



**CITY OF  
HERMOSA BEACH**

Community Development  
Building & Safety Division

Phone: 310-318-0235  
Hours: Mon. – Thur. 7am-6pm  
CommunityDevelopment@hermosabeach.gov

## **OWNER BUILDER – KNOW THE RISKS**

### **IMPORTANT INFORMATION YOU NEED TO KNOW**

The term “Owner-Builder” (O/B) can mean three different things:  
“Owner as Worker”, “Owner as Contractor”, or “Owner as Employer”.

**DIRECTIONS: Read and initial each statement below to signify that you understand and verify this information.**

#### ELIGIBILITY TO BE AN OWNER-BUILDER

- The work site must be the O/B's principal place of residence, occupied for 12 months prior to completion of work. B&P 7044(3)
- Cannot construct, and then sell, more than 2 structures during any 3-year period. B&P 7044(3)(c)

#### AN OWNER-BUILDER MUST AGREE TO THE FOLLOWING

- Agrees to act as their own general contractor.
- Agrees to provide project management for their construction project.
- Agrees to assume full responsibility for all phases of the project.
- Agrees to be responsible for the integrity and the workmanship of the work.
- Agrees to obtain all required permits and agrees to comply with all building codes.
- Agrees to accept full responsibility for ensuring that all required inspections are completed. Accepts responsibility for requesting all inspection, and agrees that the work is ready at the time of inspection.
- Agrees to provide all required reports and documentation.
- Agrees to supervise the work.
- Agrees to be responsible for the payment of all outstanding fees and fines, that may be charged, because of work not being ready for inspections.
- Agrees to be responsible for the safety and welfare of the jobsite.
- Agrees to build per the approved plans, and to proactively complete revisions for any changes that deviate from the approved plans.

#### AN OWNER-BUILDER ACKNOWLEDGES THE FOLLOWING

- The City of Hermosa Beach does not provide project management for construction projects.
- The City of Hermosa Beach does not mediate disputes between an Owner-Builder and an Unlicensed/Licensed Contractor.

**CONSIDER THE RISKS BEFORE ACCEPTING FULL RESPONSIBILITY FOR YOUR PROJECT!**

## OWNER/BUILDER ACKNOWLEDGEMENT AND INFORMATION VERIFICATION FORM

### WHY IS THIS REQUIRED?

In an effort to protect the citizens of California from unlicensed Contractors taking advantage of property owners; beginning January 1, 2009 California Assembly Bill 2335 amended the California Health and Safety Code, Section 19825, regarding disclosures and verifications required for all applicants seeking Owner-Builder construction permits. These new application requirements provide an enhanced level of consumer awareness and protection for property owners accepting the risks associated with Owner-Builder construction permits and will help in slowing the unsafe and illegal construction taking place in California.

Because of these amendments, the City of Hermosa Beach is required by State Law to include in your application documents the necessary forms and disclosures as attached. Before a permit can be issued you are required to complete and sign these documents pursuant to the California Health and Safety Code requirements.

### HEALTH AND SAFETY CODE SECTION 19827

The California Legislature declares an “urgent and statewide public interest in assuring” that contractors comply with Contractors’ License Law, Business and Professions Code and Workers’ Compensation Insurance requirements to ensure property owners are informed about, and protected from the following when improving their property as Owner-Builders:

Fraudulent representations - Liability for worker's injuries - Liability for material and labor costs unpaid by contractors - Licensing requirements - Employers tax liabilities

### **Over 20,000 consumer complaints are filed each year.**

Many complaints relate to owner/builder projects and include workmanship and workers’ compensation issues. Homeowners suffer financial harm due to defective workmanship and injured employees.

- **Did you know** – Unlicensed persons frequently have the property owner obtain an “Owner-Builder” building permit which erroneously implies that the property owner is providing his or her own labor and material personally?
- **Did you know** – Your homeowner's insurance may not provide coverage for injuries sustained on your property by an unlicensed contractor and his/her employees?
- **Did you know** – If you are considered an “employer” under state and federal law, you must register with the state and federal government, withhold payroll taxes, provide workers compensation and disability insurance and contribute to unemployment compensation for each “employee”?
- **Did you know** – That if you fail to abide by these laws you may be subjected to serious financial risk?

**OWNERS BEWARE AND CONSIDER THE RISK BEFORE ACCEPTING FULL RESPONSIBILITY FOR YOUR CONSTRUCTION PERMIT!**

## IMPORTANT NOTICE TO PROPERTY OWNER

Dear Property Owner:

An application for a permit has been submitted in your name listing yourself as the builder of the property improvements specified at \_\_\_\_\_, HERMOSA BEACH, CA. We are providing you with an Owner-Builder Acknowledgment and Information Verification Form to make you aware of your responsibilities and possible risk you may incur by having this permit issued in your name as the Owner-Builder. We will not issue a building permit until you have read, initialed your understanding of each provision, signed, and returned this form to us at our official address indicated. An agent of the owner cannot execute this notice unless you, the property owner, obtain the prior approval of the permitting authority.

