

Welcome!

Arroyo Grande Homeowner ADU Workshop

Anne Wyatt, Executive Director

Smart Share Housing Solutions, a 501(3)c affordable housing agency, working to provide housing options for lower income residents of San Luis Obispo County.

Smart Share has no financial interest in any business or product and as such provides impartial information to residents

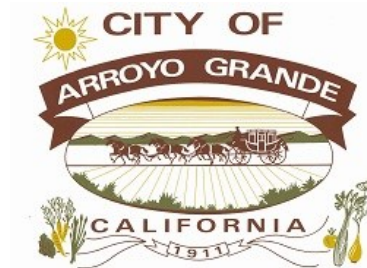


Andrew Perez, Planning Manager

City of Arroyo Grande

Community Development Department

“To promote prosperity, and neighborhood services for the prevention of fire, health, building, and development code violations”



Topics for this presentation

- ADU Production project description
- What is an ADU: Types of accessory dwelling units (ADUs) & Tiny Houses on wheels (THOWs)
- Why build/purchase one: private interest, public interest & non-profit partnership
- Getting Started: Steps 1-5
- Design—pre-reviewed plans and other designs
- What is allowed & Permitting
- Cost & financing—be prepared; it may be more than you think; pre-development; construction
- Construction—choosing a builder or contractor
- Rental management—things to consider
- Questions



Arroyo Grande ADU Production—Project Description

ARPA funding for 4 components:

How-to workshops (5)

Site feasibility visits (10) June & July

Project management assistance (1 project)-- start Fall & construct

ADU tour (fall/winter 2024)

- 1) THURS. MAY 18TH, 4:30PM, AG COUNCIL CHAMBERS* AND
- 2) THURS. MAY 18TH, 6:30PM, AG COUNCIL CHAMBERS*
- 3) WEDS. MAY 24TH, 10:30AM, AG COUNCIL CHAMBERS*
- 4) WEDS. MAY 31ST, 10:30AM, SMART SHARE DEMO COTTAGE,
2880 BROAD STREET, THE GUILD HALL, SLO
- 5) TUES. JUNE 6TH, 5:30PM VIRTUAL WORKSHOP**

What is it? Accessory... to primary home



Attached



Detached



Attic or Basement Conversion



Garage Conversion



New Unit Above Garage



Remodel/Expansion

3 Types of accessory unit

3 homes allowed

State law allows one ADU
& one JADU;
AG code allows one
THOW instead

* no vacation rentals under ministerial
permit

1. ADU-accessory dwelling unit
2. JADU-Junior accessory dwelling unit
3. THOW-tiny house on wheels

ADU=Accessory Dwelling Unit:

A residential dwelling unit, with full sanitary facilities, including for cooking and bathing

No more than 1200 square feet in size

Also called a carriage house, granny flat, mother-in-law apartment, basement unit

No owner occupancy requirement

(Photo, courtesy CasitaCoalition.org)



JADU=Junior Accessory Dwelling Unit:

A residential dwelling unit that:

1. is no more than 500 square feet in size
2. Is contained entirely within an existing or proposed single-family structure
3. Contains all electric cooking facilities
4. not required to have a private bathroom
5. Separate entry
6. **Currently, primary or JADU must be owner occupied**

Typically bedrooms in a single-family home that have an entrance into the unit from the main home and an entrance to the outside from the JADU. Could be a converted attached garage.

Homesharing, with privacy!

THOW=tiny house on wheels



**Smart Share Demo
Cottage—Come see it!**

- THOW is defined in the ordinance as a structure built on a chassis and intended for separate, temporary, independent living quarters for one household and meets the following conditions
 - 1) Self-contained unit that includes facilities to support daily living routines
 - 2) Licensed and registered with DMV
 - 3) Towable and cannot move under its own power
 - 4) Min. area of 100 square feet and max. of 400 square feet
 - 5) Shall comply with standards of the appropriate code regulations as determined by the Building Official

Comparison Table

Requirements	ADU	JADU	THOW
Minimum to maximum square feet	150-1000*	150-500	100-400
Kitchen	YES	YES	YES
Bathroom	YES	Shared allowed	YES
Access	DEPENDS	YES	YES
Parking	DEPENDS	NO	NO
Owner Occupancy	NO	YES	YES
Ministerial approval	YES	YES	YES

Why Build one?

