

# LJC<sub>SD</sub>

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## LIFE HOUSE DESIGN AND CONSTRUCTION

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*Presented by*

*CJ Johnson & Life House*



# LIFE HOUSE DESIGN & CONSTRUCTION

*Design · Permit · Build*

## URBAN INFILL FEASIBILITY & DEVELOPMENT STUDY

**5419 Laretta Street, Apt A & B, San Diego, CA 92110**

Linda Vista | APN: 436-551-03-02 | Zone: RM-3-7 | CCHS Tier 4 — 4.0 FAR Confirmed

Presented by CJ Johnson & Life House | April 2026

### Dear Home Owner,

Welcome to one of the highest-density development entitlements available anywhere in the City of San Diego. The Laretta property is zoned RM-3-7 (multifamily residential, 30–43 DU/acre), confirmed eligible for the Complete Communities Housing Solutions program at FAR Tier 4 — 4.0 FAR — the second-highest tier the City offers. The property sits inside a Transit Priority Area, inside a Sustainable Development Area, in Mobility Zone 2, with no Coastal Overlay constraints and no Coastal Height Limit. On a typical Silver Terrace Addition lot, that translates to a buildable envelope approaching 24,000 SF on a single small parcel — a true mid-density redevelopment opportunity in one of San Diego's strongest LTR submarkets.

This report was prepared to answer the three questions you raised at the outset: should you build above the existing garage, demolish the garage and rebuild, or demolish everything and pursue full CCHS Tier 4 maximum development? We have run the numbers on each path. Highest-and-best-use is unambiguous on this site, but the supporting strategies have real merit as Phase 1 income activation.

We have analyzed the RM-3-7 zoning standards, the CCHS Tier 4 entitlement (4.0 FAR), the TPA parking and density bonuses, the SDIA Airport Influence Area Review Area 2, the High Paleontological Sensitivity classification, the 2025 Very High Fire Hazard Severity Zone designation, the post-2017 ADU short-term rental prohibition, and the SB 1211 multifamily ADU pathway. We are bringing you three clearly defined options: from a focused above-garage ADU income play to a full Tier 4 multifamily redevelopment. This site can legally support significantly more density than what is currently improved.

*The property is exceptional. The timing is right. Let's build.*

**Very Respectfully,**

*CJ Johnson*

**CJ Johnson**



CEO, Life House Design and Construction

CA GC Lic. #1125210

## EXECUTIVE SUMMARY

# 5419 Laretta Street — Linda Vista

A high-density urban infill development opportunity in the Linda Vista community of San Diego, situated inside a Transit Priority Area with confirmed eligibility for CCHS FAR Tier 4 at 4.0 FAR — one of the highest density bonuses available in the City. The property currently improves with a duplex (Apt A & B, 2 residential units total) plus a two-car detached garage with driveway access. APN: 436-551-03-02. Estimated lot area: 5,500–6,500 SF pending licensed survey, based on typical Silver Terrace Addition (1940s plat) lot configurations.

  **REGULATORY STATUS CONFIRMED:** Zone RM-3-7 (multifamily, 30–43 DU/acre). NOT in the Coastal Overlay Zone — no CDP required. NOT in the Coastal Height Limit Overlay — buildings can exceed 30 feet, the standard ceiling on most coastal-adjacent SD parcels. Sustainable Development Area: YES. Transit Priority Area: YES (no parking required for state-law ADUs, full ADU Bonus Program access, CCHS density bonuses available). Complete Communities Housing Solutions: TIER 4 — 4.0 FAR CONFIRMED. SDIA Airport Influence Area Review Area 2 (no 45 dB interior sound attenuation required — no CNEL contour on this parcel). Very High Fire Hazard Severity Zone (2025): YES — 4-ft setbacks required on all ADUs, fire sprinklers required on Bonus ADUs. Paleontological Sensitivity: HIGH — full-time paleo monitor required for excavation. Parking Impact Overlay Zone: Campus-Impact (USD area). All constraints are manageable. Life House handles all of it.

### Option A | Above-Garage ADU + Existing Duplex Activation

Build above-garage ADU (600 SF) leveraging existing garage footprint + add interior-conversion ADU within existing duplex. Retain duplex for STR (subject to pre-2017 grandfathering verification). Fastest path to revenue, lowest entitlement risk.

### Option B | SB 1211 + ADU Bonus Stack (TPA Density)

Retain duplex for STR + 2 detached ADUs under SB 1211 (matching duplex unit count) + interior conversion ADU + 2 affordable deed-restricted Bonus ADUs + 2 unrestricted bonus market ADUs (TPA 1:1 ratio). Up to 9 units total. Full TPA Bonus Program leverage.

### Option C | DEMO + CCHS TIER 4 4.0 FAR REDEVELOPMENT (PRIMARY ASK)

Demolish existing improvements, ground-up multifamily redevelopment under CCHS Tier 4 at 4.0 FAR. Estimated buildable envelope ~24,000 SF on ~6,000 SF lot. Supports approximately 18–24 dwelling units depending on affordable component. Generational wealth play and the family's stated highest-best-use objective.

CCHS Tier 4 at 4.0 FAR is the second-highest density tier the City of San Diego offers. Combined with RM-3-7 base zoning, the Sustainable Development Area designation, Transit Priority Area status, and no Coastal Height Limit, the Laretta property has nearly every entitlement lever stacked in its favor. Option C is the primary recommendation — full redevelopment is what the City's regulatory framework is designed to encourage on parcels like this. Options A and B are presented as Phase 1 income activation strategies and as fallback positions if the family chooses lower-capital deployment.

## PROPERTY DETAILS & SITE OVERVIEW

# 5419 Laretta Street

### Property Overview

<b>Address</b>	5419 Laretta Street, Apt A & B, San Diego, CA 92110
<b>APN</b>	436-551-03-02
<b>Lot Size</b>	Pending licensed survey   Estimated 5,500–6,500 SF based on Silver Terrace Addition typical parcels
<b>Legal Description</b>	MAP 430, Block E, Lot 3 — Silver Terrace Addition
<b>Existing Dwelling</b>	Duplex — Apt A & Apt B (2 residential units)
<b>Existing Garage</b>	Two-car detached garage with driveway access
<b>Lot Type</b>	Single buildable parcel
<b>Adequate Sites Inventory</b>	None (does NOT impact development pathway)
<b>Elevation</b>	~35 ft above sea level

### RM-3-7 Zoning Standards

<b>Zone</b>	RM-3-7 — Residential Multiple Unit (multifamily)
<b>Density</b>	30–43 DU/Acre (Linda Vista Community Plan, Medium High Density Residential)
<b>Height — Base Zone</b>	40 feet (RM-3-7 base) — NO Coastal Height Limit Overlay applies
<b>FAR — Base</b>	1.8 Floor-Area Ratio
<b>FAR — CCHS Bonus</b>	4.0 FAR — TIER 4 CONFIRMED ELIGIBLE — buildable envelope ≈ 24,000 SF on ~6,000 SF lot
<b>Front Setback</b>	15 feet minimum
<b>Interior Side Setback</b>	5 feet minimum
<b>Rear Setback</b>	15 feet minimum (base zone)
<b>ADU Setbacks (State Law)</b>	4 feet minimum side and rear (4-ft required throughout in VHFSZ — no zero- foot setback option)