### **OWNER'S ACKNOWLEDGMENT AND VERIFICATION OF INFORMATION**

**DIRECTIONS:** Read and initial each statement below to signify that you understand or verify this information.

\_\_\_1. I understand a frequent practice of unlicensed persons is to have the property owner obtain an "Owner-Builder" building permit that erroneously implies that the property owner is providing his or her own labor and material personally. I, as an Owner- Builder, may be held liable and subject to serious financial risk for any injuries sustained by an unlicensed person and his or her employees while working on my property. My homeowner's insurance may not provide coverage for those injuries. I am willfully acting as an Owner-Builder and am aware of the limits of my insurance coverage for injuries to workers on my property.

\_\_\_2. I understand that property owners are not required to sign for building permits as an owner-builder unless they are responsible for the construction and are not hiring a licensed Contractor to assume this responsibility.

\_\_\_3. I understand as an "Owner-Builder" I am the responsible party of record on the permit. I understand that I may protect myself from potential financial risk by hiring a licensed Contractor and having the permit filed in his or her name instead of my own.

\_\_\_4. I understand Contractors are required by law to be licensed and bonded in California and to list their license numbers on permits and contracts.

\_\_\_5. I understand if I employ or otherwise engage any persons, other than California licensed Contractors, and the total value of my construction is at least five hundred dollars (\$500), including labor and materials, I may be considered an "employer" under state and federal law.

\_\_\_6. I understand that if I am considered an "employer" under state and federal law, I must register with the state and federal government, withhold payroll taxes, provide workers' compensation disability insurance, and contribute to unemployment compensation for each "employee." I also understand my failure to abide by these laws may subject me to serious financial risk.

\_\_\_7. I understand that under California Contractors' State License Law, an Owner-Builder who builds single-family residential structures cannot legally build them with the intent to offer them for sale, unless all work is performed by licensed subcontractors and the number of structures does not exceed four within any calendar year, or all of the work is performed under contract with a licensed general building Contractor.

\_\_\_8. I understand as an Owner-Builder if I sell the property for which this permit is issued, I may be held liable for any financial or personal injuries sustained by any subsequent owner(s) that result from any latent construction defects in the workmanship or materials.

\_\_\_9. I understand that I may obtain more information regarding my obligations as an "employer" from the Internal Revenue Service, the United States Small Business Administration, the California Department of Benefit Payments, and the California Division of Industrial Accidents. I also understand that I may contact the California Contractors' State License Board (CSLB) at 1-800-321- CSLB (2752) or [www.cslb.ca.gov](http://www.cslb.ca.gov) for more information about licensed contractors.

\_\_\_10. I am aware of and consent to an Owner-Builder building permit applied for in my name, and understand that I am the party legally and financially responsible for proposed construction activity at the following address: \_\_\_\_\_.

\_\_\_11. I agree that, as the party legally and financially responsible for this proposed construction activity, I will abide by all applicable laws and requirements that govern Owner-Builders as well as employers.

\_\_\_12. I agree to notify the issuer of this form immediately of any additions, deletions, or changes to any of the information I have provided on this form. Licensed contractors are regulated by laws designed to protect the public. If you contract with someone who does not have a license, the Contractors' State License Board may be unable to assist you with any financial loss you may sustain as a result of a complaint. Your only remedy against unlicensed Contractors may be in civil court. It is also important for you to understand that if an unlicensed Contractor or employee of that individual or firm is injured while working on your property, you may be held liable for damages. If you obtain a permit as Owner-Builder and wish to hire Contractors, you will be responsible for verifying whether or not those Contractors are properly licensed and the status of their workers' compensation insurance coverage.

Before a building permit can be issued, this form must be completed and signed by the property owner and returned to the agency responsible for issuing the permit. **Note:** A copy of the property owner's driver's license, form notarization, or other verification acceptable to the agency is required to be presented when the permit is issued to verify the property owner's signature.

Signature of property owner \_\_\_\_\_ Date: \_\_\_\_\_

### FIND OUT MORE

#### Contractors State License Board: Owner Builder Risks

[https://www.cslb.ca.gov/Consumers/Know\\_Risks\\_Of\\_Owner\\_-\\_Builder/](https://www.cslb.ca.gov/Consumers/Know_Risks_Of_Owner_-_Builder/)

|   |              |
|---|--------------|
| Cal OSHA, Dept. of Industrial Relations | 415-703-5070 |
| Employment Development Department       | 916-653-0707 |
| Franchise Tax Board                     | 800-852-5711 |
| Internal Revenue Service                | 800-829-1040 |

**NOTE: THE FOLLOWING AUTHORIZATION FORM IS ONLY REQUIRED WHEN:  
THE PROPERTY OWNER IS DESIGNATING AN AGENT  
OF THE PROPERTY OWNER TO APPLY FOR A PERMIT FOR THE  
OWNER-BUILDER.**

**AUTHORIZATION OF AGENT TO ACT ON PROPERTY OWNER'S BEHALF**

Excluding the Notice to Property Owner, the execution of which I understand is my personal responsibility, I hereby authorize the following person(s) to act as my agent(s) to apply for, sign, and file the documents necessary to obtain an Owner-Builder Permit for my project.

