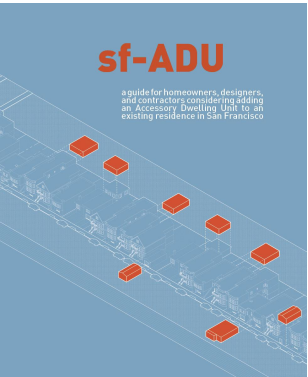


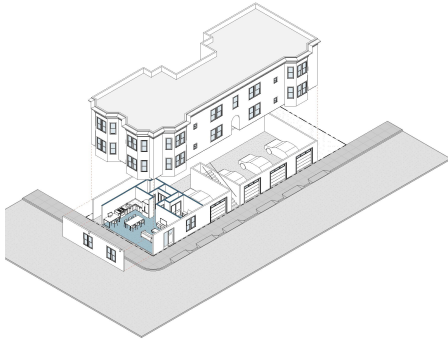
# Accessory Dwelling Units in California

# Accessory Dwelling Units



## ADU Handbook

Client: San Francisco Planning Department



## Multifamily ADU

Client: Oryx Partners



## Micro-unit interior

Client: The Mosser Company



# Prefabrication



**Urban Soccer Park**

Client: Urban Soccer

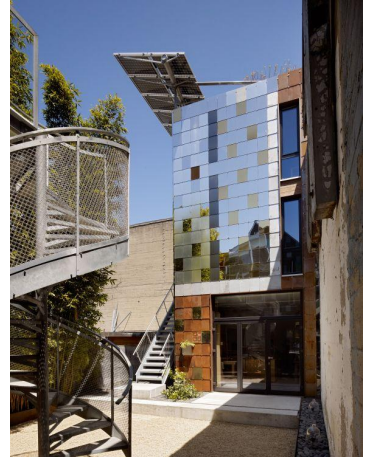
**The Yard at Mission Rock**

Client: San Francisco Giants



# ADU Policy in California

The adoption of SB 1069 and AB 2299 in 2016, as well as follow up legislation in 2017 (SB 229 and AB 494) have laid the foundation for a proliferation of ADUs statewide. On top of the state legislation, many local jurisdictions have passed local laws to encourage ADUs. There are currently multiple ADU bills working their way through the State Assembly that would further promote ADUs by reducing fees and legalizing them on multifamily parcels. There is also a small homes building code under consideration that would apply to detached ADUs.



# ADU Permitting Since Statewide Legalization



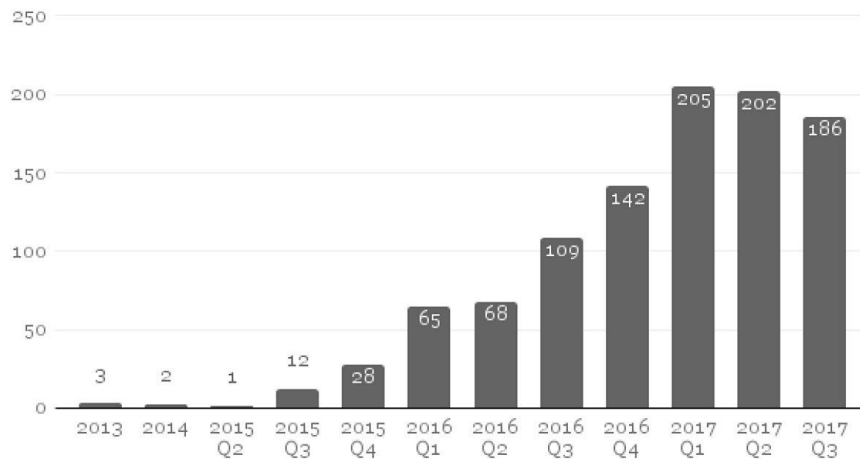
Per the University of California's Turner Center in *ADU Update: Early Lessons and Impacts of California's State and Local Policy Changes* by David Garcia (Dec 2017):

**“In the wake of these changes, cities are experiencing a rapid rise in ADU interest, with many jurisdictions seeing a doubling, tripling, and even quadrupling of the number of ADU applications received in 2017.”**

# San Francisco ADU permitting

The chart at right (from the Turner Center report) shows the impact that legislation changes have made in San Francisco. **ADU permits went from a handful per year to hundreds each quarter.** Unlike more suburban communities, many of the ADU permits in San Francisco are for multiple units.

ADUs in Pipeline in San Francisco 2013-2017



Source: San Francisco Planning Department

# ADU Permitting Across California

**Other cities also saw huge gains.** San Jose and Oakland each went from a few dozen permits per year to several hundred, and LA saw nearly 2,000 ADU permits just in the first three quarters of 2017.

## ADU Applications Received 2015-2017

California City	2015	2016	2017*
Los Angeles**	90	80	1,980
Long Beach	0	1	42
Oakland	33	99	247
Sacramento	17	28	34
San Diego	16	17	64
San Francisco***	41	384	593
San Jose	28	45	166

\*Through November 1, 2017.

\*\*2015/2016 Los Angeles data are for ADU construction permits; staff did not collect data on ADU applications prior to 2017. Data are through November 8th, 2017.