## PROPERTY DETAILS — CONTINUED

### Community & District Info

<b>Community Plan</b>	Linda Vista — Medium High Density Residential (43 DU/acre high)
<b>City Council</b>	District 7
<b>Maintenance Assessment District</b>	Linda Vista MAD
<b>School District</b>	San Diego Unified (\$5.17/SF — new residential ≥500 SF)
<b>Existing Features</b>	Duplex (Apt A + B), 2- car detached garage with concrete driveway, mature trees, fenced rear yard

### Development Standards & Bonuses

<b>Transit Priority Area</b>	YES — Bonus ADU Program 1:1 ratio with no parking required for state-law ADUs
<b>Parking Standards TPA</b>	YES — confirmed
<b>Sustainable Development Area</b>	YES — unlocks CCHS Tier 4 pathway
<b>Complete Communities Housing Solutions</b>	TIER 4 — 4.0 FAR
<b>Complete Communities Mobility Choices (CCMC)</b>	Mobility Zone 2 — second-most- walkable tier
<b>Affordable Housing Parking Demand</b>	HIGH (favorable for affordable bonus programs)
<b>Parking Impact Overlay Zone</b>	Campus-Impact (USD- adjacent — supplemental parking standards apply)
<b>Slopes 25%+</b>	NONE (favorable — no Site Development Permit for grading)
<b>Geologic Hazard</b>	Category 52 (geotechnical investigation recommended; no fault buffers)

**SECTION 1 — OVERLAYS & REGULATORY CONTEXT**

# Site Overlays — 5419 Laretta Street

Overlay / Condition	Status	Impact & Notes
Coastal Overlay Zone	<b>NOT IN COZ</b>	NO Coastal Development Permit required. Major timeline and cost advantage — saves \$2,182 per CDP filing and 4–8 weeks per filing.
Coastal Height Limit Overlay	<b>NOT IN CHLOZ</b>	No 30-ft height cap. Building height governed by RM-3-7 base zone (40 ft) and CCHS Tier 4 standards. Mid-rise development (3–4 stories) is feasible.
SDIA Airport Influence Area	<b>Review Area 2</b>	Less restrictive than Review Area 1. Standard height clearance review at permit stage. No 45 dB interior sound attenuation requirement (no CNEL contour on this parcel).
NAS North Island Airport	<b>Review Area 2</b>	Secondary influence area. Height clearances confirmed at permit review.
SDIA Noise Contour (CNEL)	<b>NONE</b>	No noise contour on this parcel — significant cost advantage. Eliminates \$8,000–\$15,000 per unit sound attenuation package required at coastal/airport-adjacent properties.
FAA Part 77 Noticing Area	<b>YES</b>	Form 7460 notification required for any new structure (125-130 ft elevation reference, 11,000-11,500 ft from runway). Mid-rise construction at 35-50 ft remains well within FAA compliance.
Sustainable Development Area	<b>YES</b>	Unlocks CCHS pathway and density bonuses. Required gate condition for Tier 4 entitlement.
Complete Communities Housing Solutions (CCHS)	<b>TIER 4 — 4.0 FAR</b>	CONFIRMED ELIGIBLE. Up to 4.0 × lot area buildable envelope. ~24,000 SF on ~6,000 SF lot. Density bonuses available with affordable component.
Complete Communities Mobility Choices	<b>Mobility Zone 2</b>	Supports walkable/transit-oriented development standards.
Transit Priority Area (TPA)	<b>YES</b>	Bonus ADU Program 1:1 ratio. Zero parking required for state-law ADUs. CCHS density bonuses with affordable component.
Parking Standards TPA	<b>YES</b>	Reduced parking standards for the entire development.
Parking Impact Overlay Zone	<b>YES — CAMPUS-IMPACT</b>	USD-area supplemental parking provisions apply. Confirm at design.
Maintenance Assessment District	<b>Linda Vista MAD</b>	Annual MAD assessment applies.
Historic District	<b>None</b>	No historic designation. Cultural Sensitivity: Moderate.
Paleontological Sensitivity	<b>HIGH</b>	Full-time paleontological monitor required during excavation. Budget \$7,000–\$10,000 (higher than Moderate sensitivity sites).
Slopes 25% or Greater	<b>NONE</b>	Favorable — no Site Development Permit for grading. Minimal earthwork.
Geologic Hazard	<b>Category 52</b>	Geotechnical investigation recommended. No earthquake fault buffers on parcel.
Flood Zone	<b>Zone X (minimal hazard)</b>	No elevation certificate required.
Very High Fire Hazard Severity Zone (2025)	<b>YES</b>	NEW 2025 designation (not in 2009 maps). All ADUs require 4-ft minimum side/rear setbacks regardless of height. Fire sprinklers required on all Bonus Program ADUs. Defensible space requirements. CONFIRM Laretta is NOT a cul-de-sac (cul-de-sac status disqualifies Bonus ADU eligibility).

## SECTION 2 — ZONING STANDARDS & ADU ENTITLEMENTS

# Setbacks, FAR & ADU Regulations

### RM-3-7 Base Zone — Primary Structures

<b>Front Setback</b>	15 ft minimum
<b>Interior Side Setback</b>	5 ft minimum
<b>Street Side Setback</b>	10 ft minimum (corner lot)
<b>Rear Setback</b>	15 ft minimum
<b>FAR — Base</b>	1.8 × lot area
<b>FAR — CCHS Bonus</b>	4.0 × lot area (TIER 4 — confirmed eligible)
<b>Density</b>	30–43 DU/Acre (Linda Vista Community Plan, Medium High Density Residential)
<b>Height Cap</b>	40 ft (RM-3-7 base) — NO Coastal Height Limit Overlay applies
<b>Parking</b>	Reduced standards (TPA + PSTPA confirmed)
<b>Buildable Envelope (estimated 6,000 SF lot)</b>	Base FAR ≈ 10,800 SF   CCHS Tier 4 ≈ 24,000 SF

**SECTION 2 — CONTINUED**

# ADU Setbacks & Entitlements

**⚠️ MULTIFAMILY ADU FRAMEWORK + VHFSZ MODIFICATIONS:** This parcel is RM-3-7 (multifamily) — JADUs are NOT permitted. Correct framework: existing duplex (2 units) + up to 2 detached ADUs under SB 1211 + interior-conversion ADU + Bonus Program stack (TPA 1:1). Very High Fire Hazard Severity Zone designation requires 4-ft side/rear setbacks on ALL ADUs (no zero-foot option) and fire sprinklers on all Bonus ADUs. NO owner-occupancy requirement. CRITICAL POST-2017 RULE: STR prohibited on any ADU permitted after October 15, 2017. Only the existing duplex units are STRO-eligible (subject to pre-2017 Certificate of Occupancy verification).

