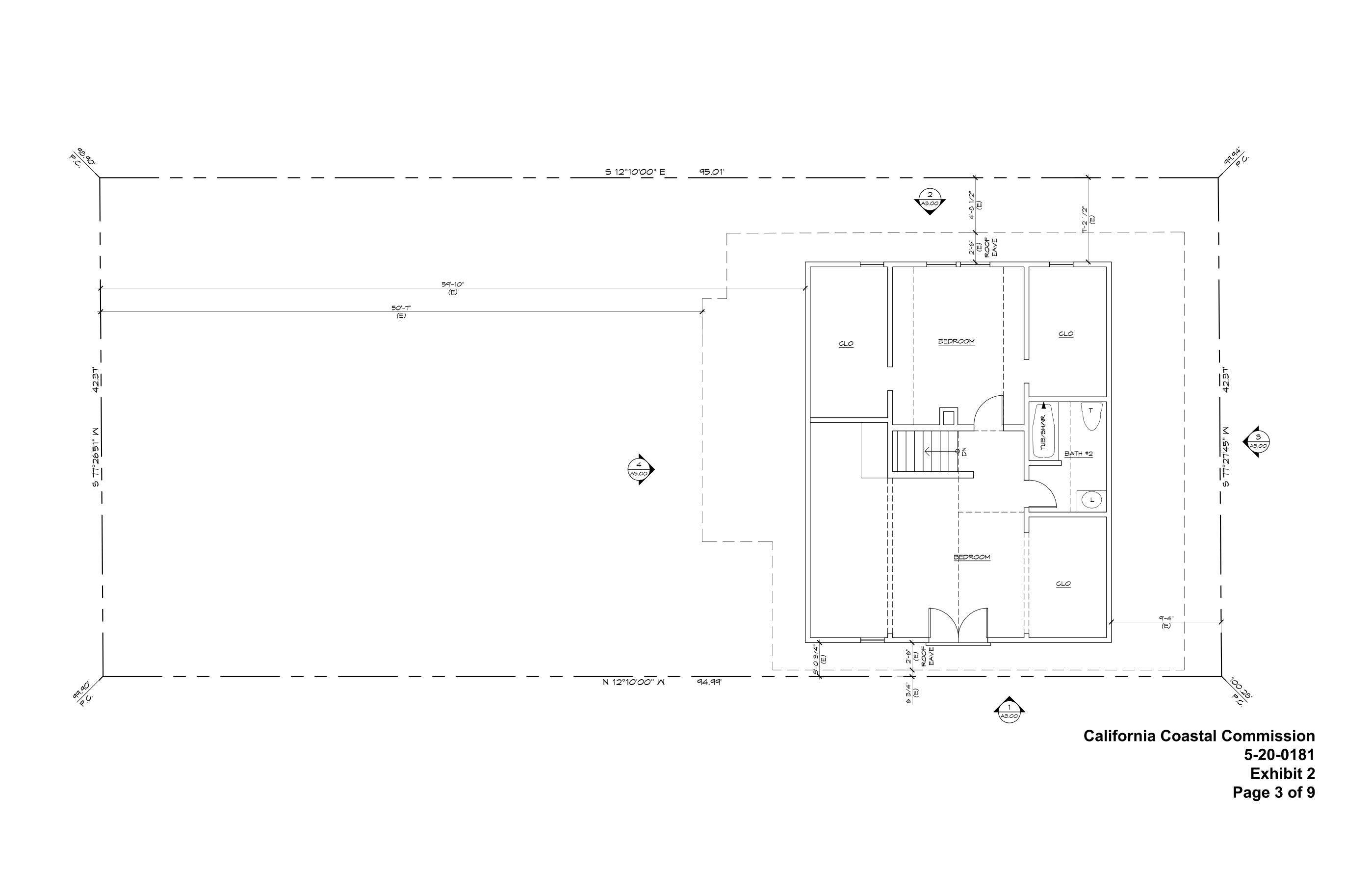


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A2.01



ISSUE/REVISION 17/06/27 PLANNING SUBMITTAL 17/09/07 PARKING PLAN & P.C. RESUBMIT

17/12/21 P.C. RESUBMIT

19/01/31 P.C. RESUBMIT

 PRELIMINARY NOT FOR CONSTRUCTION.

BID SET

PEHA & ASSOCIATES ARCHITECTURE

Larry Peha, A.I.A

67 14TH STREET HERMOSA BEACH, CA. 90254 PHONE: (310) 372 - 1755 FAX: (310) 376 - 6837 E-MAIL: pa@pehaarch.com Web: www.pehaarch.com

