

Prepared November 20, 2017

Architects/Designers/Builders ADU Focus Groups Meetings Summary

Overview of the Architects/Designers/Builders ADU Focus Groups

This summary has been prepared as part of the first phase of work on accessory dwelling units (ADU), and is part of the outreach and research activities to gather information from technical people who have been involved in the ADU process. Specifically, this document provides a summary and important takeaways from two focus group meetings with architects, designers and builders on the following dates:

October 2nd from 5-6 PM at the City of Burlingame Library, Upper Meeting Room, 480 Primrose Road, Burlingame.

October 3rd from 12-1 PM at the City of San Mateo Library, Laurel Room, 55 West 3rd Avenue, San Mateo.

Comments at each of the focus group meetings were recorded on a large wall-graphic (photo reductions of the wall-graphics are included at the end of this document). In addition, participants were given comment sheets covering each of the topics discussed at the meeting to



October 2, 2017 Architect/Designer/Builder ADU Focus Group



October 3, 2017 Architect/Designer/Builder ADU Focus Group

supplement the ideas recorded on the wall-graphic and to provide a written ranking of the product/information priorities. Comments cover the following topics:

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Important Takeaways

General Recommendations to Address Homeowners' Concerns

- (1) **Provide Good ADU Handouts.** Handouts for applicants and professionals will help to identify requirements and regulations early on to avoid surprises that can impact the budget for the homeowner.

(2) **Consolidate All Jurisdiction Online ADU information in One Location.** While some jurisdictions have an ADU-specific page on their website for ADUs, many of the requirements, regulations and standards are interspersed in multiple locations. It is challenging, at best, for both professionals and homeowners to track down all requirements on many of the San Mateo County jurisdiction websites.

(3) **Provide Staff/Review Checklists to Ensure Early Identification of Requirements.**

Checklists can provide a tool for everyone to understand all the issues, concerns and requirements that need to be addressed early on in the approval process. Further, since most jurisdictions do not have a published ADU submittal requirement checklist, using this for planning and building would make the process much faster and more uniform.

ARCHITECTS/DESIGNERS/BUILDERS FOCUS GROUP PARTICIPANT: **“If more cities have a checklist with all the requirements, then the applications will be more complete and the review times faster. Also, if more cities have a Ministerial Building review option for specific instances like Manufactured Homes or repeat plans, then the building review could be faster as well. This would also greatly reduce the burden on plan check staff.”**

(4) **Promote More Collaborative Staff/Homeowner Working Relationship.** Architects, designers and builders feel that creation of a more supportive, positive interaction with city staff will help to encourage ADUs and make the process easier and less intimidating for novice homeowners.

(5) **Provide Good Definitions and a Better ADU Working Vocabulary.** Both clarity and transparency of the process and materials were identified at the focus group meetings as critical to success. Consolidating information, providing good working definitions and clarifying terms and acronyms will assist novice homeowners with the process.

(6) **Enable Effective Pre-Application Review and Feedback.** Early identification of issues is a critical component of success for homeowners. Early consultation with staff helps.

- (7) **Offer a Two-Step Process for Applicants.** The focus groups found that by offering homeowners/applicants a two-step process of zoning approval and then building permit issuance — with early and complete direction on application proposals and requirements, with fast review and approval for submittals — provides a way to minimize surprises and enable better quality applications.

Key Homeowners Concerns and Primary Architects/Designers/Builders Recommendations

Key Homeowners Concerns	Primary Architects/Designs/Builders Recommendations
Avoid surprises to reduce risk, worry and uncertainty	Provide staff/homeowner review checklists to ensure early identification of requirements
Provide helpful, knowledgeable city staff	Promote more staff/homeowner "we want you to build your ADU" working relationship
Provide high quality, useful, comprehensive information	Provide good ADU handouts
Make the approval process easier and more transparent	Consolidate all jurisdiction online ADU information in one location
Ensure efficient and cost-controlled construction	Provide good definitions/ ADU vocabulary
Assist in finding experts (architects/designers/builders)	Enable effective pre-application review and feedback
Provide useful products for homeowners	Offer a two-step review process , with early review and clear direction provided so that approvals can occur quickly.