## ADU Setbacks (VHFSZ-Modified)

Side Setback	4 ft minimum (VHFSZ requirement — no zero-foot exception)
Rear Setback	4 ft minimum (VHFSZ requirement)
Front Setback	15 ft minimum
Two-Story Height	22-25 ft (no Coastal Height Limit — taller designs feasible if needed)
Max Size (Detached)	1,000 SF on multifamily (SD Municipal Code)   1,200 SF state cap
Fire Sprinklers	REQUIRED on all Bonus Program ADUs (VHFSZ)

## ADU Entitlements Summary

Existing Units	2 (duplex Apt A + B)
Detached ADUs (SB 1211)	Up to 2 (matching existing unit count)
Interior-Conversion ADU	1 (25% of existing 2 units = 0.5, rounds up to 1)
Bonus Program ADUs (TPA 1:1)	1 affordable + 1 market bonus per pair, lot-size capped per Aug 2025 amendments
Total Units (Options A/B without redevelopment)	Up to 9 units
Total Units (Option C — CCHS Tier 4 redevelopment)	Up to 18-24 units depending on affordable mix
Parking (TPA)	Zero required for state-law ADUs
CDP Required	NO (not in COZ)
School Fees (≥500 SF)	\$5.17/SF
Owner-Occupancy	NOT required

## OPTION A — ABOVE-GARAGE ADU + DUPLEX ACTIVATION

# Lowest-Capital Income Activation

Option A is the lowest-capital, fastest-revenue path on this property. Build a 600 SF above-garage ADU on the existing two-car garage footprint (leveraging existing foundation and structure for cost efficiency), add one interior-conversion ADU within the existing duplex, and rehab the duplex to premium STR-grade finish. Secure a Tier 3 STRO license on the existing duplex (subject to pre-October-2017 Certificate of Occupancy verification — likely confirmed given Silver Terrace Addition era construction). Total: 4 income streams (2 STR + 2 LTR ADUs). Preserves the lot for future Option C redevelopment without burning capital.

### Unit Program

<b>Existing Duplex</b>	2 units retained, rehabbed to STR-grade
<b>Above-Garage ADU</b>	600 SF, 1BR/1BA — built on existing garage roof footprint
<b>Interior ADU</b>	450 SF, studio or 1BR within existing duplex envelope
<b>Total Units</b>	4 income streams
<b>Coastal Permit</b>	Not required
<b>Sound Attenuation</b>	Not required (no CNEL contour)
<b>Owner-Occupancy</b>	Not required
<b>Fire Sprinklers</b>	Required on above-garage ADU (Bonus Program eligibility) and interior ADU

### ✓ Pros

- Lowest capital deployment of the three options
- Fastest path to revenue — 5–8 months engagement to first booking
- No CDP, no foundations, no major demolition
- Leverages existing garage footprint — significant structural cost savings
- Existing duplex generates STR income during ADU construction
- Preserves full lot for future Option C redevelopment
- Both new ADUs exempt from impact fees (under 750 SF)
- Interior ADU under 500 SF exempt from school fees
- TPA exemption — no new parking required

### ⚠ Constraints

- Existing duplex pre-2017 STR eligibility must be verified via Certificate of Occupancy
- Above-garage ADU and interior ADU cannot be STR'd (post-2017 rule)
- Tier 3 STRO license cap countdown — 964 remaining citywide
- One STRO license per natural person — host structure required for the duplex
- Garage structure must be assessed for second-story load — may require reinforcement
- VHFSZ requires fire sprinklers on Bonus Program ADUs
- Linda Vista STR rates lower than coastal — \$150–\$250/night range vs. coastal \$275+

## OPTION A — REVENUE & UNIT DETAILS

# STR + LTR Blended Income Projections

### Unit Details

Sound Attenuation	Not required (no CNEL contour)
Fire Sprinklers	Required on new ADUs (VHFSZ)
Owner-Occupancy	Not required
STR Use	Existing duplex eligible for Tier 3 STRO (pending pre-2017 verification) — new ADUs LTR only
Est. STR Nightly Rate (per duplex unit)	\$150–\$250/night (Linda Vista 92110)
Est. STR Annual Occupancy	50–65% blended
Est. STR Annual Revenue (per duplex unit)	\$32,000–\$59,000/year
Above-Garage ADU LTR Rent (1BR)	\$2,000–\$2,400/month
Interior ADU LTR Rent (studio)	\$1,700–\$2,000/month

### Revenue Projections

Est. STR Gross Annual Revenue (2 duplex units)	\$64,000–\$118,000/year
Est. STR Operating Expenses (35–45%)	\$25,000–\$53,000/year
Est. LTR Annual Revenue (2 ADUs)	\$44,400–\$52,800/year
Est. LTR Operating Expenses (15–20%)	\$7,500–\$10,500/year
Combined Est. Gross Annual Revenue	\$108,400–\$170,800/year
Combined Est. Net Operating Income (pre-debt)	\$75,900–\$107,300/year
Est. Monthly Net Cash Flow (after debt service)	\$3,500–\$6,500/month
Est. Break-Even	4–6 years
Est. Property Value Increase	\$250,000–\$425,000
30-Year Gross Income Projection	\$3.3M–\$5.1M

## OPTION A — COST BREAKDOWN

# Above-Garage ADU + Interior ADU + Duplex Rehab

### Pre-Construction Costs

Life House Design Fee (above-garage + interior ADU + duplex TI)	\$36,000
Coastal Development Permit	\$0 (NOT in COZ)
City Building Permits (2 ADUs + duplex TI)	\$14,500
School Fees (above-garage 600 SF × \$5.17/SF — over 500 SF threshold)	\$3,102
School Fees (interior ADU under 500 SF)	\$0
City Fees / DIF / Transportation (ADUs <750 SF)	\$0
Water/Sewer Capacity Fees (2 new ADUs)	\$8,200
STRO Permit Application (1 duplex unit license — verify pre-2017)	\$1,170
Geotechnical Investigation (Geologic Hazard Cat 52)	\$5,500
Paleontological Monitor (HIGH sensitivity, full-time excavation)	\$8,500
Garage Structural Assessment & Reinforcement Engineering	\$7,500
Licensed Site Survey	\$7,500
<b>Pre-Construction Subtotal</b>	<b>\$91,972</b>
Contingency (10%)	\$9,197
<b>PRE-CONSTRUCTION TOTAL</b>	<b>\$101,169</b>

### Construction Costs

Above-Garage ADU (600 SF × \$375/SF — second-story new build)	\$225,000
Garage Structural Reinforcement	\$22,000
Exterior Stair / Egress	\$14,000
Interior ADU Conversion (450 SF × \$200/SF)	\$90,000
Duplex Rehab to STR-Grade (2 units × ~750 SF × \$165/SF)	\$247,500
Fire Sprinkler Systems (2 new ADUs)	\$14,000
Utility Separation & Metering	\$22,000
Driveway / Site Touch-Up	\$8,000
STR Launch Package (2 duplex units × \$14,000)	\$28,000
<b>Construction Subtotal</b>	<b>\$670,500</b>
Contingency (10%)	\$67,050
<b>CONSTRUCTION TOTAL</b>	<b>\$737,550</b>

📌 **ESTIMATED TOTAL — OPTION A:** Pre-Construction \$101,169 + Construction \$737,550 = **\$838,719**. No CDP, no sound attenuation, no slope grading. Fire sprinklers and full-time paleo monitor included for VHFSZ + High Paleo Sensitivity.

