ADU WORKBOOK MARIN

A COMPLETE GUIDE TO PLANNING AN ACCESSORY DWELLING UNIT IN MARIN COUNTY

ADUMarin
adumarin.org

PRINTER-FRIENDLY VERSION AVAILABLE AT ADUMARIN.ORG/WORKBOOK
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Photo: County of Marin
From providing affordable housing to helping pay the mortgage, many Marin County homeowners are interested in adding Accessory Dwelling Units (ADUs) to their homes. ADUs, also called granny flats or converted garages, can help meet the changing needs of Marin County households, while helping to address broader housing needs and challenges in our county.

Although the process to build an ADU takes an investment of time and resources, many ADU owners in Marin County have shared that they felt a sense of empowerment and accomplishment after achieving their goal of building their dream ADU.

Once completed, an ADU provides a homeowner with the flexibility they need as their life changes. Whether it is used as a close but separate home for grown children, parents or grandparents, a way to downsize for homeowners, or extra rental income, an ADU can suit the needs of a variety of family situations. It may be used in one way now and differently in the future.

This workbook was created as a resource to help residents of Marin County build an ADU. It includes useful information, interviews with local homeowners and a detailed, step-by-step approach—from getting started to becoming a landlord—to reduce the uncertainty in what can feel like a complicated process.

Sections include:

- Getting Started
- Budgeting and Finance
- Design
- Permitting
- Construction
- Move-In (including resources on finding a tenant)

More information is available online at the companion website: adumarin.org. The site includes stories from homeowners, examples of ADUs, a calculator to estimate costs, and summaries of ADU standards for each city and town in Marin County.

Accuracy and Changing Laws

ADU laws are changing frequently, including several state laws that went into effect in January 2020. Some information in this book may change after its 2020 printing. All information should be verified with your jurisdiction. You can also check adumarin.org for updated information.
Outsourcer

Most homeowners fall in this group. They plan to hire professionals to manage the project and will provide their professionals with top-level direction, review, and approval. This group includes anyone without prior design and construction experience or anyone who does not have the time or interest in taking on a major project by themselves. This group will have the lowest time and energy commitment but the most expensive professional fees. Construction costs will not necessarily be the highest, because professionals can help save time and money in effective project management and can also recommend low-cost delivery methods.

HOW TO USE THIS WORKBOOK

• Read this entire introduction.
• Determine if you can build an ADU by reading Section One: Getting Started (page 15).
• Decide if you want to buy a modular/prefab ADU or have a custom design (page 78).
• Figure out how to finance your ADU in Section Two: Budgeting & Finance (page 35).
• Decide what kind of design professional you want to hire in Section Three: Design (page 45).
• Figure out what kind of builder you want to work with in Section Five: Construction (page 77).
• Learn how to successfully rent your unit in Section Six: Move-In (page 95).
Project Manager

Homeowners who have the time, interest, and experience to handle parts of the project themselves and hire others to do the rest fall into this category. This approach is recommended only for those who have previous design and/or construction management experience. The time and energy commitment will vary depending on how much of the process the homeowner takes on. There is potential for savings on professional fees, but project costs may be higher depending on the homeowner’s ability to effectively and efficiently manage the project, how well the team works together, and how much the homeowner takes on.

HOW TO USE THIS WORKBOOK
We recommend that you review the entire workbook, skipping any sections about work you plan to outsource or in which you already have expertise.

Do-It-Yourselfer

Homeowners with significant prior experience (e.g., an architect or a construction manager) may choose to undertake the project themselves, hiring people for specific tasks as needed. This group will have the highest time and energy commitment and the lowest professional fees. However, costs may be higher due to lost potential earnings and/or higher costs resulting from errors and delays.

HOW TO USE THIS WORKBOOK
Use this workbook as needed to learn the specifics of ADU development and to brush up on any particular information.