Source: Focus groups summary reports

Summary of Focus Groups Meetings Comments By Topic

Below is a summary of comments from the two focus groups meetings. The summary is organized by topic. The comments from the two focus group meetings have been combined and additional correspondence received have also been added, as appropriate, into the questions and comment summary.

1. Policy Directions and Messaging

1. **Encouraging ADUs.** Provide a consistent message to applicants to avoid delays and establish an overall approach by each jurisdiction that ADUs are encouraged — address the question “do you want me to build?”
2. **Long Beach and Los Angeles.** Look at the City of Long Beach and the City of Los Angeles for good regulations.
3. **Common Requirements.** Consider that having each city with unique requirements is too complicated and a countywide system that addresses 90% of the issues for any one city would be better than having to do this for every community separately.
4. **Santa Cruz.** Consider that Santa Cruz went through this big effort, but then there was disconnect with the consumer side.
5. **Water.** Consider that water is a big issue in coastal communities.
6. **Supportive Housing.** Recognize that ADUs can provide supportive housing for the home less.
7. **ADUs as Part of Community.** Consider that ADUs build a different type of community — one where biking and walking are enhanced.
8. **ADUs are “Win-Win.”** Stress that ADUs are a “win-win” for the city and the homeowner.
9. **Value of ADUs.** Recognize that once someone gets an understanding of the layers of value of ADUs, it is rare to find someone who is not supportive.
10. **Wealthier Communities.** Recognize successes in Atherton, Redwood City and Hillsborough — wealthier areas seem to be easier, maybe because of setbacks, more knowledgeable staff assistance, etc.
11. **University Work on ADUs.** Work with universities studying ADUs.
12. **Older Neighborhoods.** Consider that older neighborhoods are generally more accepting of ADUs. This includes older pre-1940 era back to the 1920s when neighborhood had many out buildings (often garages and carriage apartments).

13. **Newer Neighborhoods.** Recognize that newer neighborhoods are less likely to be supportive of ADUs — Newer neighborhoods are more protective of their backyards. Later, more suburban neighborhoods, which have large backyards and typically do not have out buildings, have a pattern of protecting the back yard for “privacy” and thus often second units in rear yards are not favorably accepted.
14. **Exclusion Due to Costs.** Recognize that for many, the ADU construction process excludes many people due to the cost and expertise required.
15. **Portland, Oregon.** Consider the process that Portland uses which is very simple and more of a linear process to achieve success. For instance, review the Infill Development Handbook prepared by the city of Portland.

2. Affordable Housing

1. **Lower Income Housing.** Include ways to provide housing for lower income people when looking at options for future ADUs.
2. **Affordable Housing Funding.** Redirect affordable housing funding when providing ADUs.
3. **Master Leasing.** Consider master leasing of multiple ADUs with services for the homeless, or use a master lease and approval assistance when affordable ADUs are proposed.
4. **Affordable Housing Strategies.** Recognize that ADUs will not solve the affordable housing crisis and other programs are needed. Consider that many cities use ADUs to meet affordable housing goals and requirements but there are no controls and no regulations related to fair housing requirements or rent restrictions.
5. **Create Incentives for Affordable Units.** Consider trade-offs and incentives for applicant to encourage affordable units.
6. **Supportive Housing.** Recognize that ADUs can provide supportive housing for the home less.

3. Information and Handouts

1. **Quality Handouts.** Provide quality handouts critical to knowing what to do instead of having to look through the whole zoning code and think about ADU rules, regulations, process review, etc. from the homeowner's perspective.