## OPTION B — SB 1211 + BONUS ADU STACK

# Maximum ADU Stack Without Demo (TPA 1:1 Bonus)

Option B exercises every ADU lever available without demolishing existing improvements. Retain the duplex for STR income, build 2 detached ADUs under SB 1211 (matching the duplex's 2-unit count), add 1 interior-conversion ADU, and stack 2 affordable deed-restricted Bonus ADUs + 2 market-rate Bonus ADUs (TPA 1:1 ratio, subject to August 2025 lot-size caps). Total: 9 units across the parcel. Captures the TPA Bonus Program advantage. Builds toward Tier 4 density without the capital intensity of full redevelopment.

## Unit Program

<b>Existing Duplex</b>	2 units (STR-eligible, pre-2017 verification)
<b>SB 1211 Detached ADUs</b>	2 × 1,000 SF — LTR
<b>Interior-Conversion ADU</b>	1 × 450 SF — LTR
<b>Bonus Program — Affordable ADUs</b>	2 × ~600 SF — deed-restricted 80% AMI, 15-year term
<b>Bonus Program — Market ADUs</b>	2 × ~600 SF — LTR at market rent
<b>Total Units</b>	9 (2 STR + 7 LTR/MTR)
<b>CDP</b>	Not required
<b>Fire Sprinklers</b>	Required on all 4 Bonus Program ADUs
<b>Parking</b>	Zero required (TPA)

## ✓ Pros

- Captures TPA Bonus Program — major lever not available at most non-TPA properties
- Stacks SB 1211 + Bonus Program for 7 new units without demolition
- Existing duplex generates STR revenue during construction
- No CDP, no Coastal Height Limit, no sound attenuation
- Affordable Bonus ADUs qualify for community enhancement fee waivers in some scenarios
- AB 1033 condo conversion pathway available — bonus ADUs become individually saleable
- TPA — zero parking required on state-law ADUs

## ⚠ Constraints

- 7 new ADUs cannot be STR'd (post-2017 rule applies to all)
- Affordable ADUs locked at 80% AMI rents for 15 years
- Aug 2025 amendments imposed lot-size caps on Bonus Program — confirm 6,000 SF allowance
- Fire sprinklers required on all 4 Bonus Program ADUs (VHFSZ)
- Construction sequencing across 5 new structures requires careful site logistics
- Linda Vista LTR rates softer than coastal markets

## OPTION B — REVENUE & UNIT DETAILS

# STR + LTR Blended Income Projections

### Unit Details

Sound Attenuation	Not required
Fire Sprinklers	Required on 4 Bonus Program ADUs
STR Use	Only existing duplex (2 units) — all new ADUs LTR
Detached ADU LTR Rent (2BR)	\$2,800–\$3,400/month
Interior ADU LTR Rent (studio)	\$1,700–\$2,000/month
Affordable Bonus ADU Rent (80% AMI, 1BR)	\$1,950 cap (HUD 2026 estimate)
Market Bonus ADU Rent (1BR)	\$2,200–\$2,500/month

### Revenue Projections

Existing Duplex — STR Annual Revenue (2 units)	\$64,000–\$118,000/year
2 SB 1211 Detached ADUs — Annual LTR (\$3,100/mo avg × 12 × 2)	\$74,400/year
1 Interior ADU — Annual LTR	\$20,400–\$24,000/year
2 Affordable Bonus ADUs — Annual LTR (\$1,950 × 12 × 2)	\$46,800/year
2 Market Bonus ADUs — Annual LTR (\$2,350 avg × 12 × 2)	\$56,400/year
Combined Annual Gross	\$262,000–\$319,600/year
Combined Operating Expenses (blended 30%)	\$78,600–\$95,900/year
Combined NOI (pre-debt)	\$183,400–\$223,700/year
Est. Monthly Net Cash Flow (after debt service)	\$7,000–\$12,500/month
Est. Break-Even	6–9 years
Est. Property Value Increase	\$850,000–\$1,400,000
30-Year Gross Income Projection	\$7.9M–\$9.6M

## OPTION B — COST BREAKDOWN

# SB 1211 + Bonus ADU Stack

### Pre-Construction Costs

Life House Design Fee (7 new units + duplex TI)	\$124,000
CDP	\$0 (not in COZ)
City Building Permits (7 ADUs + duplex TI)	\$94,000
ADU Bonus Program Community Enhancement Fee (4 Bonus ADUs × \$5,000 est.)	\$20,000
School Fees (units >500 SF + new construction)	\$32,400
City Fees / DIF / Transportation	\$24,000
Water/Sewer Capacity Fees (7 new ADUs)	\$28,700
Paleontological Monitor (HIGH sensitivity, full-time)	\$9,500
Geotechnical Investigation	\$7,500
Civil Engineering & Site Layout	\$18,000
Structural Engineering (multi-unit coordination)	\$24,000
Licensed Site Survey	\$7,500
STRO Permit Application	\$1,170
<b>Pre-Construction Subtotal</b>	<b>\$390,770</b>
Contingency (10%)	\$39,077
<b>PRE-CONSTRUCTION TOTAL</b>	<b>\$429,847</b>

### Construction Costs

Duplex Rehab (2 units × 750 SF × \$165/SF)	\$247,500
2 SB 1211 Detached ADUs (1,000 SF × \$375/SF × 2)	\$750,000
1 Interior ADU (450 SF × \$200/SF)	\$90,000
4 Bonus ADUs (600 SF × \$360/SF × 4)	\$864,000
Fire Sprinkler Systems (5 new ADUs total)	\$32,000
Foundations (5 new structures)	\$115,000
ROW & Site Prep / Drainage / Utility Trunk	\$145,000
Utility Separation & Metering (9 units)	\$72,000
Site Hardscape / Landscape	\$48,000
STR Launch Package (2 duplex STR units)	\$28,000
<b>Construction Subtotal</b>	<b>\$2,391,500</b>
Contingency (10%)	\$239,150
<b>CONSTRUCTION TOTAL</b>	<b>\$2,630,650</b>

**ESTIMATED TOTAL — OPTION B:** Pre-Construction \$429,847 + Construction \$2,630,650 = **\$3,060,497**. No CDP, no sound attenuation. TPA delivers full Bonus Program leverage. Fire sprinklers and full-time paleo monitor included.

## OPTION C — CCHS TIER 4 REDEVELOPMENT

# 4.0 FAR Maximum Density — Generational Wealth Play

Option C is the highest-best-use scenario and the strategic objective the Lanz family identified at the outset. Demolish the existing duplex and garage, then redevelop the parcel as a ground-up multifamily building under the Complete Communities Housing Solutions FAR Tier 4 entitlement at 4.0 FAR. On a ~6,000 SF lot, that is approximately 24,000 SF of buildable envelope — supporting roughly 18–24 dwelling units depending on the affordable component layered into the CCHS application. Linda Vista is one of San Diego's strongest LTR submarkets (USD students, Sharp Memorial Hospital staff, Mission Valley professionals), making this redevelopment a high-probability stabilization story. CCHS Tier 4 is one of the highest density allowances the City offers — fully exercised, this is institutional-scale multifamily on a small-lot footprint.