GIVE US FEEDBACK  adumarin.org/workbook-feedback
ADU TYPES

ADUs come in many shapes and sizes, but are always a self-contained home that is smaller than the main house and legally part of the same property. ADUs always contain a kitchen, bathroom, and place to sleep. ADUs typically range from 220-square-foot studios to over 1,000-square-foot homes with multiple bedrooms.

There are many different types of ADUs, but they generally fall into one of the following categories: interior conversions and garage apartments are always made by converting existing space; detached, attached, and above garage ADUs can be either new construction or converted space. It is also possible to combine categories, for example, converting an existing bedroom to an ADU with a newly constructed kitchen.

Detached: New or converted freestanding structure, such as a backyard cottage

Attached: New or converted sharing at least one wall with the primary house

Remodel or expansion: New and converted space with square footage added to the primary house

Interior conversion: Converted existing space (e.g., an attic or a basement)

Garage apartment: Converted former garage space

Above or below garage: New or converted above or below garage space
Other Options: JADUs and Home Sharing

There are other ways to create a second living area at a much lower cost than building an ADU. For some homeowners, a solution that requires little to no construction is a better fit.

**JUNIOR ACCESSORY DWELLING UNITS (JADUs)**

Junior accessory dwelling units (JADUs) are very small dwelling units converting part of a single-family residence. They can be up to 500 square feet in size and must include an efficiency kitchen (sink, stove, fridge, and counter) or wet bar, depending on your city. Some JADUs have their own bathroom, while others share with the main house. Homeowners can now have both a JADU and a regular ADU. JADUs are a lower-cost way to add an additional unit because the construction costs are much lower.

**HOME SHARING**

Home sharing is a great option for homeowners who have a spare bedroom they want to rent out but do not want to take on a construction project. Home sharing can be a mutually beneficial arrangement that can help save money (rent and sharing of utility costs), reduce financial stress, increase independence and security, and provide mutual assistance. Some homeowners provide reduced rent in exchange for household chores. Marin County has partnered with the HomeMatch program (covia.org/services/home-match) to specifically help seniors screen for roommates.

*Photo: HIP Housing*
“Having a wonderful tenant and seeing the life it brings to her and us, made this really worth it.”

– Brenda, ADU owner
BENEFITS FOR OWNERS AND COMMUNITY

Building an ADU not only benefits the homeowner, but helps the community as well. ADUs often provide homes for school teachers, firefighters, and other community members* who otherwise may have to commute long distances from outside Marin County to find a home they can afford. With the lack of available affordable housing in the county, building and renting an ADU is a community service.

For homeowners there are lots of reasons to build ADUs; the two most common are rental income or to provide safe housing for relatives. ADUs are relatively affordable to build because they do not require purchasing land. As a homeowner’s needs change over time, ADUs can allow flexibility for renters, caretakers, nannies, kids returning from college, and more. Here are some of the reasons to build an ADU:

Community benefits ADUs can help address housing challenges in Marin County by adding homes that are generally more affordable, which helps provide workforce housing and a more diverse community.

Rental income Renting out an ADU can provide a steady source of income to help pay a mortgage, supplement social security, save for a rainy day, or just add flexibility to the household budget.

Housing friends and relatives ADUs are a great way for adult children, aging relatives, or people with special needs to stay together yet also maintain separate lives and privacy.

A home as you age An ADU can be a lifelong home with easily accessible entries, showers, appliances, fixtures, and many more comforts built for aging adults. Or it can house an in-home caregiver.

Downsizing Some homeowners move into their ADU themselves, while other family or renters live in the main house.

Environmental benefits The most effective way to reduce the environmental footprint of a home is small-scale living. Further, ADUs often reduce commute distances by providing local workers with an affordable place to live near where they work.

*Research from University of California at Berkeley.
ADU PROCESS

The following is a general overview of the steps you can expect to undertake as you develop your ADU. Many homeowners find that their project does not follow a linear path, but rather involves a learning and revision process.