2. **Homeowner Expectations.** Address the expectations of homeowners who are new to the process. Owners are amateurs with an unrealistic expectation of cost, time, and quality.
3. **Google Maps.** Use Google Maps data and county GIS database to understand the property and the community.
4. **Financing Information.** Consider that banks are interested in ADUs and provide homeowners information about possible bank loans.
5. **Homeowner Homework.** Make sure the homeowner does their homework do you understand potential issues, cost considerations, etc.
6. **Renting.** Provide information on how homeowners can determine who lives in their ADU.
7. **Working with Neighbors.** Provide information on how to work with neighbors. (The City of East Palo Alto has an ADA you viability tool).
8. **ADU Fair.** Consider undertaking an ADU fair similar to what has been done in San Francisco.
9. **Basic Homeowner Information.** Provide a handout for homeowners to evaluate potential of an ADU on their property. Answer questions such as what can I do? What will it cost? How hard or risky will it be?
10. **Location of Rules and Regulations.** Include all information for ADUs in one place. When the rules and regulations are contained elsewhere in a jurisdiction's code that make it difficult to understand all requirements. Some applications can take 3 to 6 months and even up to 12 months as a result.
11. **Process Diagram.** Provide a simple process diagram that outlines all of the steps a homeowner will need to go through.
12. **List of Architects and Designers.** Provide a list of Architects and contractors who have completed ADUs in their community (not as a formal recommendation but as a record list which they could get by looking at all of the previous city permits, etc.) But made easy.
13. **Checklist of Items for Submittal.** Provide a list if items the city will require for drawing submittals with requirements for architects, civil etc.
14. **Example ADU Projects.** Provide a book of examples of projects done or approved in their city, or a prototype book of examples of plans elevations etc. for a variety of ADU types
15. **Handouts.** Provide handouts that cover planning requirements AND building codes and public works requirements that may make the project infeasible.

16. **Easy-Harder Review.** Make it easy for owners to understand what triggers more complicated review process.
17. **Checklist.** Provide a good checklist that will make the application process much simpler:
 - a. Often items in the general planning code do not make their way into the checklist, which is common knowledge for planners, but not for homeowners.
 - b. Confusing overlaps — city needs to make clear what's in common code that applies to ADUs since there are so many other exceptions for ADUs.
 - c. Good checklists: San Jose checklist, Alameda.
18. **Builder Expertise.** Consider the type a builder that would be appropriate for this type of smaller unit.

4. Planning Regulations

1. **Planning Department Contact.** Talk to the planning department first to see what you can build.
2. **Setbacks and Lot Size.** Look at setbacks and lots size as key determinants of what can be done on a property. Quite a large number of locals use primary residence setbacks for ADU's instead of Accessory Structure setbacks. This significantly reduces the number of ADU's allowed due to stricter setbacks and lot coverage that apply to the main house. There can only be one primary residence and any other structures are considered secondary or accessory. Accessory structure setbacks tend to be geared towards using the remaining portions of the property while allowing for a reasonable amount of open space. This would also eliminate the restrictive application of FAR and lot coverage as it pertains to ADU's.
3. **Floor Area Ration (FAR).** Investigate the potential buildable floor area ratio (FAR) as an important variable.
4. **Challenges in the Zoning Code.** Consider secondary issues in zoning code:
 - a. They say 4-foot setback, how they measure setback from eaves or building edge.
 - b. How they count the FAR.
 - c. Work with planners about what might be tricky in their code (e.g., we don't do this like other people).

- d. We are seeing a lot of product in the 300 SF or smaller or maybe 500 SF or smaller range
 - e. Below 400 SF it is not a better deal to do factory built.
 - f. Access issues are a challenge, as well for modular.
5. **Definitions.** Provide good definitions so there is a consistent vocabulary that is used by everyone.
 6. **San Jose and Alameda.** Review the San Jose and City of Alameda checklists.
 7. **Mountain View.** Investigate Mountain View (new attached ADU). (We followed the simple code and it got approved, with lack of clarity only from public works about utility hookups.)
 8. **Bedroom Limits.** Address bedroom limits. Lots of cities limit the unit to 1BR regardless of size. Cities will allow units up to and over 600sqft but limit it to 1BR. This makes it hard to design the space for elderly occupants and care giver.
 9. **Maximize Size Limits.** Address size limits.
 - a. Some cities like Los Altos Hills includes garages in the ADU size as a means of limiting the size as well as odd height restrictions and end up counting the floor area twice if you go over a certain height.
 - b. Size limits should be a simple size range that is clearly noted on the local ADU regulations.
 - c. No other ordinance should apply to the ADU size unless clearly noted in the ADU ordinance.
 - d. Recognize that by establishing a maximum size for an ADU related to the size of the main house (i.e., larger than 50% of the main house) is arbitrary and constraining — should be based on the lot size.
 10. **Height Restrictions.** Address height restrictions. A lot of cities are adopting 14' max height standards for any ADU. This can be difficult to meet if they are requiring the design match the main house and that has a high-pitched roof and raised foundation. It is also difficult to do on a sloped lot since the height is usually measured from the lowest point. We have found that most roof and foundations can be accommodated for when the max height is raised to 16' from grade. The other option is to limit the height to 14' average height that accounts for the difference between the peak and the eaves.