- Housing Options/Choice
- Family flexibility
- Aging in place
- Strengthens communities
- More affordable
- Build Wealth and extra income
- Sustainable/existing resources



Housing Options—Lowest cost/process to higher...



Getting Started

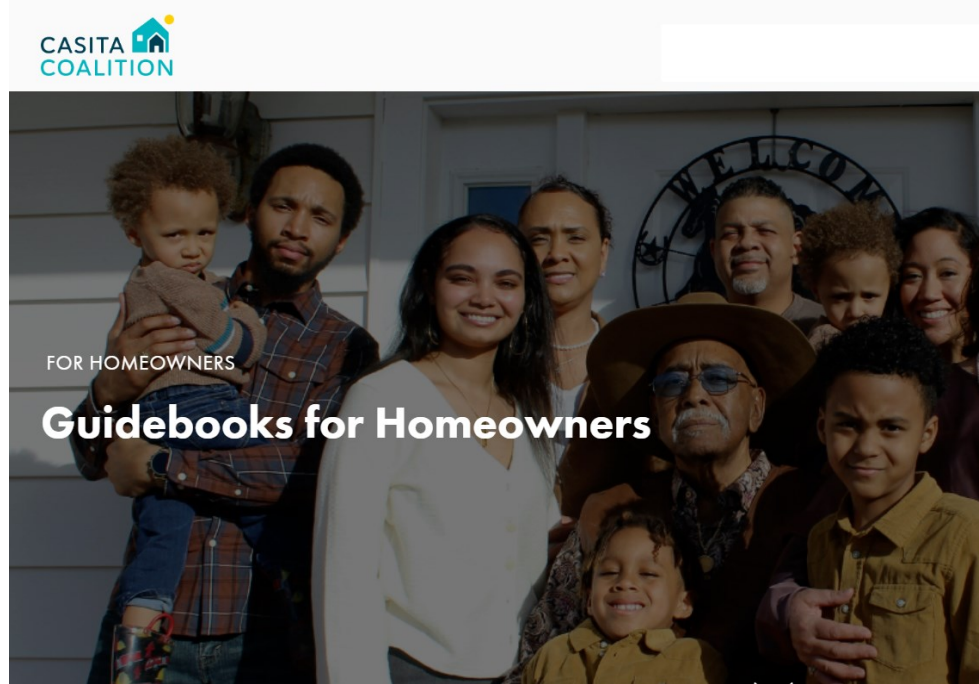
Step 1: Think about why you want to build an ADU & what's possible

Step 2: Get inspiration

Step 3: Talk to a professional

Step 4: Come up with a budget and a financing strategy

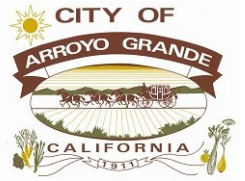
Step 5: Decide on type of construction and hire a team



Choosing Design & Type

- Does a THOW or JADU or ADU work for me?
- Do any of the City's pre-reviewed plans work for me?
- Considerations
 - Cost and funds available
 - Timeframe for project
 - No impact fees on ADUs <750– smaller size reduces cost
 - Do you have space to install a prefab ADU on foundation or roll in a THOW?
 - Are you looking for an economical project or a design project?
 - Maintaining privacy





ADU Ordinance

- Section 16.52.150 of the AGMC contains the development standards for ADU development & Section 16.52.260 for THOW:
 - Setbacks, height, parking, etc.
- Type of unit (ADU vs JADU, attached vs detached) and size determine which set of regulations apply
- For example:
 - 800 square foot, detached ADU can be built with 4-foot side and rear setbacks
 - 1,100 square foot detached ADU is subject to the setbacks of the underlying zone
- Planning staff is available for consultation via phone, email, or at City Hall