**⚠️ OPTION C — REDEVELOPMENT WORKFLOW:** (1) Licensed boundary and topographic survey + lot legal description verification. (2) Geotechnical investigation (Geologic Hazard Cat 52). (3) CCHS entitlement package with discretionary review — establishes 4.0 FAR program, density bonus calculation, affordable mix, parking plan, and design. (4) FAA Form 7460 notification for new structure. (5) Demo permit + tenant relocation if duplex is currently occupied (relocation assistance required under SD ordinance). (6) Building permit submittal post-CCHS approval. (7) Construction. CCHS Tier 4 entitlement is CONFIRMED ELIGIBLE — the path is regulatory-supported but discretionary at the entitlement stage.

## Development Program (Estimated)

<b>Site</b>	Existing parcel — APN 436-551-03-02
<b>Buildable Envelope</b>	~24,000 SF (4.0 FAR × ~6,000 SF lot)
<b>Estimated Unit Count</b>	18–24 dwelling units (depending on affordable mix and density bonus calculation)
<b>Building Form</b>	4-story multifamily (within RM-3-7 40-ft base; no Coastal Height Limit)
<b>Unit Mix</b>	Studios, 1BR, 2BR — typical Linda Vista TPA infill mix
<b>Affordable Component (CCHS standard)</b>	10–15% of units at 80% AMI for density bonus
<b>Parking</b>	Reduced standards (TPA + PSTPA + Mobility Zone 2)
<b>Owner-Occupancy</b>	Not required

## Strategic Scenarios

### Scenario C-1 (RECOMMENDED)

20-unit ground-up multifamily under CCHS Tier 4. 3 affordable + 17 market. Studios and 1BR mix matching Linda Vista TPA demand. Stabilized for refinance or hold.

### Scenario C-2 (Maximum Affordable Bonus)

24-unit building with 5 affordable units at 80% AMI plus state density bonus stacking. Higher unit count, lower per-unit market rent average.

### Scenario C-3 (For-Sale Condo Exit)

Same 20-unit envelope but designed to AB 1033 condo conversion standards. Sell individual units rather than hold for rent — different exit math.

**OPTION C — HIGH-LEVEL COST & REVENUE**

# CCHS Tier 4 4.0 FAR Multifamily Economics

## High-Level Cost Estimate (Scenario C-1: 20 Units)

Survey, Soils, Geotech, Civil	\$48,000
Life House Design & Permit Management (full multifamily package)	\$325,000
CCHS Entitlement Package + Discretionary Review	\$45,000
Building Permits (20 units)	\$185,000
Demolition (existing duplex + garage)	\$48,000
Tenant Relocation Assistance (if duplex occupied at filing)	\$32,000
School Fees (20 units × ~700 SF × \$5.17/SF)	\$72,400
City Fees / DIF / Transportation (20 units)	\$185,000
Water/Sewer Capacity Fees (20 units)	\$82,000
Paleo Monitor (HIGH sensitivity, full-time)	\$14,500
FAA Form 7460 Notification	\$1,500
Construction (20 units × ~700 SF × \$385/SF avg multifamily)	\$5,390,000
Site Work, Foundations, Underground Parking (if any)	\$385,000
Fire Sprinkler System (full building, multifamily)	\$185,000
Common Areas, Lobby, Circulation	\$145,000
Landscaping / Common Outdoor Space	\$85,000
Utility Distribution & Metering (20 units)	\$148,000
<b>Construction Subtotal</b>	<b>\$7,375,400</b>
Contingency (12%)	\$885,048
<b>ESTIMATED TOTAL — OPTION C</b>	<b>\$8,260,448</b>

## Revenue Projections (Scenario C-1)

3 Affordable Units (80% AMI, ~\$1,800/mo × 12 × 3)	\$64,800
8 Studio Market (\$2,000/mo × 12 × 8)	\$192,000
7 1BR Market (\$2,400/mo × 12 × 7)	\$201,600
2 2BR Market (\$3,200/mo × 12 × 2)	\$76,800
<b>Total Annual Gross</b>	<b>\$535,200</b>
Total Operating Expenses (blended 32% — multifamily efficiency)	\$171,300
Total NOI (pre-debt)	\$363,900
Est. Monthly Net Cash Flow (after debt service)	\$12,000–\$22,000/month
Est. Break-Even	9–13 years
Est. Stabilized Property Value (5.5% cap on NOI)	~\$6,615,000
Refinance / Sale Exit	Stabilized multifamily in TPA Linda Vista trades at premium — institutional comparable cap rates 4.5–5.5%
30-Year Gross Income Projection	\$16M–\$22M (with rent escalation)

**i** Total entitlement timeline 9–14 months (CCHS discretionary). Total project timeline 28–36 months engagement to CO. Demo and tenant relocation Phase 1, permit + construction Phase 2.

## FINANCIAL COMPARISON

# All Three Options — Side by Side

All projections are planning-level and subject to survey, geotechnical investigation, structural engineering, CCHS entitlement findings, and final design scope. Linda Vista LTR market rates reflect 92110 submarket comparables (2026).

Metric	Option A — Above-Garage + Duplex	Option B — SB 1211 + Bonus Stack	Option C — CCHS Tier 4 Redevelopment
Units Added	2 ADUs (4 total)	7 new ADUs (9 total)	18-24 units (20 estimate)
Stories	1-2 stories	1-2 stories	4 stories
Est. Total Dev Cost	\$838,719	\$3,060,497	\$8,260,448
Annual Revenue (Gross)	\$108K-\$171K	\$262K-\$320K	\$535K
<b>Est. Monthly Net Cash Flow</b>	<b>\$3,500-\$6,500/mo</b>	<b>\$7,000-\$12,500/mo</b>	<b>\$12,000-\$22,000/mo</b>
Break-Even (income)	4-6 years	6-9 years	9-13 years
Est. Value Increase	\$250K-\$425K	\$850K-\$1.4M	~\$3.5M-\$5M (stabilized)
<b>STR Nightly (existing duplex only)</b>	<b>\$150-\$250/night</b>	<b>\$150-\$250/night</b>	<b>N/A (all new construction post-2017)</b>
Timeline to Revenue	5-8 months	14-18 months	28-36 months
Lot Optionality	Preserved for Option C upgrade	Preserved	Maximized via redevelopment
<b>Life House Recommendation</b>	Phase 1 income activation	Strong middle path if phased capital	<b>PRIMARY ASK — highest-best-use, family's stated objective</b>

# What You Need to Know

## 1. CCHS Tier 4 at 4.0 FAR is the headline

This is the second-highest density tier the City of San Diego offers. Confirmed eligible on this parcel. ~24,000 SF buildable envelope on a small lot. This is the lever that justifies redevelopment.

## 2. NO Coastal Overlay constraints

Unlike most San Diego development that flirts with the coast, this property has no CDP requirement and no Coastal Height Limit. Buildings can exceed 30 feet. Saves \$2,182 per CDP filing and 4–8 weeks per filing versus typical SD projects.