11. **Daylight Plane and Setbacks.** Address daylight plane and other setback restrictions not allowing use of ADU setbacks.
12. **Cul-de-Sac Length.** Address cul-de-sac length restriction (Oakland – 300 feet cul-de-sacs don't allow ADU).
13. **Notifications.** Eliminate sending out neighbor notifications (Novato & Richmond).
14. **Main House Parking.** Eliminate situations where parking is being asked to make main house compliant with parking code even with detached ADUs (Berkeley).
15. **Rear-Yards.** Address rear yard coverage limits of 50% or more restricting ADU size and placement options. Especially when the ADU is required to use the Primary Home setbacks.
16. **Area-Wide Limitations.** Eliminate area limiters some cities still have an allowed percentage of ADU's per development (Walnut Creek).
17. **Alameda Experience.** Consider planning issues with having to match historic houses and lack of clarity and what exact requirements there are for separation between units, shared entry, how 50% of main unit is figured, etc.

5. Building Regulations

1. **Footings.** Allow building departments to avoid enforcing 8-inch minimum footing above grade. That essentially means people cannot convert older non-habitable spaces (garages, basements, carriage houses, etc.) to ADUs.
2. **Vapor Barriers.** Allow building departments to approve water-proofing/vapor barriers for existing slab footings.
3. **Pre-Fab Cottages.** Clarify whether prefab cottages are allowed. Cities have to say they are, but then make requirements precluding them. For example, Alameda historic requirements essentially preclude prefab units on most lots. But, prefab are quickly becoming only really viable way to put up a new cottage if you look at rents and the cost to build.
4. **Plan Check.** Avoid having to resubmit plans with different plan checkers.
5. **Title 24.** Address Title 24 issues – the costs bringing existing building up to new utility system requirements to add ADU and how to meet energy sometimes they are even on flat parcels).

6. **Manufactured Housing.** Enable modular, panelized and prefab units.
 - a. Recognize the heavy resistance to manufactured homes for ADU's or lack of knowledge on how to process them.
 - b. HCD really needs to have a handout for cities/counties on Manufactured Home permit process. I
 - c. If State approved it we can stamp it over the counter.
 - d. Educate jurisdictions.
7. **Alameda Experience.** Consider the City of Alameda: Building Department issues are many, plus \$19,000 development fee, separation between units, sprinklers. Conversion of non-habitable basement and garage space to habitable space (do you have to tear down the whole thing and re-build to meet exact building code requirements with no flexibility?).
8. **Survey Requirements.** Address survey requirements. Most cities do not mention a requirement for this but some say it's necessary once you submit. We've also seen instances where one planner doesn't require a survey and another one does so consistency is also an issue. One of the ways we've seen cities successfully address proper setbacks at the build stage is to require a survey to verify the ADU is placed per the plans and provide a letter of verification prior to pouring that the inspector can see prior to foundation form sign-off.
9. **Construction Specifications Institute.** Use the Construction Specifications Institute (CSI) as a possible resource for builders and designers.
10. **Ministerial Review for Building Permit.** Create procedures for cities/counties to conduct ministerial review for building permits (right now every project goes through regular plan check process). Ministerial review of ADUs through the building department would also reduce re-review of applications. (The city of San Francisco does over the counter building approval).
11. **Over-the-Counter (OTC) Processing of Building Permits (1).** Create Over-The-Counter (OTC) for building permits on certain types of projects. Manufactured homes as ADUs should be OTC since the homes themselves are state approved so the building department is only responsible for the foundation, securing the home to the foundation per state approved method and utility connections.