Get Started

Identify goals To begin, you’ll need to figure out what you want and what your working budget should be. You will identify your goals and concerns, think about what kind of ADU is best for you, look at example photos and floor plans at adumarin.org and estimate costs. Remember, this might all change once you talk to a professional.

Learn the rules Next you will need to find out what you are allowed to build. You will learn about the rules and requirements in your city. Even though there are state laws about ADUs and what is allowed, each city may have specific standards as well.

Get a planner’s advice You should also discuss your project ideas and your property with city staff. This will help you to understand any regulations that will apply and to avoid surprises later in the process.

Assemble your team Often people hire an architect or designer to design an ADU and then a builder to provide additional cost information and to ultimately construct the unit. Some homeowners hire a design/build team that handles the entire project, including both the design and the construction, while others work with a modular home company. Selecting your team involves looking at their past work of a similar scale and checking references. It can also be helpful if they have worked in your community and know the local permitting process.

Throughout this workbook, whenever you see “your city” or “the city,” this also refers to towns and unincorporated areas of the county. If you live outside city lines, you will follow the county’s standards.
Create initial design Once you have your team in place, they will start to design your ADU. They will consider size, use, layout, specific project needs (storage, laundry room, etc.), architectural style, and privacy.

Meet with the city Once you have a preliminary design, it’s a good idea for you and your designer to have a pre-application meeting with the local planning (and possibly building) staff. At that meeting, you can ask questions and address any critical issues prior to submitting your permit application. Your team will also review all requirements, fees, and other considerations specific to your property and project, and any unique requirements not previously considered.

Finalize plan Based on your meeting with city staff, you should have a checklist of submittal requirements plus information on fees. Your team will work through any required changes of the initial ADU plans and prepare the permit application.

*Your designer, builder, or design/build team will lead this phase of the project.

Jane & Doug, Mill Valley, Spotlight page 32
Submit application To apply for permits, your project team will need to complete the forms required by your jurisdiction and provide detailed drawings and other documentation. There are two main types of approval: planning and building. Planning (which includes zoning) regulates how big the unit can be, where on the property it can be located, the maximum height, etc. Building approvals make sure the proposed design is safe and meets all building code requirements.

Revise if needed The city will provide comments on your application. They have up to 60 days to do so but often act more quickly. Your team will then respond to any comments, adjust your project to meet the standards and regulations, and resubmit the application. Depending on the completeness of the submittal, most projects require one to three rounds of revisions working with city staff. Most likely, this review will happen at a staff level (no hearings).

Receive permits Once your application is approved and all fees are paid, you will be issued permits to start construction. The number and types of permits needed for an ADU varies by community, but all will require a building permit. Additional permits may be needed depending on your property.

Hire builders If you are not working with a company to design and build your ADU, hire builders for the construction phase of your project.

Manage construction Once you have building permits, the builder you hire will lead the construction of your ADU. Communicate frequently with your builder to make decisions about fixtures and finishes as needed and verify progress before making payments.

Get Inspections During construction, your ADU will be inspected multiple times to ensure it is being built according to the permitted plans. When all the work is complete, a building inspector will conduct a final inspection. Upon approval, you will receive a Certificate of Occupancy and possibly a registration letter for your new ADU.
Move-In

Construction is complete, and now it’s time for someone to move in. This may be you, a friend, a family member, or a renter. If it is a tenant, there are plenty of resources to help you if you are a new landlord, including organizations that can match you with a renter and help you manage your unit. You may want to consider pricing the unit affordably so a member of the local workforce can afford to move in.