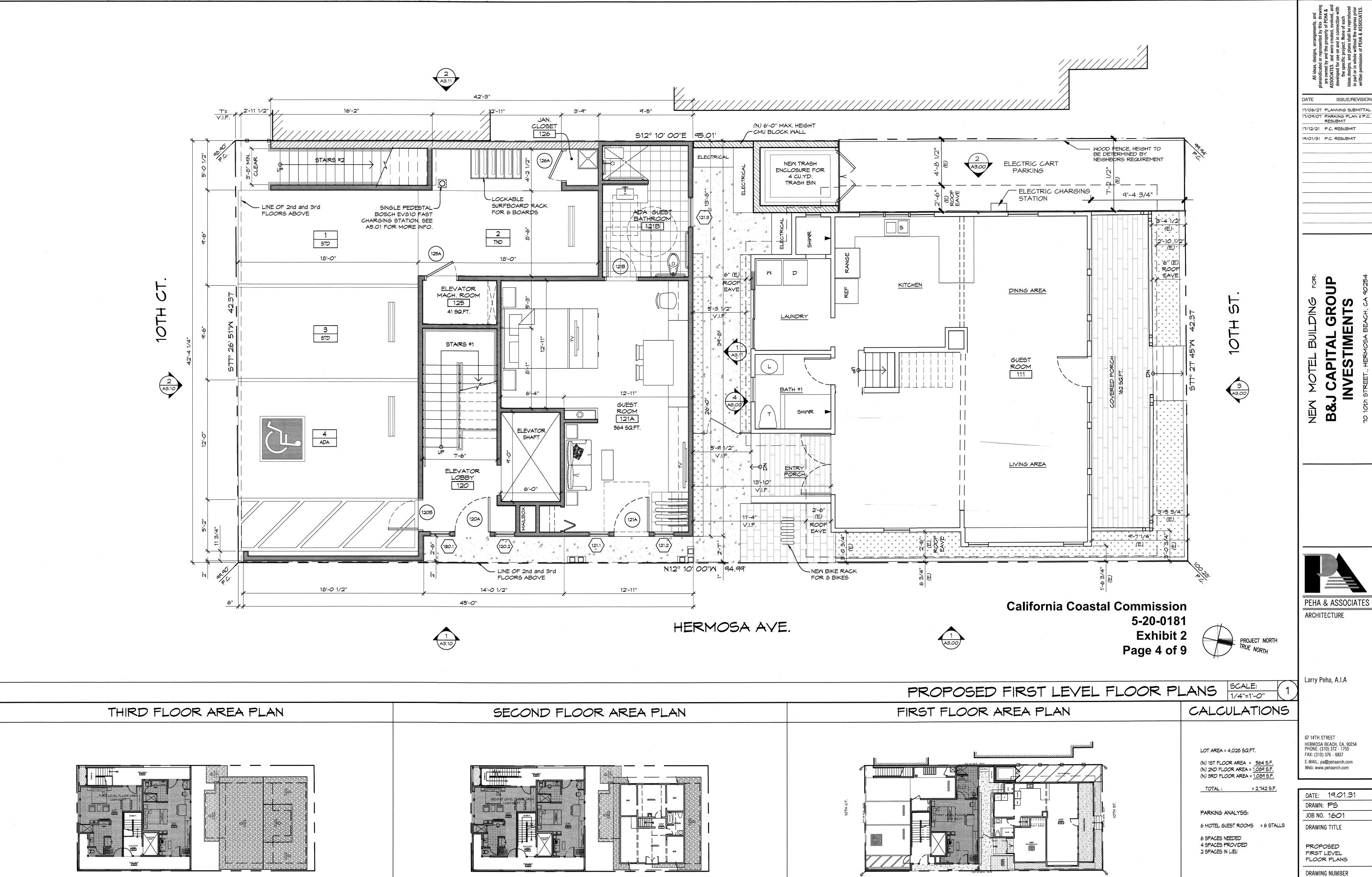
PROJECT NORTH TRUE NORTH

DATE: 19.01.31

DRAWN: PS JOB NO. 1601 DRAWING TITLE EXISTING PLANS

DRAWING NUMBER

A2.02



ISSUE/REVISION 17/06/27 PLANNING SUBMITTAL

17/12/21 P.C. RESUBMIT

19/01/31 P.C. RESUBMIT

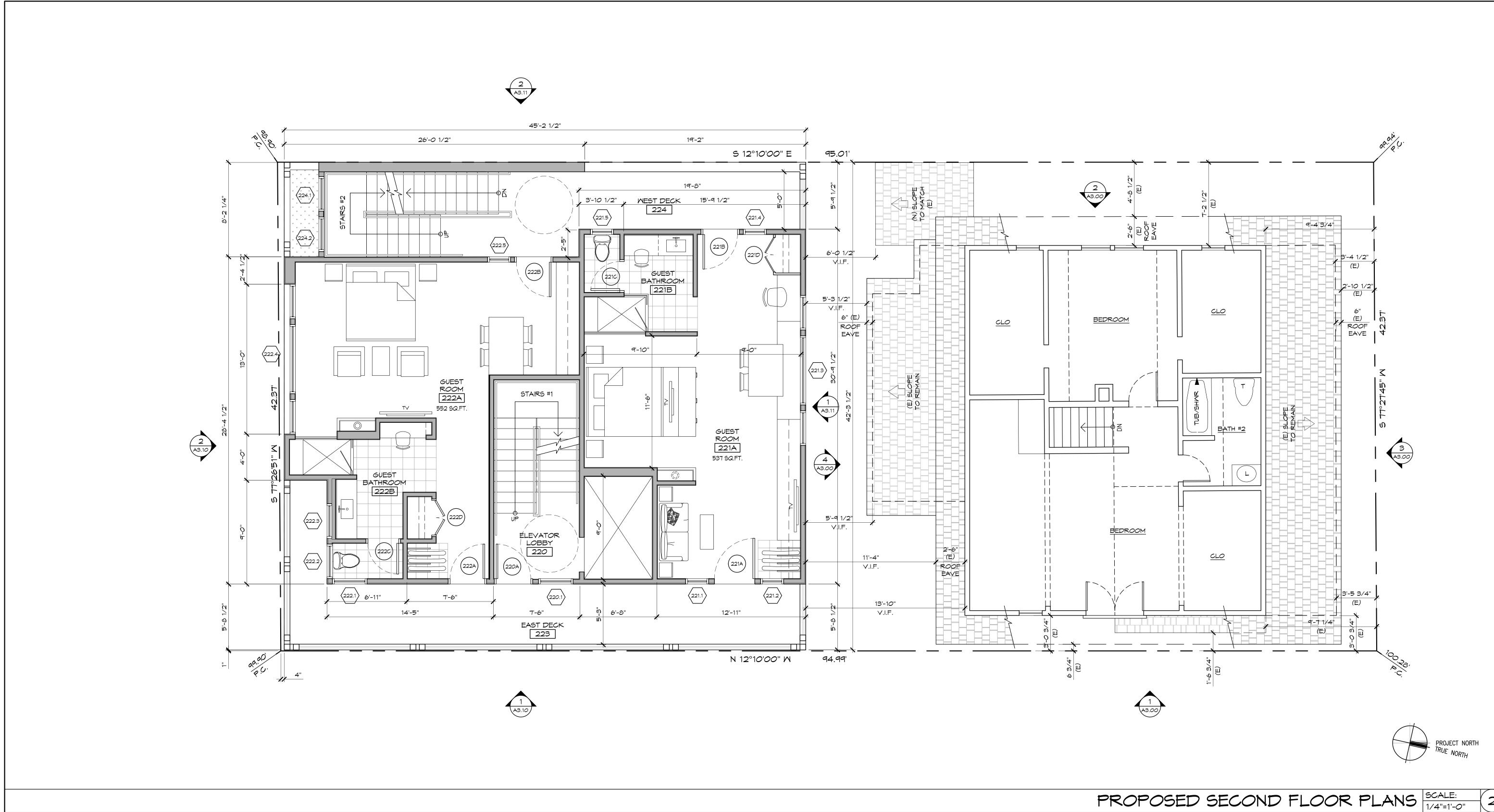
GRO :NTS

HERMOSA BEACH, CA. 90254 PHONE: (310) 372 - 1755 FAX: (310) 376 - 6837 E-MAIL: pa@pehaarch.com Web: www.pehaarch.com

DATE: 19.01.31 JOB NO. 1601

DRAWING NUMBER

HERMOSA AVE.



ISSUE/REVISION

17/06/27 PLANNING SUBMITTAL 17/09/07 PARKING PLAN & P.C. RESUBMIT

17/12/21 P.C. RESUBMIT

19/01/31 P.C. RESUBMIT

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California Coastal Commission