## 3. Transit Priority Area unlocks zero parking

Inside the TPA, state-law ADUs require zero parking. CCHS Tier 4 also allows reduced parking standards. This frees significant lot area for buildable footprint.

## 4. The post-2017 ADU/STR rule still applies

Any new construction unit (ADU or otherwise) cannot be operated as STR. Only the existing duplex (subject to pre-2017 verification) is Tier 3 STRO eligible. All Option C revenue is LTR.

## 5. VHFSZ 2025 designation requires fire sprinklers + 4-ft setbacks

The 2025 fire hazard map update added this parcel. Fire sprinklers required on all Bonus Program ADUs and all multifamily new construction. 4-ft minimum setbacks required on all ADUs (no zero-foot exception).

## 6. High Paleo Sensitivity = full-time monitor

Unlike Moderate sensitivity sites, this parcel requires a full-time paleontological monitor during excavation. Budget \$7K–\$10K (vs. \$3.5K typical). Built into all cost breakdowns.

## 7. Linda Vista LTR market is strong but inland-priced

USD, Sharp Memorial, Mission Valley demand drives steady occupancy. LTR rents 25–35% below coastal but operating costs proportionally lower. Multifamily stabilization is high-confidence here.

## 8. AB 1033 condo conversion is your exit lever

Both Option B Bonus ADUs and Option C new construction units can be subdivided into individual condominium units for sale. Provides flexibility between hold-for-cash-flow and sell-for-recapitalization strategies.

## RECOMMENDED NEXT STEPS

# 5419 Laretta Street — Your Path Forward

01

### Licensed Site Survey & Lot Confirmation

Surveyor confirms exact lot dimensions, boundary, topography, existing improvements, easements, and street access (cul-de-sac status verification critical for VHFSZ Bonus ADU eligibility).

03

### Geotechnical Investigation

Soils, Geologic Hazard Cat 52, foundation design parameters for whichever option is selected.

05

### CCHS Pre-Application Consultation (if Option C)

Life House requests pre-application meeting with City of San Diego DSD to confirm CCHS Tier 4 eligibility findings, discuss density bonus calculation, and identify any site-specific concerns.

07

### Tenant Relocation Planning (if Option C)

If the duplex is currently rented, develop tenant relocation plan and budget per San Diego Tenant Protection Ordinance (relocation assistance required).

09

### Permit Submission, Construction & Certificate of Occupancy

Life House manages full submittal, all city correction responses, construction through final inspection and CO.

02

### Pre-2017 Certificate of Occupancy Verification

Pull City of San Diego permit history on existing duplex. Confirms Tier 3 STRO eligibility on Apt A and Apt B.

04

### Decision Workshop — Phase Selection

Life House + Lanz family review Options A, B, C against capital availability, family timeline, and risk tolerance. Recommend Option C primary, Option A as Phase 1 income activation if capital deployment is staged.

06

### Tier 3 STRO License Strategy + Ownership Structure Review

CPA and attorney design LLC ownership and host structure for the existing duplex. Secure STRO license while citywide cap remains (964 remaining).

08

### Execute Life House Engagement Agreement

Architectural design, structural engineering, Title 24, MEP, civil, paleo monitor coordination, FAA Form 7460, and entitlement filing begins.

10

### Lease-Up & Stabilization (Option C) or STR Launch (Options A/B)

New units leased through preferred property management partners. Existing duplex listed Tier 3 STR. Property reaches stabilized operation.

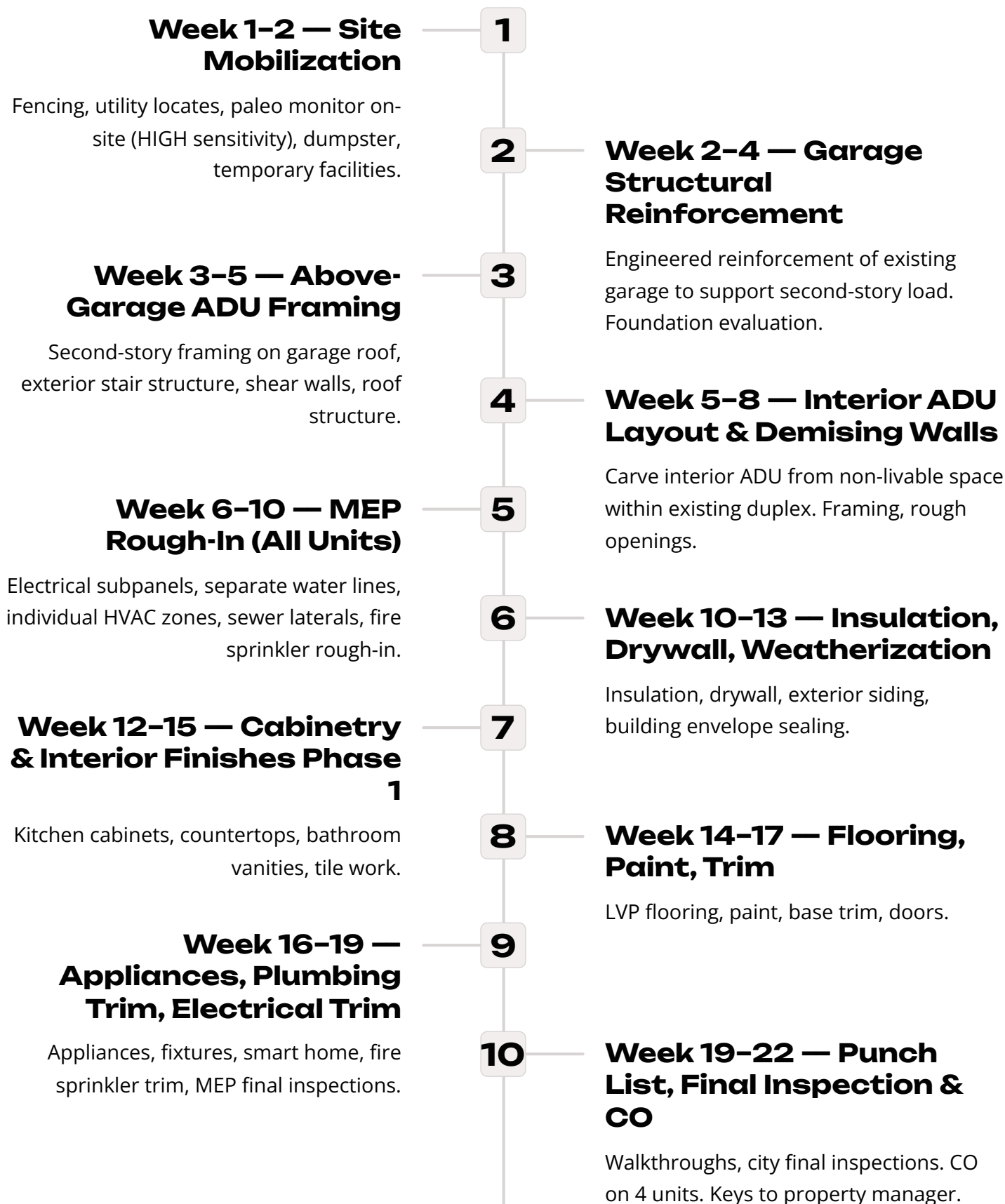
## OPTION C — PROJECT TIMELINE

# From Engagement to Stabilization



## OPTION A — CONSTRUCTION TIMELINE

# Step-by-Step Build Sequence



# Rendering Example



[ Conceptual rendering — Option C 4-story 20-unit multifamily redevelopment under CCHS Tier 4 | 5419 Laurretta Street, Linda Vista | Modern contemporary infill design ]