Scope of Construction Project (or Description of Work):

\_\_\_\_\_

\_\_\_\_\_

Project Location or Address: \_\_\_\_\_

Name of Authorized Agent: \_\_\_\_\_ Tel No \_\_\_\_\_

Address of Authorized Agent: \_\_\_\_\_

I declare under penalty of perjury that I am the property owner for the address listed above and I personally filled out the above information and certify its accuracy. I further understand that the execution of all rules and regulations set forth in the ordinances and amendments of the City of Hermosa Beach, the laws of the State of California regarding such work, and all amendments thereto is my personal responsibility.

I understand that the following is required to be presented with this document:

1. Notary acknowledgement of the property owner's signature.
2. A copy of the Owners Driver's License.

Property Owner's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**PROPERTY OWNER CONTACT INFORMATION:**

|           |          |
|-----------|----------|
| Full Name | Phone #: |
| Email:    |          |
| Address:  |          |

## ADDITIONAL PERMIT CONDITIONS & DECLARATIONS

Work authorized by this permit is subject to all rules and regulations set forth in the ordinances and amendments of the City of Hermosa Beach, the laws of the State of California regarding such work, and all amendments thereto.

\_\_\_\_\_ **PERMIT TIME FRAMES:** This permit becomes null and void if work is not commenced within one (1) year from the date of issuance, or if work is suspended at any time during construction for anytime longer than ninety (90) days, or if any work is done in violation of the City or State laws governing the same.

\_\_\_\_\_ **RE-INSPECTION FEES:** I acknowledge that a fee may be charged for re-inspection due to negligence, incomplete work, or failure to make corrections.

\_\_\_\_\_ **SUB TRADES LIST:** It shall be the responsibility of every general contractor, or Owner-Builder to require subcontractors under their control or direction to obtain a business license, which will be verified prior to final.

\_\_\_\_\_ **HAZARDOUS MATERIALS:** Due to the possible presence of lead-based paint and asbestos, lead/asbestos-safe work practices are required for all repairs in pre-1979 buildings that disturb paint, etc. Failure to do so could create hazards that violate California Health and Safety Code Sections 17920.10 and 105256 and may be subject to a \$1000 fine or criminal prosecution. For more information call 1-800-LA-4-LEAD, or AQMD 909-396-2000. I acknowledge that there are no HAZARDOUS MATERIALS on the referenced site, or that I am in compliance with California Health and Safety Code 25505, 25533, 25534; which requires a South Coast AQMD and Los Angeles County Fire Permit.

\_\_\_\_\_ **PEDESTRIAN PROTECTION AND PROTECTION OF PRIVATE PROPERTY DURING CONSTRUCTION:** Adjoining and nearby public and private property and persons making lawful use of such property shall be protected from damage during construction, remodeling, and demolition work. Protection must be provided for footings, foundations, party walls, chimneys, skylights, roofs, walls, fences, etc. A pre-inspection is required before any work is started.

\_\_\_\_\_ **CONSTRUCTION SITE BEST MANAGEMENT PRACTICES (BMP'S):** Minimum requirements for sediment control, erosion control, and construction activities must be implemented on each project site. Construction related materials, non-stormwater runoff, wastes, spills, or residues shall be retained on site to minimize transport from the site to streets, drainage facilities or adjoining properties by wind or runoff. Runoff from equipment and vehicle washing shall be contained at construction sites.

\_\_\_\_\_ **CONSTRUCTION AND DEMOLITION WASTE REDUCTION:** Per state law, A minimum of 65% of construction and demolition debris must be recycled for all newly constructed buildings and demolition in preparation for said new construction, and 50% of construction/demolition debris must be recycled for other projects.

\_\_\_\_\_ **RIGHT OF ENTRY:** I certify that I am the property owner or authorized to act on the property owner's behalf and I hereby authorize representatives of the City to enter the property for which this permit is issued for the purpose of inspections.

I certify that I am the property owner or authorized to act on the property owner's behalf. I certify that I have read this application and state that the above information is correct. I agree to comply with all City and applicable County ordinances, and State laws relating to building construction.

Owner-Builder Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of \_\_\_\_\_)

On \_\_\_\_\_ before me, \_\_\_\_\_  
(insert name and title of the officer)

personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)