5-20-0181

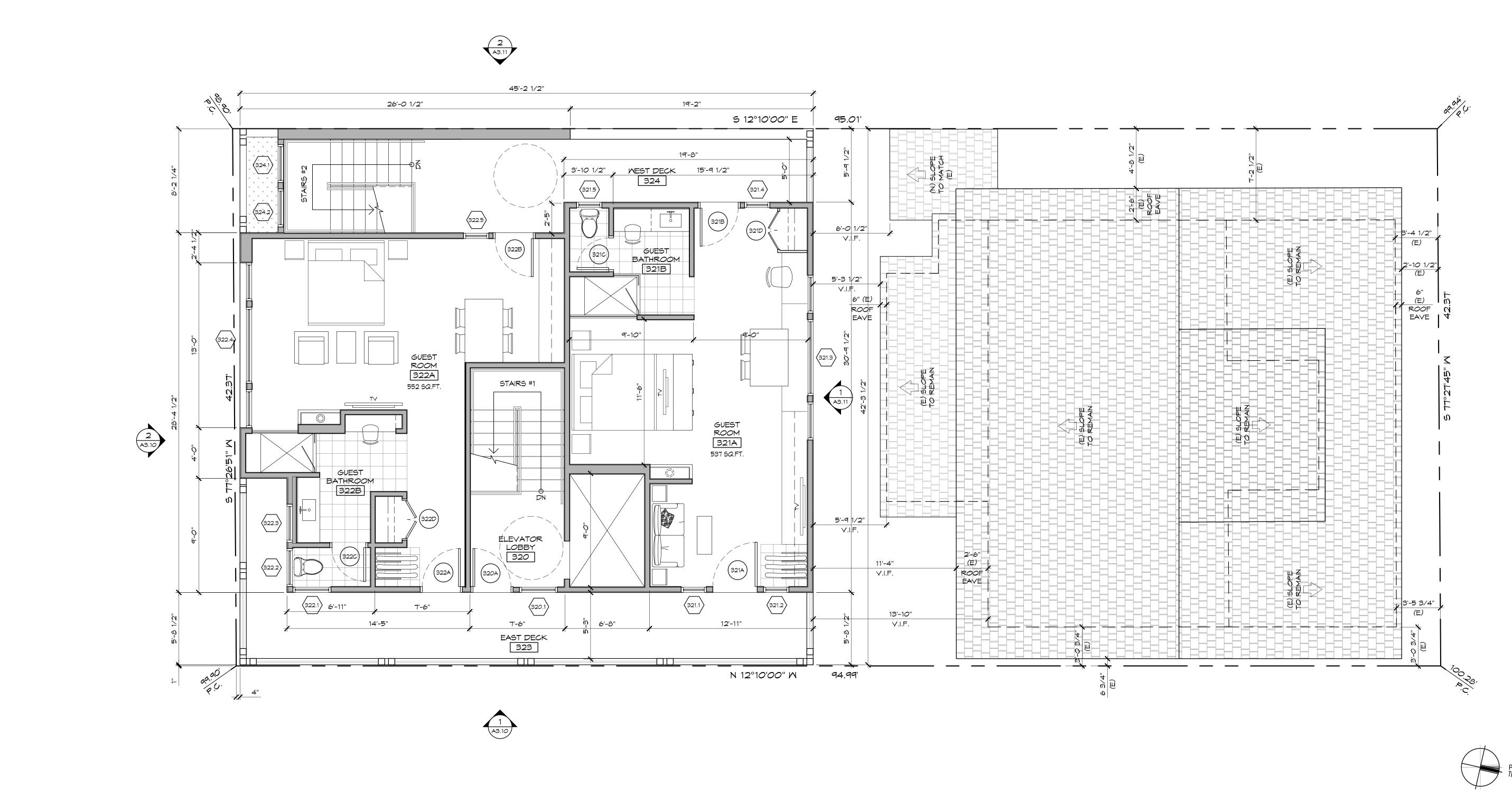
Exhibit 2

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DATE: 19.01.31 DRAWN: PS JOB NO. 1601 DRAWING TITLE PROPOSED SECOND LEVEL FLOOR PLANS

DRAWING NUMBER

A2.12



PROPOSED THIRD FLOOR PLAN | SCALE: 1/4"=1'-0"

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ISSUE/REVISION 17/06/27 PLANNING SUBMITTAL 17/09/07 PARKING PLAN & P.C. RESUBMIT