12. **Over-the-Counter (OTC) Processing of Building Permits (2).** Include OTC review for plans that have already been used for another ADU project within the local jurisdiction. If the plan is exactly the same as the previous approval then there is essentially nothing to review other than zoning requirements.
13. **Consistent Building Code Application.** Review life safety requirements and consider ways that building code interpretations can be more consistent when existing spaces are converted to an ADU.
14. **Older ADU Renovation.** Review older renovation ADU requirements, such as building, utility connections, energy and sewer as examples.
15. **Expertise of Contractors.** Consider that many contractors are bathroom and kitchen remodel contractors without experience in all aspects of building construction, such as structural, rough mechanical / electrical / plumbing / utilities connections / fire sprinklers, finish work, professional site management, professional cash flow management.
16. **Processing Modular and Pre-Fab.** Consider ways to make modular and pre-fab housing a better alternative for ADUs through quicker processing.
17. **Setbacks for Panelized Units.** Provide smaller setbacks when panelized units are built. (*Panelized construction — or panelization — is the process of building a modular wall, roof and floor sections in an environmentally controlled manufacturing facility and delivering them to the construction site for installation.*)
18. **Sprinklers and Hook-Ups.** Provide clarity about whether sprinklers required and whether that means water service upgrade and high hookup fees.
19. **Space Conversion for Habitation.** Provide Building Department clarity about requirements for converting non-habitable space (garage, basement) to habitable space. For example, code says wood structure minimum 8 inches above grade, but garages rarely meet this requirement. Some cities are allowing waterproofing to meet the code where wood is less than 8 inches above grade, while other cities say new footing required which likely means building new cottage.
20. **Building Separation.** Address random, odd building separations between ADU and main house range from 3'-10'.
21. **Public Works Requirements.** Avoid the heavy handedness a public works requirements.

6. Processing ADU Applications

1. **City Review.** Ensure the “Permitting” process includes all departments (building, fire, public works). Have a team / round-table plan review process in which plans are completely reviewed by all agencies / departments and a single set of comments provided to the design professional. Specifically:
 - a. The process should have a preliminary review prior to formal submission in which the concept is vetted informally by the team.
 - b. The process should have a single formal review in which all comments are provided.
 - c. The process should have a single re-submit review with the design team in attendance.
 - d. Provide a good checklist of requirements.
 - e. Ensure a good pre-application process, including planning, fire, public works, and others, as appropriate. .
 - f. Identify all potential issues that must be addressed in the ADU application process early on in the process.
 - g. Understand and know common problems that occur with different types of ADUs and what their requirements might be.
2. **Significance of Regulations.** Recognize that jurisdiction rules and regulations have too much influence on the process and costs.
3. **Jurisdiction Processing Systems.** Consider that we are trying to inspire people to construct ADUs but jurisdiction systems are not in place at the cities to do it the right way and make it easier for ADUs to be built.
4. **Ministerial Review.** Ensure the ADU review process straightforward and ministerial in all departments. Define what ministerial review is and how it works. This is a big problem. People misapply this and it should apply to both building permit and planning review of applications. Most cities think their definition of ministerial means no public hearing. Ministerial review could apply to:
 - a. Using factory built product that is state approved. If State approved it we can stamp it over the counter. Educate jurisdictions.
 - b. Panelized designs.
 - c. Pre-approved designs.
5. **Over-the-Counter Review.** Consider that only about 30% of cities/counties do this for planning review. Planning should be an Over-The-Counter (OTC)