Project Timing

Building an ADU is not only a financial investment, but an investment of time as well. In total, most projects take one to two years to complete. Typically, it takes homeowners one to three months to get started and assemble their team. It then takes the project team another one to six months to develop plans, meet with the city, and submit the application. Depending on how many rounds of review are required and how quickly a homeowner and their project team can respond to comments, make changes, and resubmit plans, it will likely take one to six months to get permits. Construction usually takes six to twelve months.
THE ADU PROCESS

GET STARTED

IDENTIFY GOALS
Think about what you want and decide on a budget

LEARN THE RULES
Find out what you can build, standards, and requirements

FINALIZE PLAN
Refine the plan after discussing the details with the city

MEET WITH THE CITY
Schedule a pre-application meeting to discuss plans

APPLICATION
Complete all required forms and provide detailed plans

SUBMIT APPLICATION

MOVE-IN

GET INSPECTIONS
Complete all needed inspections during the construction process

MANAGE CONSTRUCTION
Communicate frequently, make final decisions, and verify progress

GET-IN

MANAGE CONSTRUCTION

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<th>Description</th>
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<td>Make a sketch and visit the city to get advice on rules</td>
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<tr>
<td>ASSEMBLE A TEAM</td>
<td>Select a design/build or prefab/modular ADU type and hire team</td>
</tr>
<tr>
<td>CREATE INITIAL DESIGN</td>
<td>Consider size, layout, style, goals, and privacy needs</td>
</tr>
<tr>
<td>DESIGN</td>
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<tr>
<td>REVISE IF NEEDED</td>
<td>Revise application if needed after the city provides comments</td>
</tr>
<tr>
<td>RECEIVE PERMITS</td>
<td>Once application is approved and fees are paid, permits will be issued</td>
</tr>
<tr>
<td>HIRE BUILDERS</td>
<td>If not working with a design/build company, hire builders for construction</td>
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<td>CONSTRUCTION</td>
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*Photo: iStock*
SECTION ONE

Getting Started

This section will help you get started. By the end of this chapter, you will:

- Clarify your goals
- Learn if you can build an ADU on your property
- Understand the basic rules and regulations for your city

If you have not done so already, download the ADU standards for your city at adumarin.org
Before you begin, it is important to know why you are building an ADU. It’s helpful to think about both your short-term needs and your long-term goals. One of the benefits of an ADU is that it can adapt to your living situation as it changes over time. At first, it might be rented for income, then it might turn into a children’s playroom, and eventually it might house aging parents or yourself.

It is also important to think about your concerns. Ways to address these potential challenges are explored in this workbook. It is good to list concerns early in the process to make sure they are addressed sufficiently.

What are some of your overall goals for building an ADU?
ADU Vision
There will likely be challenges along the way. To stay motivated, some people find it helpful to write down what building their ADU will allow them to do, such as “take the kids to Disneyland every year,” or “make sure my mom has a safe place to live.” If you think it would be helpful, use this space to write a sentence or two to express your goals. Feel free to cut it out and keep it somewhere you will see it.

“My ADU will allow me to:

“As a kid, I played Monopoly, and it was always better to have two houses rather than one. The land cost is already built in; I might as well capitalize on it.”

– Local ADU owner
New ADUs In almost all cases, the answer is yes! All single-family property owners can build an ADU and a junior ADU on their property. Duplex and even multi-family property owners in California are also allowed to build ADUs. If residential buildings are allowed, ADUs are almost always allowed as well. A quick summary is that everyone is allowed to build a detached ADU up to 800 square feet, and many homeowners will be allowed to build larger ADUs if they meet local city rules. Rules are different in each city but are often based on the size of the main house and the yard.

Converting existing space Generally, any homeowner can convert a legally built structure such as a garage, barn, or art studio to an ADU. We recommend contacting your city at the beginning of this process to get some basic information (see page 20), then scheduling a meeting once you’ve done some basic work. Your designer can help with this. This information and the exercises in this section will help you to identify what exactly you are allowed to build. However, you will need to meet with your local planning staff to confirm your conclusions and review any other standards or regulations that may apply.

A word of advice Even if an ADU is permitted on a site in theory, there may be other limitations based on what has already been built. For example, many cities limit the area of your lot that you can build on. Many cities require a certain amount of space between the main house and freestanding ADUs for fire prevention. The good news is that many of these don’t apply to ADUs smaller than 800 square feet or to conversions of interior space. Also look at other options, such as home sharing.