17/12/21 P.C. RESUBMIT 19/01/31 P.C. RESUBMIT



Larry Peha, A.I.A

ARCHITECTURE

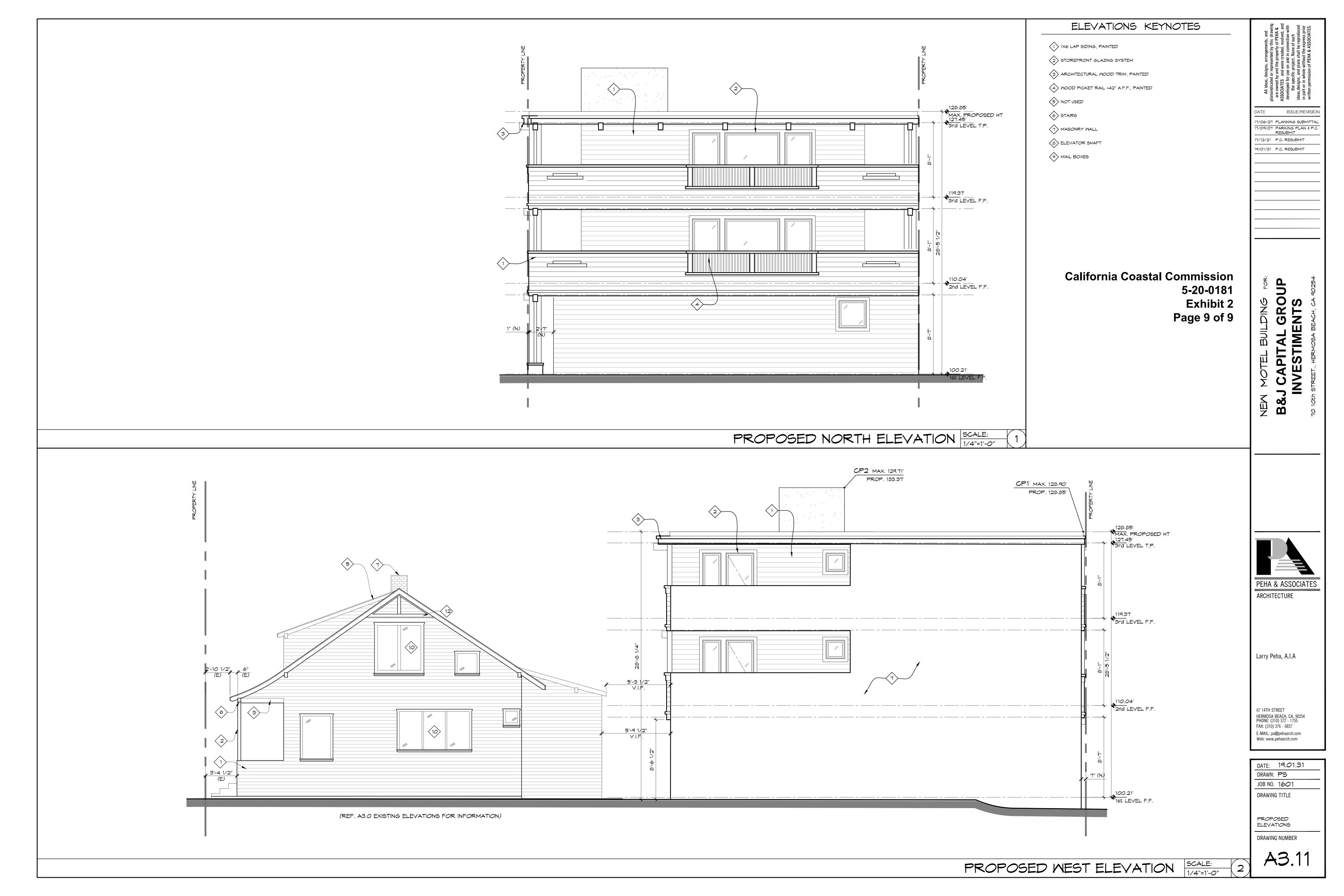
67 14TH STREET
HERMOSA BEACH, CA. 90254
PHONE: (310) 372 - 1755
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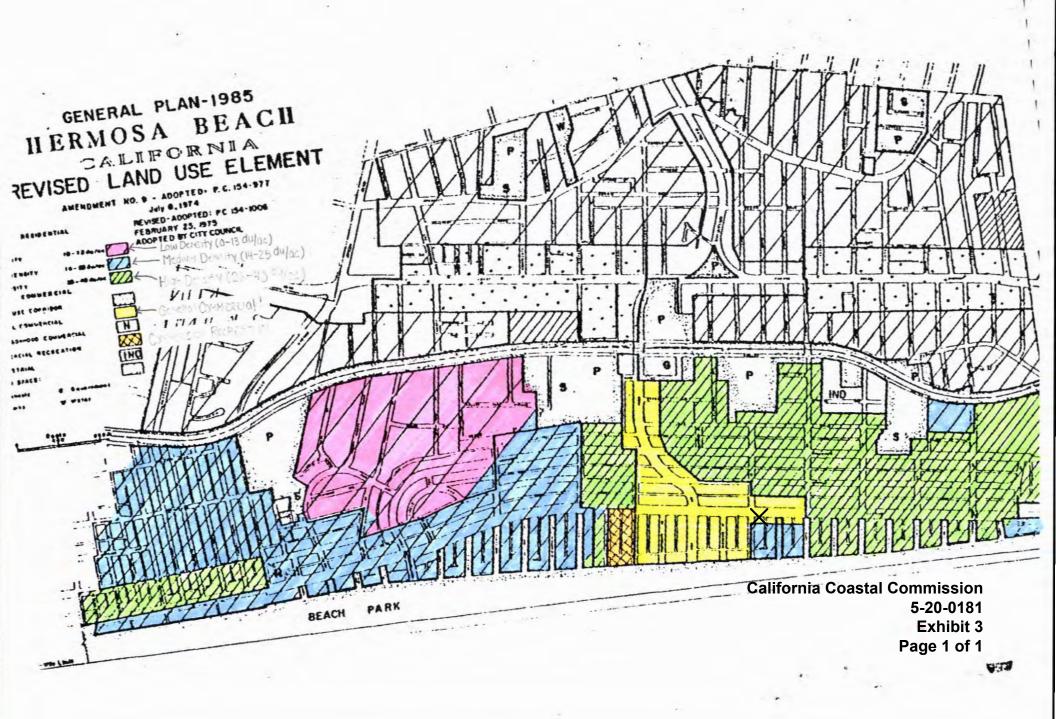
DATE: 19.01.31 DRAWN: PS JOB NO. 1601 DRAWING TITLE PROPOSED THIRD LEVEL FLOOR PLANS

> DRAWING NUMBER A2.13









70 10th Street - Boutique Inn Sales, Price Estimates & Sensitivity Analysis New Development 2800 sq. ft. - Cost \$500 per sq. ft.

Total Input By Partners as	s of 10/20/2020		\$3,565,000		\$3,565,000		\$3,565,000
Cost of Construction							
- Vertical per S/F	\$ 500.00		\$500		\$500		\$500
- S/F added	2800						
Actual Cost of Constructi	on		\$1,400,000		\$1,400,000		\$1,400,000
Total Land & Constructio	n		\$4,965,000		\$4,965,000		\$4,965,000
Projected Operating Incon	ne 50% vacancy						
Est. Rate for Single Family I	Per Night	\$	575.00	\$	625.00	\$	675.00