- review. If more cities and counties had a checklist that planners worked from then the process can be done OTC. Cities like San Jose are a great example for how they do planning portion of review. They use a checklist and once everything has been addressed they will stamp the plans as OK to submit to building.
6. **Staff Knowledge and Assistance.** Consider the knowledge of staff varies and that usually the newest person in the department is at the counter.
 7. **Sufficient Staffing.** Provide enough staffing to provide service to people considering ADUs.
 8. **Assign One Plan Checker.** Assign one planner/checker who helps through the whole process.
 9. **Include All Departments.**
 10. **Know the System.** Know the system and the participants to ensure legitimate review, especially for variance issues.
 11. **Complexity of ADU Review.** Recognize that a single ADU is as complex as a complete apartment building and requires the same level of review from all affected agencies and departments. While a serial review approach might be reasonable for large projects, it spells the financial death of a single ADU.
 12. **Lack of Guidance.** Recognize that in many circumstances there are no clear rules or guidance for applicants.
 13. **Neighborhood Compatibility.** Ensure compatibility of the ADU with the neighborhood, which is more difficult with modular units.
 14. **Clarity and Transparency of Rules.** Provide clarity and transparency in materials provided to the public so that the process is easier. Consider the lack of clarity from planning and building, the less clear architects and builders can be with homeowners.
 15. **Tracking.** Provide better tracking of projects as they go through planning/building.
 16. **Plan Review Time.** Consider that plan review times average between 3mo.-1yr. Need to speed the cycles. If more cities have a checklist with all the requirements, then the applications will be more complete and the review times faster. Also, if more cities have a Ministerial Building review option for specific instances like Manufactured Homes or repeat plans, then the building review could be faster as well. This would also greatly reduce the burden on plan check staff.

17. **Transparency and Clarity of Requirements.** Reduce code restrictions within core zoning and how they are applied. A clear checklist would reduce the problem here. If the items below are not within the ADU requirements checklist then they cannot be applied to an ADU application. Most of these items do not show up on the ADU regulations. We only find out about them when we submit. This causes major delays and sometimes completely new plans to address the additional regulations.
18. **Other Improvements Required.** Recognize that sometimes the construction of a new unit creates an opportunity for the city to get other improvements such as sidewalk repairs, etc.

7. Fees

1. **Planning Fees.** Consider reducing fees. (Hillsborough did not charge for planning services.)
2. **Application Processing.** Provide free planning services and application processing.
3. **Cost Considerations.** Ensure that budgets include all the costs, including all the city fees listed and all utility hookup costs.
4. **Jurisdiction Role.** Recognize that reducing costs for the homeowner will require education of all departments and all staff.
5. **Fees Summary.** Provide an easy summary of fees and calculations.

8. Costs and Financing

1. **Homeowners ADU Team.** Form a team approach with experts to align interests, expectations, budget and responsibilities early in the process. Align the interests of the owner, architect/engineering team and the builder. This creates more transparency, better communication and team mentality.
2. **Integrated Product Delivery.** Look at ways to provide integrated product delivery team-based approach to provide efficient results.
3. **Costs Per Square Foot.** Provide financial analysis in cost per square foot, which makes the most sense. Costs range from \$200-\$225 per square foot generally.
4. **Costs of Construction.** The homeowner should understand that construction always cost more than planned, takes longer than planned, and has

unknown conditions once demolition is complete and prior to new construction.

5. **Supply and Demand.** Consider that costs are also based on supply and demand of labor and materials.
6. **Financial Benefits.** Consider the financial benefits of developing your own lot and enable owners to understand the potential returns on their investment.
7. **Utility Connections.** Consider the cost of utility connections.
8. **Smaller Size of ADUs.** Consider that ADUs are different from other types of construction because they are smaller and less complicated to construct.
9. **Comparison with Other Jurisdictions.** Consider the following comparisons: (a) Mountain View: \$200/square foot, within scope of a larger project; (b) Alameda: \$700/square foot due to heavy-handed interpretation of building codes and forcing matching historic houses and confusion about what is required.
10. **Financial Decisions.** Provide information to enable people to make good financial decisions and address the need for financial knowledge on the part of homeowners.
11. **Labor and Materials Fluctuations.** Make sure people are aware of the fluctuations in the market as it relates to labor and materials.
12. **Design Options.** Enable homeowners to pick and choose options and consider different variables, including costs, during the design process. ADUs are 2-3 times the valuation of single-family homes on a per square foot basis.
13. **Hard Costs.** Consider that the smaller the ADU, the higher the cost per square foot. Considerations include:
 - a. Recognize that costs can depend on the rules and requirements and the finishing.
 - b. Generally, costs average about \$250 (\$250-\$350) per square foot for a 700 square-foot unit.
 - c. For a remodeled garage it can cost up to \$800 per square foot and the average is roughly \$280-\$340 per square foot, which is higher than single-family home construction in general.
14. **Hard Costs (2).** Understand that costs range from /square foot. Custom can be as much as \$400-\$450/square foot. Total cost of \$150-\$250,000 is not unreasonable to expect.