\*\*\*San Francisco data is only through Q3 2017.

# The ADU as a housing type

The explosion of ADU permits across the state shows there was a significant demand for this type of housing. The combination of extensive single family zoning and restrictions on greenfield development make ADUs very attractive to both cities looking to build low-impact housing quickly and homeowners looking for a way to defray their cost of living or downsize in place.

**Regulatory changes mean that there is now a huge market for these units, and it's going to become an increasingly large percentage of buildings constructed in many parts of the state.**



# ADU Challenges



1. **Cost**
2. **Building Code Requirements**
3. **Local Requirements: Planning Code, HOA Requirements, and Other Local Laws**
4. **Inexperience: Owners, Builders and Designers**

# Problem #1: Cost



**Hard Costs:** the biggest component of the cost, this ranges from \$300-\$500 psf in the Bay area. Costs can also be unpredictable with site built construction.

**Soft Costs:** Permit and impact fees are the second largest cost behind hard costs. There is some relief in the state ADU legislation. Design fees for architects and engineers are also in this category.

## Problem #2: Building Code Requirements



- The California Building Code (CBC) is based on the International Building Code (IBC), with some cities providing local amendments that can be confusing to builders familiar with the standard state code.
- The energy code is strict in California. Small detached buildings are more challenging to design per this code than similarly sized apartments in a larger building.
- Interpretations by plan checkers are often unpredictable and vary even between individuals who work for the same department.

# Problem #3: Local Requirements



- Planning codes determine setbacks, parking requirements, lot sizes and a variety of other constraints that vary amongst jurisdictions.
- ADU laws allow for some relaxations from the Planning Code.
- Design guidelines apply in many areas.
- Homeowners' Associations (HOAs) also dictate what you can build and what it can look like.
- Other local laws complicate matters further: rent control and tenants' rights laws in some cities have serious implications for people considering becoming a landlord. There are also owner occupancy requirements for ADUs in some cities and prohibitions on short term rentals.

# Problem #4: Inexperience



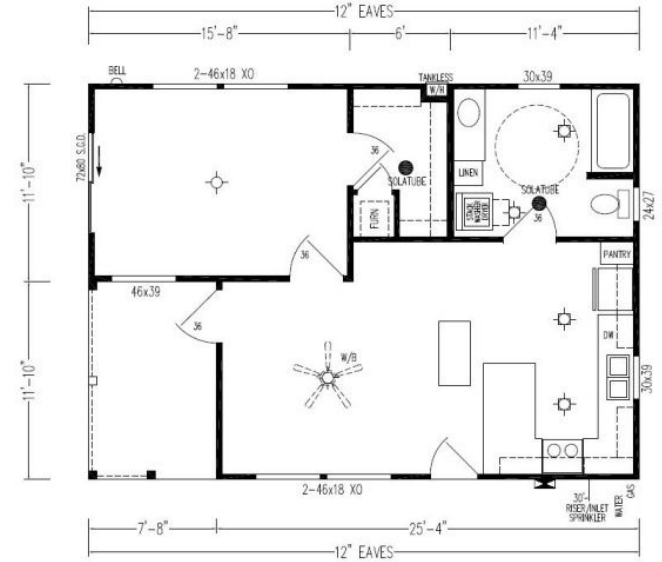
- People considering adding a unit often have no prior experience with construction
- Television programs about remodeling have given the general public unrealistic expectations about timelines, cost and permitting.
- Many builders hired to do small projects like ADUs are not used to building ground up buildings off plans from an architect or designer and their previous experience is often doing bathroom or kitchen remodels. For clients, finding a good contractor is very hard.
- Designers hired to work on ADUs often do not have enough experience interpreting Planning Code or dealing with the Building Code as it applies to multi-unit properties.

# Solution: Prefabrication?

1. **Cost:** costs can be locked down by building in a factory and local construction can be simplified to only require minimal skill
2. **Building Code Requirements:** prefabrication with factory inspections via the HCD process limits local building department involvement
3. **Planning Code, HOA Requirements, and Other Local Laws:** modular housing still allows for a variety of arrangements and a compact footprint
4. **Inexperience:** Owners, Builders and Designers: modular housing is built in controlled conditions by an experienced factory. Customer involvement is possible but only in a few clearly defined areas, similar to buying a new car.



# Prefab: modular



## ***The Julie* by prefabADU**

700 Sqft - ADA Friendly (24' x 33')

Built in 90 days

1 Bed/1 Bath

The Julie plan usually takes less than 12 weeks, from foundation to final inspection.

# Prefab: panelized construction

- There are many ways of doing this, from SIPs, to pre-framed walls and trusses or entire wall assemblies with factory-applied cladding
- This method avoids the challenges and costs of moving a single very large object (power lines, narrow side yards etc.)
- On site labor is reduced, but not by nearly as much as in modular construction





# Down the rabbit hole of internet searches for tiny homes

I wasn't going to mention shipping containers but it's almost impossible to avoid them when you start talking about backyard homes.

It's still a bad idea.



The [Rustic Retreat XL](#) – made by Houston-based Backcountry Containers starts at \$44,999 (likely without including a lot of things)