Single Family Rented for 30	nights per month	\$	17,250.00	\$	18,750.00	\$	20,250.00
Estimated Rate Per Night F	or Rooms	\$	250.00	\$	300.00	\$	350.00
5 Rooms each rented at 30	nights per month	\$	37,500.00	\$	45,000.00	\$	52,500.00
Gross Rental Income per	month	\$	54,750.00	\$	63,750.00	\$	72,750.00
Net after 50% vacancy fact	or	\$	27,375.00	\$	31,875.00	\$	36,375.00
Net after operating cost of	25%	\$	18,000.00	\$	20,625.00	\$	23,250.00
Net 10% discount for greer	let 10% discount for green/low income			\$	14,250.00	\$	15,975.00
** Green= no car/low inco	me						
Net After City Bed Tax 12%		\$	5,955.00	\$	6,600.00	\$	7,245.00
Annual Operating Income		\$	71,460	\$	79,200	\$	86,940
\$4MM mortgage at 5% interest, 5 year term	\$200,000 per year						
Estimated Property							
Taxes based upon	\$56,250 per						
\$4,500,000	year						
Total Mortgage and Tax Estimate Per Year		\$	256,250.00	\$	256,250.00	\$	256,250.00
NET A	ANNUAL INCOME	\$	(184,790.00)	\$	(177,050.00)	\$	(169,310.00)