15. **Soft Costs.** Understand that soft costs (design fees, permit fees, etc.) will cost up to 35% of the construction cost. Recognize that soft costs vary and can be between 12%-15% up to 20%-25% because of the smaller size of ADUs.

Range of ADU Construction Costs Provided by Architect, Designers and Builders at the October 2 and 3, 2017 Focus Group Meetings



Source: Architects, Designers and Builders ADU Focus Group Meetings (Meetings conducted October 2 and 3, 2017)

16. **Renovations.** Consider that renovations can be more costly and can range from \$300-\$500 per square foot with the low-end at \$150 per square foot (lowest) to \$800 per square foot if there are these ability issues.
17. **Pre-Fab Units.** Investigate whether prefab units are allowed.
18. **ADA Requirements.** Consider the cost of ADA requirements.
19. **Challenges of ADU Cost Data.** Recognize there is a lack of data about ADU construction costs. Variables include material and labor costs. Design specifications and complexity can greatly impact the cost as well.

20. **Cost Variables.** Consider a cost range of \$250-\$500 per square foot. Consider the main costs variables, including:
 - a. The desired quality of finish work and amenities for the unit.
 - b. Architectural detail, particularly if it matches an existing historic style building.
 - c. The extent of utility, structure, mechanical, electrical, plumbing upgrades to existing conditions and other site utilities such as storm drainage.
 - d. City required ancillary upgrades, such as sidewalk frontages, sewer and water upgrades.
 - e. Sprinklers, etc.
 - f. The architectural significance of the existing building. Consider the cost of materials for finishing and whether it has to mimic the style in the neighborhood if it is a costly style, such as a Victorian.
 - g. The ease of providing emergency egress.
21. **Consultant Assistance.** Hire a single licensed design professional to manage the entire design and construction process from beginning to end. Specifics:
 - a. Ensure that the professional has \$2M in professional liability insurance, business insurance, and workers compensation.
 - b. Do not hire the lowest bidder or a friend to construct the project.
 - c. Use standardized AIA contract agreements for all phases of the projects.
 - d. Require that the contractor demonstrate financial viability to carry the required financial burden of the entire project.
 - e. Have a minimum of 110% the accepted construction bid in a separate account prior to signing the construction agreement.
 - f. Provide information on experts divided into categories and identify the range of costs and types of processes used.
 - g. Ensure that homeowners use a competitive bidding process when selecting builders.
22. **Payback Period for ADUs.** Understand that a realistic payback period for the investment is 15 to 20 years.
23. **Impact Fees.** Recognize the effect of “impact fees” coming from outside departments. Consider the following:

- a. Contra Costa sanitation and water districts have fees that average \$20,000 with additional fees coming from school district and other internal fees so the permit fees can be close to \$45,000.
 - b. Way out of line if you are building a 300 SF ADU at \$70,000. We have to put a cap on this to incentivize people to build ADU's.
 - c. It does not make sense that someone can build a 2,000 SF addition to their home without being charged these fees but a 300 SF ADU gets these fees assessed. One option creates "McMansions" that contribute to the housing problem without fees and the other creates affordable housing but is imposed ridiculous fees.
24. **Financing ADUs.** Establish the viability of ADUs with financial institutions.
 25. **Seniors.** Recognize that funding is a challenge for seniors.
 26. **Renovation Costs.** Consider that renovation can result in lots of changes to meet current code.