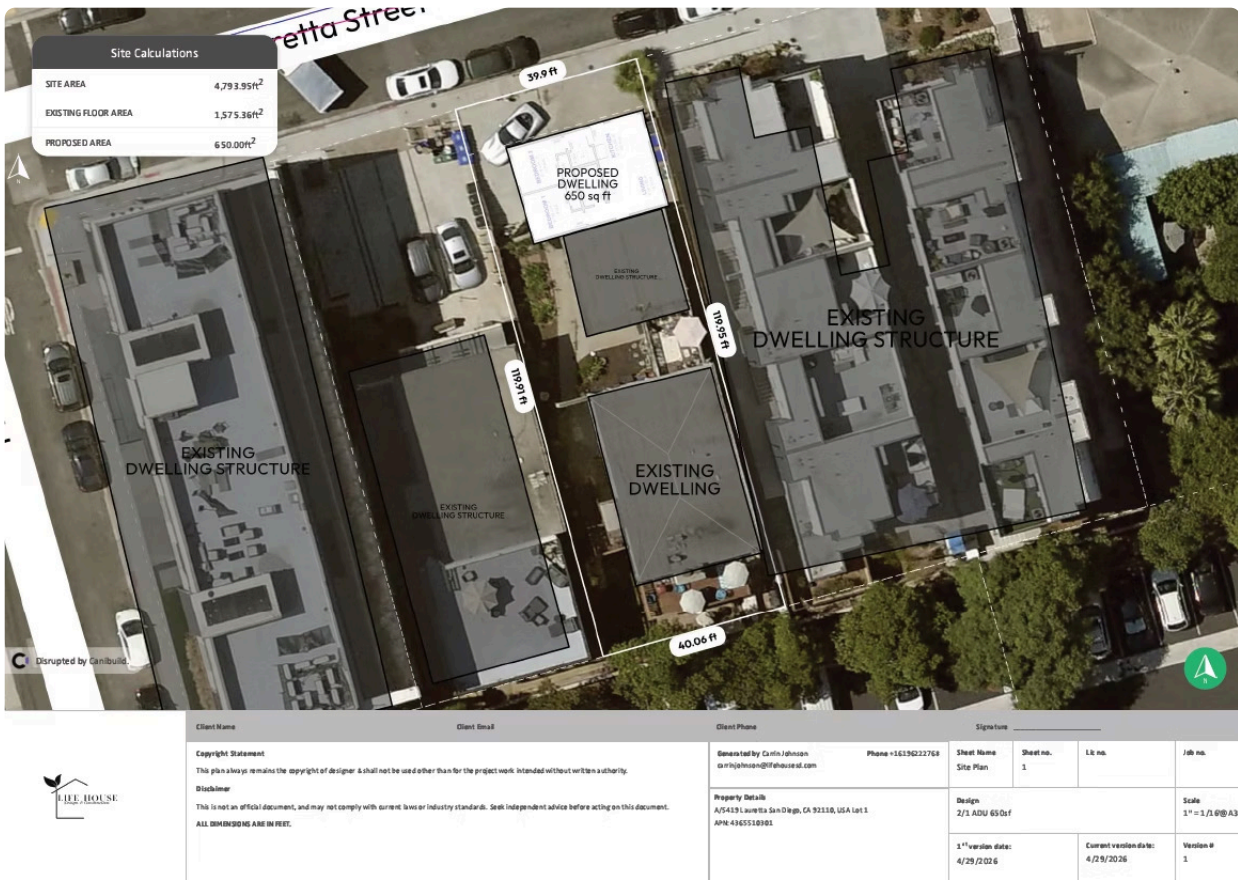
Ground-up CCHS Tier 4 4.0 FAR multifamily building with mixed studio, 1BR, and 2BR units, ground-floor entry, integrated parking per TPA reduced standards, modern contemporary architecture appropriate to Linda Vista urban infill character.



LAURETTA STREET COMPLEX  
UNIT INTERIOR

[ Interior — typical 1BR Linda Vista TPA multifamily unit ]

# Aerial View



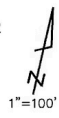
Aerial site plan — 5419 Lauretta Street

# Parcel Map

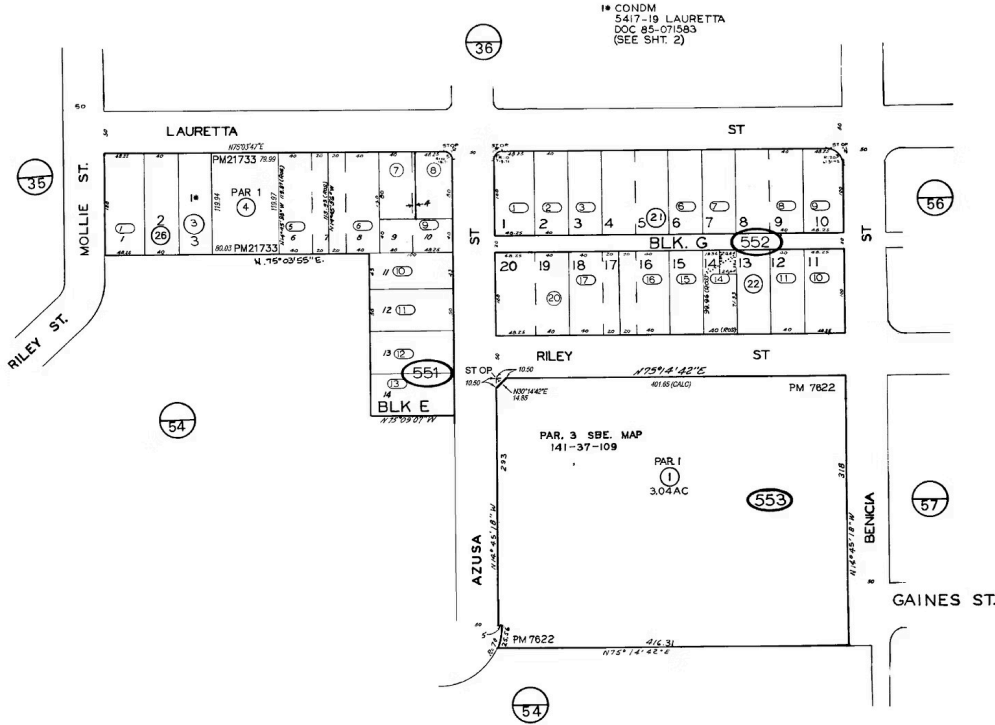
08 Provided by:  
  
 PARCELQUEST

18 CONDM  
 5417-19 LAURETTA  
 DOC 85-071583  
 (SEE SHT. 2)

436-55  
 SHT 1 OF 2



436-551-063




10/31/2019 CS

BLK	OLD	NEW	CUT
552	2119	20	63 650
552	415	21	78 3186
553	112	1886	79 5625
551	3	CONDM	86 506
551	2	CONDM	BT 753
551	14-22	23	99 1191
551	23	248 25	99 1853
551	248 25	278 11	01 4134
553	1	109	4840
551	24825	176-18	01 1134
551	278-11	26	17 1215
552	12453	22	18 1308

  
 SAN DIEGO COUNTY  
 ASSESSOR'S MAP  
 BOOK 436 PAGE 55 SHT 1 OF 2

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.