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Projected Operating Income 25% vacancy						
Est. Rate for Single Family Per Night		\$ 575.00	\$	625.00	\$	675.00
Single Family Rented for 30 nights per month	1	\$ 17,250.00	\$	18,750.00	\$	20,250.00
Estimated Rate Per Night For Rooms		\$ 250.00	\$	300.00	\$	350.00
5 Rooms each rented at 30 nights per month		\$ 37,500.00	\$	45,000.00	\$	52,500.00
Gross Rental Income per month		\$ 54,750.00	\$	63,750.00	\$	72,750.00
Net after 25% vacancy factor		\$ 41,062.50	\$	47,812.50	\$	54,562.50
Net after operating cost of 25%		\$ 27,375.00	\$	31,875.00	\$	36,375.00
Net 10% discount for green/low income		\$ 21,900.00	\$	25,500.00	\$	29,100.00
** Green= no car/low income						
Net After City Bed Tax 12%		\$ 15,330.00	\$	17,850.00	\$	20,370.00
Annual Operating Income		\$ 183,960	\$	214,200	\$	244,440
\$4MM mortgage at \$200,000 per 5% interest, 5 year year term						
Estimated Property Taxes based upon \$56,250 per \$4,500,000 year						
Total Mortgage and Tax Estimate Per Year		\$ 256,250.00	\$	256,250.00	\$	256,250.00
NET ANNUAL INCOME		\$ (72,290.00)	\$	(42,050.00)	\$	(11,810.00)

easibility Study Submitted b	y Ap	plicant		_			ommiss 5-20-0	ior
\$4MM mortgage at \$200,000 per 5% interest, 5 year year term				С	alif	orı	nia Coas	sta
Annual Operating Income	\$	249,660	\$	290,700		\$	331,740	
** Green= no car/low income Net After City Bed Tax 12%	\$	20,805.00	\$	24,225.00		\$	27,645.00	
Net 10% discount for green/low income	\$	27,375.00	\$	31,875.00		\$	36,375.00	
Net after operating cost of 25%	\$	32,850.00	\$	38,250.00		\$	43,650.00	
Net after 15% vacancy factor	\$	46,537.50	\$	54,187.50		\$	61,837.50	
Gross Rental Income per month	\$	54,750.00	\$	63,750.00		\$	72,750.00	
5 Rooms each rented at 30 nights per month	\$	37,500.00	\$	45,000.00		\$	52,500.00	
Estimated Rate Per Night For Rooms	\$	250.00	\$	300.00		\$	350.00	
Single Family Rented for 30 nights per month	\$	17,250.00	\$	18,750.00		\$	20,250.00	
Est. Rate for Single Family Per Night	\$	575.00	\$	625.00		\$	675.00	
Projected Operating Income 15% vacancy								

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Exhibit 4

Estimated Property Taxes based upon \$56,250 \$4,500,000 year) per					
Total Mortgage and Tax Estimate Per Year		\$ 256,250.00	\$	256,250.00	\$	256,250.00
NET ANNUAL INC	OME	\$ (6,590.00)	\$	34,450.00	\$	75,490.00

^{*}The 3 scenarios above are based on projected rents with a 50% vacancy factor 25% vacancy factor and 15% vacancy factor.

Feasibility Study Submitted by Applicant

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^{**}Also, we have included a green/low income discount of 10% for low income visitors and visitors without cars

Incorrect (from applicant)

Corrected (by CCC staff)

Bungalow	\$575	Bungalow	\$575
Bungalow 30 days	\$17,250	Bungalow 30 days	\$17,250
4 rooms	\$250	4 rooms	\$250
1 room	\$250	1 room	\$250
5 rooms 30 days	\$37,500	5 rooms 30 days	\$37,500
Gross Income 30 days	\$54,750	Gross Income 30 days	\$54,750
50% vacancy	\$27,375	50% vacancy	\$27,375
operating costs 25% (of 37500)	\$9,375	operating costs 25% (of 54750)	\$13,688
Net after operating costs 25%	\$18,000	Net after operating costs 25%	\$13,688
green/low income costs 10%	\$5,475	green/low income costs 10%	\$5,475
Net after green/low income costs 10%	\$12,525	Net after green/low income costs 10%	\$8,213
City tax 12%	\$6,570	City tax 12%	\$6,570
Net after City tax 12%	\$5,955	Net after City tax 12%	\$1,643
Annual Operating Income	\$71,460	Annual Operating Income	\$19,710
Total Mortgage and Tax Estimate	\$256,250	Total Mortgage and Tax Estimate	\$256,250
NET ANNUAL INCOME	(\$184,790)	NET ANNUAL INCOME	<u>(\$236,540)</u>

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Incorrect (from applicant)

Corrected (by CCC staff)