Permitting Process for Pre-designed ADUs

- Pre-designed ADUs – 6 sizes, 4 architectural styles
- Select size, style, design options
 - Complete and submit the Liability Waiver for staff to release the plans
- Prepare a site plan showing the location of the ADU, and:
 - Setbacks
 - Distance from other structures
 - Utility connections
 - Easements
- Complete a building permit application on the City's Permit Portal and submit

HOMEOWNER PROVIDED SITE PLAN

INSERT A DIMENSIONED AND SCALED SITE PLAN FOR THE PROJECT PROPERTY INTO THE BLANK SPACE ON THIS SHEET. USE THE CHECKLIST BELOW TO ENSURE ALL REQUIRED INFORMATION IS INCLUDED. ADDITIONAL INFORMATION MAY BE REQUIRED PER JURISDICTION OR PROJECT. APPLICANT TO CONFIRM SITE PLAN REQUIREMENTS WITH THEIR PLANNING DEPARTMENT.

FIRE RATING NOTES

WITHIN 3-6 FT OF PROPERTY LINE, THE WALL ASSEMBLY SHALL BE 1 HOUR RATED WITH THE AREA OF OPENINGS LIMITED TO 20% OF THE WALL AREA. (CIBC TABLE 721.102, ITEM #33-1.1A)



189 WALNUT AVENUE
SANTA CRUZ, CA 95060
WORKBENCHBUILT.COM

BROCKETT /ARCHITECT

104 S. MAIN ST UNIT B
TEMPLETON, CA 93465
BROCKETTARCHITECTURE.COM

BY USING THIS FORM YOU AGREE TO HOLD BROCKETT ARCHITECTURE, INC. AND WORKBENCH BUILT, INC. HARMLESS AND RELEASE THEM FROM LIABILITY FOR THE FOLLOWING CONDITIONS:

1. THE USE OF THIS FORM IS LIMITED TO THE JURISDICTION OF THE LOCAL AGENCIES THAT HAVE JURISDICTION OVER THE PROJECT. BROCKETT ARCHITECTURE, INC. AND WORKBENCH BUILT, INC. ARE NOT RESPONSIBLE FOR THE PROJECT'S COMPLIANCE WITH ANY OTHER LOCAL, STATE, OR FEDERAL REGULATIONS. THE USER OF THIS FORM SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES. BROCKETT ARCHITECTURE, INC. AND WORKBENCH BUILT, INC. SHALL NOT BE RESPONSIBLE FOR ANY VIOLATIONS OF ANY APPLICABLE REGULATIONS.

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CENTRAL COAST
PRE-DESIGNED ADU
ONE BEDROOM
626 GSF

OWNER PROVIDED
SITE PLAN

G0.1

DATE: 10/15/2024

SITE PLAN CHECKLIST

The applicant shall provide a dimensioned, scaled site plan containing the below information. This checklist is provided to help guide applicants through the creation of their project's site plan.