9. Other Incentives

1. **Smaller ADUs.** Consider allowing even smaller ADUs down to 150 to 350 ft.² in size. (Los Angeles allows eight 250 square-foot minimum size for the unit.)
2. **Efficiency ADUs.** Consider 150 square-foot efficiency ADUs.
3. **Basement Units.** Provide regulations for basement units.
4. **Pre-Approved Plan.** Provide pre-approved plans — Pre-approved designs decrease staff time needed for processing.
5. **Panelized Units.** Consider the second generation of panelized product that can be minimized for transport.
6. **Owner-Occupancy Requirement.** Remove the owner occupancy requirement, as has been done in San Mateo County's ADU regulations.
7. **Two Choice Process.** Consider providing applicants with an "easy" process, that complies with all requirements and can get processed quickly, compared to more difficult ADU applications.

Photo Reductions of the Wall-Graphics Comments

ADU ARCHITECTS/DESIGNERS & BUILDERS FOCUS GROUP
 2 OCT 2017

TOUGH AND UNUSUAL RULES & REGULATIONS
 MARKET CONDITIONS
 ARCH. DESIGNER
 BUILDER
 WITH COMPETITIVE BIDDING
 EASY TYPES HANDLES
 SPECIFIC INSTITUTIONS
 INTERPRETED PRODUCT DELIVERY
 DO YOU WANT ME TO BUILD?

SUCCESS

- ALIGN INTERESTS & EXPECTATIONS, BUDGET, RESP.
- INCLUDE LOWER INCOME IN LOOKING AT OPTIONS FOR FUTURE ADUs
- REDIRECT \$ IN PROVIDING ADUs
- MASTER LEASING (HOMELESS) W/ SERVICES
- KNOWLEDGE OF STATE (NEWEST PERMITS AT COURTS)
- GOOD TAKEOUTS
- FREE PLANNING SERVICES
- ENOUGH STAFFING
- OWNER-OCCUPANCY
- GOOD DEFINITION (VOCABULARY)
- MODULAR
- PANELIZED (SMALLER SETBACKS)
- PRE-APPROVED PLANS
- PRE-FLY
- MASTER LEASE & APPROVAL HELP

NON-SUCCESS

- ADUs ARE DIFFERENT
- NO CLEAR RULES OR GUIDANCE
- NEED FOR CLARITY & TRANSPARENCY
- EXPECTATIONS OF HOMEOWNERS
- NEED COMPATIBILITY WITH NEIGHBORHOOD (MORE DIFFICULT W/ MODULAR)
- IT'S A PROCESS OF EXCLUSION FOR MANY (COSTS, EXPERTISE)
- HAVE FINANCIAL PIECE IN BETTER SHAPE
- NEED FOR FINANCIAL KNOWLEDGE

COSTS

- COST/PER SQUARE FOOT MOST SENSE (\$200/SQ. FT. BUILT PERK (\$225)
- BASED ON SUPPLY/DEMAND (LABOR, MATERIALS)
- ACCESS ISSUES
- UTILITY CONNECTIONS
- TYPE OF BUILDER
- RENOVATION CAN RESULT IN LOTS OF CHANGES TO MEET CODE
- FLUCTUATIONS IN THE MARKET
- BE ABLE TO PICK AND CHOOSE OPTIONS/VARIABLES

INFORMATION

- DIVIDE EXPERTS INTO CATEGORIES - COST - TYPE OF PROCESS
- GOOGLE MAP DATA + COUNTY GIS DATA BASE
- BANKS & ARE INTERESTED - PROVIDE NO INFO ON LEVERAGING EQUITY
- ESTABLISH VIABILITY OF ADUs WITH FINANCIAL INSTITUTIONS

REGULATIONS

- CONSISTENT MESSAGE
- LOOK AT LOS ANGELES & LONG BEACH
- GET PLUG OK FIRST
- LOOK @ SETBACKS & LOT SIZE

ADUs CAN PROVIDE AFFORDABLE HOUSING & HOMELESS

ADUs HELP CITY AND HOMEOWNERS

ADUs BUILD A DIFFERENT COMMUNITY
 = WALKING
 = BIKING

COMBINE WORK W/ UNIVERSITIES

CHALLENGE FOR POLICIES

KNOW - KNOW

Photo Reduction of Wall-Graphic from October 2, 2017 Architect/Designer/Builder ADU Focus Group Meeting



Photo Reduction of Wall-Graphic from October 3, 2017 Architect/Designer/Builder ADU Focus Group Meeting