Bungalow	\$625	Bungalow	\$625
Bungalow 30 days	\$18,750	Bungalow 30 days	\$18,750
4 rooms	\$300	4 rooms	\$300
1 room	\$300	1 room	\$300
5 rooms 30 days	\$45,000	5 rooms 30 days	\$45,000
Gross Income 30 days	\$63,750	Gross Income 30 days	\$63,750
50% vacancy	\$31,875	50% vacancy	\$31,875
operating costs 25% (of 37500)	\$11,250	operating costs 25%	\$15,938
Net after operating costs 25%	\$20,625	Net after operating costs 25%	\$15,938
green/low income costs 10%	\$6,375	green/low income costs 10%	\$6,375
Net after green/low income costs 10%	\$14,250	Net after green/low income costs 10%	\$9,563
City tax 12%	\$7,650	City tax 12%	\$7,650
Net after City tax 12%	\$6,600	Net after City tax 12%	\$1,913
Annual Operating Income	\$79,200	Annual Operating Income	\$22,950
Total Mortgage and Tax Estimate	\$256,250	Total Mortgage and Tax Estimate	\$256,250
NET ANNUAL INCOME	(\$177,050)	NET ANNUAL INCOME	<u>(\$233,300)</u>

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Corrections of Feasibility Study by Staff

Incorrect (from applicant)

Corrected (by CCC staff)

Bungalow	\$675	Bungalow	\$675
Bungalow 30 days	\$20,250	Bungalow 30 days	\$20,250
4 rooms	\$350	4 rooms	\$350
1 room	\$350	1 room	\$350
5 rooms 30 days	\$52,500	5 rooms 30 days	\$52,500
Gross Income 30 days	\$72,750	Gross Income 30 days	\$72,750
50% vacancy	\$36,375	50% vacancy	\$36,375
operating costs 25% (of 37500)	\$13,125	operating costs 25%	\$18,188
Net after operating costs 25%	\$23,250	Net after operating costs 25%	\$18,188
green/low income costs 10%	\$7,275	green/low income costs 10%	\$7,275
Net after green/low income costs 10%	\$15,975	Net after green/low income costs 10%	\$10,913
City tax 12%	\$8,730	City tax 12%	\$8,730
Net after City tax 12%	\$7,245	Net after City tax 12%	\$2,183
Annual Operating Income	\$86,940	Annual Operating Income	\$26,190
Total Mortgage and Tax Estimate	\$256,250	Total Mortgage and Tax Estimate	\$256,250
NET ANNUAL INCOME	(\$169,310)	NET ANNUAL INCOME	<u>(\$230,060)</u>

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Corrections of Feasibility Study by Staff

Provision of 1-low cost unit at \$129.95, Beach Bungalow at \$575, and 5 units at \$250

Correct Operating Costs - 1 Low Cost		Correct Operating Costs - 1 Low Cost		Correct Operating Costs - 1 Low Cost	
Bungalow	\$575	Bungalow	\$575	Bungalow	\$575
Bungalow 30 days	\$17,250	Bungalow 30 days	\$17,250	Bungalow 30 days	\$17,250
4 rooms	\$250	4 rooms	\$250	4 rooms	\$250
1 room (low-cost)	\$130	1 room (low-cost)	\$130	1 room (low-cost)	\$130
5 rooms 30 days	\$33,895	5 rooms 30 days	\$33,895	5 rooms 30 days	\$33,895
Gross Income 30 days	\$51,145	Gross Income 30 days	\$51,145	Gross Income 30 days	\$51,145
50% vacancy	\$25,572	25% vacancy	\$38,358	15% vacancy	\$43,473
operating costs 25% (of	\$12,786	operating costs 25% (of 54750)	\$12,786	operating costs 25% (of 54750)	
54750)					\$12,786
Net after operating costs 25%	\$12,786	Net after operating costs 25%	\$25,572	Net after operating costs 25%	\$30,687
Green/low income costs 10%	\$5,114	Green/low income costs 10%	\$5,114	Green/low income costs 10%	\$5,114
Net after green/low income	\$7,672	Net after green/low income costs	\$20,458	Net after green/low income costs	
costs 10%		10%		10%	\$25,572
City tax 12%	\$6,137	City tax 12%	\$6,137	City tax 12%	\$6,137
Net after City tax 12%	\$1,534	Net after City tax 12%	\$14,320	Net after City tax 12%	\$19,435
Annual Operating Income	\$18,412	Annual Operating Income	\$171,846	Annual Operating Income	\$233,219
Total Mortgage and Tax	\$256,250	Total Mortgage and Tax Estimate	\$256,250	Total Mortgage and Tax Estimate	
Estimate					\$256,250
NET ANNUAL INCOME	<u>(\$237,838)</u>	NET ANNUAL INCOME	<u>(\$84,404)</u>	NET ANNUAL INCOME	<u>(\$23,031)</u>

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Provision of 1-low cost unit at \$129.95, Beach Bungalow at \$625, and 5 units at \$300