DESCRIPTION	REQUIREMENT
<input type="checkbox"/> DRAWING SCALE	SITE PLAN SHOULD BE DRAWN TO A MEASURABLE SCALE (FOR EXAMPLE, 1/4" = 1' OR 1" = 10'). INCLUDE A LABEL WITH THIS INFORMATION ON THE SITE PLAN.
<input type="checkbox"/> PROPERTY LINES	SHOW OUTLINE OF PROPERTY USING DASHED LINE. LABEL EACH LINE WITH ITS RESPECTIVE LENGTH.
<input type="checkbox"/> LABELED YARDS	LABEL FRONT, REAR, SIDE YARDS, WALKWAYS, DRIVEWAYS, AND PATIO/OUTDOOR HARDSCAPE AREAS USING FOOT. LABEL ANY PROPOSED NEW PATHWAYS, PARKING SPACES, OR ACCESS ROUTES TO THE NEW ADU.
<input type="checkbox"/> SETBACKS OF EXISTING STRUCTURE AND NEW ADU FROM PROPERTY LINE - DIMENSIONED	"SETBACK" REFERS TO THE DISTANCE BETWEEN A BUILDING AND THE PROPERTY LINE OR BETWEEN TWO BUILDINGS. THE ADU SHOULD BE LOCATED 5' FROM ANY SIDE/REAR PROPERTY LINE. IF THE EXISTING WALL/LAKE/USE PATIO THE ADU MAY BE LOCATED 5' FROM PROPERTY LINE. USING A DIMENSION LINE, INDICATE THE DISTANCE FROM THE ADU EXTERIOR WALL TO THE PROPERTY LINE.
<input type="checkbox"/> EASEMENTS (IF SUCH EXIST)	"EASEMENT" REFERS TO A PROPERTY RIGHT HELD BY A PARTY THAT IS NOT OWNER OF THE PROPERTY. THIS COULD INCLUDE ITEMS SUCH AS A RIGHT-OF-WAY OR UTILITY COMPANY EASEMENT.
<input type="checkbox"/> LOCATION OF EXISTING UTILITIES AND PROPOSED NEW UTILITIES	NOTE AND LABEL THE LOCATION OF ANY UTILITY POLES, SEWER DRAINAGE/LEAKS, ELECTRICAL PANELS, PHOTOVOLTAIC CONTROLS, AND GAS METER/LINES WHICH EXIST ON THE PROPERTY OR ARE PROPOSED.
<input type="checkbox"/> LABELED STREETS	SITE PLAN SHOULD SHOW THE STREET EDGE WITH THE STREET NAME LABELED. LABEL EXISTING SIDEWALK AND CURB, IF SUCH EXIST.
<input type="checkbox"/> PROPOSED LOCATION OF ADU ADDRESS NUMBERS	NOTE AND LABEL PROPOSED LOCATION OF ADU ADDRESS NUMBERS. NUMBERS SHALL BE VISIBLE FROM THE STREET, HIGH-CONTRAST, AND NO LESS THAN 4" IN HEIGHT. ADU WILL HAVE THE SAME ADDRESS NUMBER AS THE PRIMARY RESIDENCE, BUT BE SEGREGATED AS UNIT B.
<input type="checkbox"/> FOOTPRINT OF EXISTING BUILDINGS	"FOOTPRINT" REFERS TO THE OUTLINE OF A BUILDING. SHOW THE FOOTPRINT OF ALL EXISTING BUILDINGS/STRUCTURES AND ANY ATTACHED DECKS OR PORCHES.
<input type="checkbox"/> FOOTPRINT OF PROPOSED ADU	"FOOTPRINT" REFERS TO THE OUTLINE OF A BUILDING. SHOW THE PROPOSED LOCATION OF THE NEW ADU BY PLACING THE FOOTPRINT ON THE SITE PLAN WITH THE TEXT LABEL "PROPOSED ADU".
<input type="checkbox"/> DIMENSION SHOWING MINIMUM SEPARATION SPACE BETWEEN ADU AND EXISTING STRUCTURES	USING A DIMENSION LINE, INDICATE IN FEET AND INCHES THE DISTANCE BETWEEN THE ADU AND ANY EXISTING DWELLINGS, GARAGES, DECKS, OR OUTBUILDINGS. REQUIRED SEPARATION BETWEEN BUILDINGS IS 4'-0" MINIMUM. ADU WALL FACING MAIN HOUSE MUST HAVE 1 HOUR FIRE RATING AND NO OPENINGS (WINDOWS OR DOORS). IF ADU HAS AN OVERHANG, IT MUST ALSO BE FIRE RATED. MAIN HOUSE SHALL NOT NEED TO BE FIRE RATED. (1) 3'-0" (2) 2'-0" OPENINGS ALLOWED (WINDOWS OR DOORS) (3) 0'-0" NO ADDITIONAL FIRE REQUIREMENTS
<input type="checkbox"/> UTILITY DISCONNECT SHUTOFFS	ALL UTILITY DISCONNECT SHUTOFFS MUST BE LOCATED ON THE BUILDING EXTERIOR.