MAP 430 - SILVER TERRACE ADDITION  
 ROS 11246,12930,13023

 [ Parcel map from San Diego County Assessor / ParcelQuest — APN 436-551-03-02 | MAP 430, Block E, Lot 3, Silver Terrace Addition ]



# QUICK QUESTION SHEET

## Your Top Questions — Answered Simply

### CCHS Tier 4 — What Does It Mean for You?

#### **Q: What is CCHS Tier 4?**

Complete Communities Housing Solutions is San Diego's density bonus program that exchanges affordable housing commitments for FAR (floor-area ratio) bonuses. Tier 4 is the second-highest tier the program offers, allowing 4.0 FAR — meaning the buildable envelope can be up to 4 times the lot size. Confirmed eligible on this parcel by the City of San Diego Parcel Information Report.

#### **Q: What does 4.0 FAR mean in real terms?**

On a typical 6,000 SF Linda Vista lot, 4.0 FAR translates to approximately 24,000 SF of buildable area — supporting roughly 18–24 dwelling units depending on the affordable component layered into the application and the resulting density bonus. By comparison, base RM-3-7 zoning without CCHS allows only 1.8 FAR (~10,800 SF), and a property with CCHS Tier 1 might allow 2.5 FAR.

#### **Q: Do we have to include affordable units to use CCHS?**

Yes — CCHS requires an affordable component to access the FAR bonus. The exact mix depends on the tier and the chosen pathway. A typical Tier 4 entitlement might include 10–15% of units at 80% AMI for 55 years (CCHS standard) to unlock the full 4.0 FAR. The remainder of the building is market rate.

#### **Q: How long does CCHS entitlement take?**

9–14 months for the full discretionary review process. CCHS requires public notice and a planning commission or hearing officer approval, which is more involved than a ministerial ADU permit. Life House manages the entire process.

#### **Q: What is the Mobility Zone 2 designation?**

Linda Vista is in Complete Communities Mobility Zone 2 — the second-most-walkable / transit-oriented tier in San Diego. This unlocks reduced parking standards on top of the TPA exemption and supports the CCHS Tier 4 density.

## **STR, ADU & TPA Rules — What Does It Mean for You?**

### **Q: Can the existing duplex still be operated as STR?**

Likely YES — but verification is required. San Diego prohibits STR on any ADU permitted after October 15, 2017. Existing duplex units pre-dating this rule are grandfathered. The Silver Terrace Addition is a 1940s plat, so the duplex almost certainly pre-dates 2017. We recommend pulling the original Certificate of Occupancy to confirm before securing a Tier 3 STRO license.

### **Q: Can the new ADUs be operated as STR?**

NO. The post-2017 prohibition applies to all new ADUs (detached, interior, Bonus Program, JADU). All new construction units in any of the three options must operate as long-term rental (LTR) or mid-term rental (30+ nights, no STRO required).

### **Q: How does the Transit Priority Area help us?**

TPA designation unlocks zero parking requirement for state-law ADUs (versus 1 space per ADU outside TPA). It also provides full ADU Bonus Program access at the 1:1 ratio (one bonus market ADU per affordable deed-restricted ADU). The August 2025 ADU Bonus Program amendments imposed lot-size caps but TPA Bonus eligibility remains intact for multifamily zones.

### **Q: What does the Very High Fire Hazard Severity Zone (2025) mean?**

This is a 2025 update that added the parcel to the city's wildfire hazard mapping. Implications: 4-ft minimum side and rear setbacks required on all ADUs (no zero-foot exception), fire sprinkler systems required on all Bonus Program ADUs, defensible space requirements at the design stage. Critically: if Laretta is on a cul-de-sac, the property would lose Bonus ADU eligibility — Step 1 of the engagement is verifying through-street access (preliminary research suggests it is a through-street, but survey confirms).

### **Q: Why is Paleo Sensitivity HIGH here?**

Linda Vista sits on Mission Valley sediment formations with documented fossil records. The 'High' designation requires a full-time paleontological monitor during excavation (versus periodic checks at Moderate sensitivity sites). Adds approximately \$7K–\$10K to the project budget — already built into all option cost breakdowns.

## **Investment Strategy — What Does It Mean for You?**

### **Q: Should we phase the project — do Option A first, then Option C later?**

Possible but not recommended given the family's stated highest-best-use objective. Option A income (~\$3,500–\$6,500/month) does not pay back fast enough to fund Option C's \$8M+ capital requirement. The strategic question is whether to deploy capital into Option C now under current Tier 4 entitlement (which could change in future LDC updates) or capture lower-return income from existing improvements first. Most multifamily investors in this position deploy directly to Option C with construction-to-perm financing.

### **Q: What is the realistic exit strategy on Option C?**

Three exits available. (1) Hold and refinance after 24-month stabilization — institutional 4.5–5.5% cap multifamily comps in TPA Linda Vista support a refinance recapitalization that returns most or all of the initial equity. (2) Sell stabilized to a multifamily fund or syndicate — current market trades at \$400K–\$525K per unit for new construction TPA product. (3) AB 1033 condo conversion and sell individual units — different per-unit math, longer total time horizon, but higher gross sale proceeds.

### **Q: What is cost segregation and does it apply?**

A cost segregation study reclassifies portions of the construction cost (typically 20–35%) from 27.5-year recovery to 5-, 7-, and 15-year recovery categories, accelerating depreciation deductions in the early years. For an \$8.26M Option C build, that can shift roughly \$1.6M–\$2.9M of recovery forward and meaningfully reduce near-term tax liability. Commission the study at Certificate of Occupancy.

### **Q: How does this fit into a broader Lanz family portfolio strategy?**

The Udall paired duplex assemblage (Ocean Beach) and the Laretta CCHS Tier 4 redevelopment (Linda Vista) are complementary — coastal STR cash flow versus inland multifamily LTR stabilization. Ownership through separate LLCs preserves 1031 exchange flexibility between the two. Together they form the foundation of a balanced San Diego portfolio.

*Questions not answered here? Contact Life House Design & Construction — we handle every step of this process for you.*

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*This report is a planning-level feasibility document prepared for informational purposes. Cost and revenue estimates are projections only and do not constitute a contract, guarantee, or binding bid. All development is subject to City of San Diego Development Services review, applicable building codes, and CCHS entitlement approval. Linda Vista LTR projections are based on comparable 92110 / TPA market data (2026) and are not guaranteed. Tier 3 STRO license eligibility on existing duplex units is subject to pre-October-2017 Certificate of Occupancy verification. Life House recommends consulting a licensed CPA, tax advisor, real estate attorney, and stabilized multifamily property manager before proceeding.*