NET ANNUAL INCOME	<u>(\$235,138)</u>	NET ANNUAL INCOME	<u>(\$59,204)</u>	NET ANNUAL INCOME	<u>\$11,169</u>
Total Mortgage and Tax Estimate	\$256,250	Total Mortgage and Tax Estimate	\$256,250	Total Mortgage and Tax Estimate	\$256,250
Annual Operating Income	\$21,112	Annual Operating Income	\$197,046	Annual Operating Income	\$267,419
Net after City tax 12%	\$1,759 ·	Net after City tax 12%	\$16,420	Net after City tax 12%	\$22,285
City tax 12%	\$7,037	City tax 12%	\$7,037	City tax 12%	\$7,037
Net after green/low income costs 10%		Net after green/low income costs 10%	\$23,458	Net after green/low income costs 10%	\$29,322
Green/low income costs 10%	\$5,864	Green/low income costs 10%	\$5,864	Green/low income costs 10%	\$5,864
25%		· · · · · · ·		25%	
Net after operating costs	\$14,661	Net after operating costs 25%		Net after operating costs	\$35,187
Operating costs 25%	\$14,661	Operating costs 25%	\$14,661	Operating costs 25%	\$14,661
50% vacancy	\$29,322	25% vacancy	\$43,983	15% vacancy	\$49,848
Gross Income 30 days	\$58,645	Gross Income 30 days	\$58,645	Gross Income 30 days	\$58,645
5 rooms 30 days	\$39,895	5 rooms 30 days	\$39,895	5 rooms 30 days	\$39,895
1 room (low-cost)	\$130	1 room (low-cost)	\$130	1 room (low-cost)	\$130
4 rooms	\$300	4 rooms	\$300	4 rooms	\$300
Bungalow Bungalow 30 days	\$625 \$18,750	Bungalow Bungalow 30 days	\$625 \$18,750	Bungalow Bungalow 30 days	\$625 \$18,750
Low Cost		Low Cost		Low Cost	
Correct Operating Costs - 1		Correct Operating Costs - 1		Correct Operating Costs - 1	

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Provision of 1-low cost unit at \$129.95, Beach Bungalow at \$675, and 5 units at \$350

Correct Operating Costs - 1		Correct Operating Costs - 1 Low		Correct Operating Costs - 1 Low	
Low Cost		Cost		Cost	
Bungalow	\$675	Bungalow	\$675	Bungalow	\$675
Bungalow 30 days	\$20,250	Bungalow 30 days	\$20,250	Bungalow 30 days	\$20,250
4 rooms	\$350	4 rooms	\$350	4 rooms	\$350
1 room (low-cost)	\$130	1 room (low-cost)	\$130	1 room (low-cost)	\$130
5 rooms 30 days	\$45,895	5 rooms 30 days	\$45,895	5 rooms 30 days	\$45,895
Gross Income 30 days	\$66,145	Gross Income 30 days	\$66,145	Gross Income 30 days	\$66,145
50% vacancy	\$33,072	25% vacancy	\$49,608	15% vacancy	\$56,223
operating costs 25%	\$16,536	operating costs 25%	\$16,536	operating costs 25%	\$16,536
Net after operating costs	\$16,536	Net after operating costs 25%	\$33,072	Net after operating costs 25%	\$39,687
green/low income costs	\$6,614	green/low income costs 10%	\$6,614	green/low income costs 10%	\$6,614
Net after green/low income	\$9,922	Net after green/low income	\$26,458	Net after green/low income	\$33,072
costs 10%		costs 10%		costs 10%	
City tax 12%	\$7,937	City tax 12%	\$7,937	City tax 12%	\$7,937
Net after City tax 12%	\$1,984	Net after City tax 12%	\$18,520	Net after City tax 12%	\$25,135
Annual Operating Income	\$23,812	Annual Operating Income	\$222,246	Annual Operating Income	\$301,619
Total Mortgage and Tax	\$256,250	Total Mortgage and Tax	\$256,250	Total Mortgage and Tax	\$256,250
Estimate		Estimate		Estimate	
NET ANNUAL INCOME	<u>(\$232,438)</u>	NET ANNUAL INCOME	<u>(\$34,004)</u>	NET ANNUAL INCOME	<u>\$45,369</u>

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Cost Per Square Foot Rental Comparison with Local Hermosa Beach Hotels

- 1. The Beach House 1300 The Strand, Hermosa Beach, CA 90254 Average cost \$.80/sq. ft. per day
- 2. Grandview Inn 55 14th St., Hermosa Beach, CA 90254 Average cost \$.51/sq. ft. per day
- 3. Hotel Hermosa 2515 Pacific Coast Hwy., Hermosa Beach, CA 90254 Average cost \$.92/sq. ft. per day
- 4. Hampton Inn & Suites 1530 Pacific Coast Hwy., Hermosa Beach, CA 90254 Average cost \$.58/sq. ft. per day
- 5. Holiday Inn Express 125 Pacific Coast Hwy, Hermosa Beach, CA 90254 Average cost \$.55/sq. ft. per day
- 6. Sea Sprite Motel 1016 The Strand, Hermosa Beach, CA 90254 Average cost \$.50/sq. ft. per day
- 7. Quality Inn & Suites 901 Aviation Blvd., Hermosa Beach, CA 90254 Average cost \$.36/sq. ft. per day
- 8. H20 Hotel 1429 Hermosa Ave., Hermosa Beach, CA 90254 Average cost \$.69 per sq. ft. per day
- 9. Historical Hermosa Beach Hotel 70 10th St., Hermosa Beach, CA 90254 Beach Bungalow average cost \$.34/sq. ft. per day.
 New hotel suites average cost \$.54/sq. ft. per day.

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