SITE PLAN LEGEND

Use these symbols to draw and annotate your site plan

	NORTH ARROW (INDICATES LOCATION OF NORTH)
	DIMENSION LINE (SHOWS MEASUREMENT BETWEEN 2 PLANES) LABEL WITH MEASUREMENT IN FEET AND INCHES
	PROPERTY LINE - USE FOR EASEMENTS OF PROPERTY
	DASHED LINE - USE FOR EASEMENTS, FENCES, PARKING SPOTS
	SOLID LINE - USE TO SHOW OUTLINE OF EXISTING BUILDINGS, EXTENTS OF DRIVEWAYS OR PATIOS
	TEXT LABEL - USE TO LABEL DRAWING AS NEEDED
	ARROW - USE TO POINT TO DRAWING AS NEEDED



Fees & Other Considerations

- Pre-designed ADUs have less building permit fees than a custom build
 - Approx. \$800 for plan review and \$1000 for inspections
 - Approx. \$2000 for plan review and \$1000 for inspections
- No impact fees if the unit is less than 750 square feet
 - Greater than 750 square feet, pay a portion of the impact fees determined by the size of the ADU relative to the main unit
 - Ex: 800 sf ADU on a lot with a 1,600 sf primary pays 50% of the impact fees
- No fees for utility connections unless a new connections are proposed
 - New meter is not required but can be added if desired (approx \$5,000)
 - Approx. \$72 increase on the bi-monthly water/sewer bill
- Fire sprinklers required in ADU if the primary home has sprinklers
- CBC requires all new units to be equipped with solar panels

Cost & Financing

Pre-Development & Construction Costs

Pre-development \$1,000-\$35,000

- Due diligence \$0-\$5000
- Design \$0-\$10,000
- Permitting–application, inspection and reports (\$1000-\$20,000)

Construction \$75,000-\$400,000

- Design style & Finishes
- Square Feet \$250-500/sq. ft.
- Infrastructure
 - Electrical upgrades?
 - Sewer upgrades?
 - Water pressure?
 - septic?

Financing an ADU

- Cash in hand
- Home Equity Line of Credit (HELOC)
- Home Equity loan/2nd mortgage
- Cash out refinance
- Renovation or construction loan
- *CalHFA loan status*



Sample Development Cost

Sample Project Proforma			
	ADU with loan	THOW	ADU w/o loan
ADU construction hard costs--factory build	150,000	85,000	150,000
Site costs--infrastructure	30,000	10,000	30,000
Permits/fees	5,000	5,000	5,000
Project cost	\$185,000	\$100,000	\$185,000
Down payment	0	-	-
loan amount	\$185,000	\$100,000	0
amortization period	20 years	10 years	
interest rate	7%	8%	
Monthly payment	\$1,434	\$1,213	0

Cash Flow—Low income rental

Sample Expense (Low income affordable rental)	ADU with loan	THOW	ADU--no loan
Target rent	\$1,400	\$1,400	\$1,400
Property taxes	150	0	150
Utilities	100	100	100
Insurance	50	50	50
Loan payment	1325--20 year	1213--10 year	0
Cash Flow to homeowner	-\$225	\$37	\$1,100
vacancy	50	0	50
maintenance reserve	75	0	75
Cash Flow with reserves	-\$350	\$37	\$975

Construction

Choosing the right builder/general contractor is important

- Do they do design/build or just build?
 - Cost for design & permitting assistance
- What other ADUs have they built?
 - Cost range—low end or high?
 - References
- Have they constructed ADUs in your jurisdiction?
- How many projects do they work on at once & will the contractor contact be on site with the crew?
- Contractors license and insurance—check with state licensing board
- Time schedule for work

Renting & Management

- No short term rentals
- Maintaining & Managing your ADU: Work & Value
- Added Costs: Maintenance, insurance, property taxes
- Rental management—finding the right tenants is essential
 - Will you do this yourself?
 - Will you seek assistance through a property management firm (3%-8% fees)

Thank you: Resources, Q&A and Next Steps

Helpful links & more info on our websites:

- SmartShareHousingSolutions.org
- ArroyoGrande.org

Thank you for turning in a comment card and indicating whether you would like a free site feasibility visit