Photo: County of Marin
Rights Under State Law

*These state rules take priority over local ordinances and rules.*

**BUILDING A NEW ADU**

State laws passed in 2019 have made it easier than ever for homeowners to build an ADU. In most cases, parking requirements have been reduced or waived entirely, and homeowners are allowed to convert existing buildings to ADUs.

ADUs are allowed in all residential zones with limited exceptions for public safety, traffic, and water. Homeowners Associations cannot ban ADUs. Most recently, state law has created an opportunity for homeowners to bring ADUs built without permits into compliance, including allowing building officials to apply building standards that were in place during the time the ADUs were constructed and a five-year amnesty period.

**CONVERTING EXISTING SPACE INTO AN ADU**

State law allows homeowners the right to convert many types of existing space into ADUs. The state law covers garages, other accessory buildings (like art studios), or even part of the main house, including attics and basements. To qualify, your property must meet the following criteria:

- The house must be located in a single-family zone.
- The structure must have been built legally initially.
- The ADU must have a door that provides direct access to the outside. (This door can be added during construction if it is not there in the existing structure.)
- The existing structure must be far enough away from the property line to not be a fire hazard. Discuss specifics with your city.

**FEES**

Cities cannot charge impact fees—fees that pay for things like roads and parks—for ADUs under 750 square feet and must charge reduced fees for larger ones. (They still can charge inspection fees, but these are usually less.) In addition, water or sewer providers are not allowed to charge a connection fee when converting existing space into an ADU.

**OWNER OCCUPANCY**

In the past, some cities had rules that required owners to live on a property if there was an ADU. These rules have been banned for any ADUs built between 2020 and 2025; however, this requirement still applies to JADUs.
One of the first steps when building an ADU is to gather important information about your property. It’s easiest and most accurate to collect this information by contacting your city. City contact information is on the ADU standards sheet for your specific city, which can be found on adumarin.org/standards. Before you contact the city, you should first read through this section to familiarize yourself with the concepts. Alternatively, you can gather the information yourself as described on the following pages and on the ADU standards sheet.

GATHERING INFORMATION

It may feel scary to contact the city, but remember: city staff are there to help you. The city is not going to inspect your property or look for code violations if you inquire about building an ADU.

Property Information Summary

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<tr>
<th>My APN:</th>
<th>Maximum permitted FAR:</th>
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<tr>
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<td>Floor area ratio</td>
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<th>My lot size:</th>
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<table>
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<th>My lot coverage:</th>
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<tr>
<td>My zone’s maximum permitted lot coverage (may be required if ADU is more than 800 square feet)</td>
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</table>
Basic Information

It will be helpful to know the assessor’s parcel number (APN) of your property. Every site or lot in California is assigned a unique APN, which is like a social security number but for your property.

To locate your APN, go to the County of Marin’s Property Jurisdiction Information Lookup at gis.marinpublic.com/lookup/JurisdictionLookup. Enter your address, then select “Look Up” and your APN will be displayed.

Alternatively, the city can probably tell you the APN, or you can find it on your property deed or tax bill. Real estate websites like Zillow® or Trulia® often list APN numbers as well, sometimes calling them parcel numbers.

Contact Your City Planning and Building Departments

Belvedere 415-435-3838
Corte Madera 415-927-5064
Fairfax 415-453-1584
Larkspur 415-927-5038
Mill Valley 415-388-4033
Novato 415-899-8989
Ross 415-453-1453
San Anselmo 415-258-4600
Sausalito 415-289-4128
Tiburon 415-435-7390
Unincorporated Areas and Marin County 415-473-6269

To check what jurisdiction your property is located in, go to adumarin.org/thinking, scroll towards the bottom and select “Click Here to Lookup What Jurisdiction You Live In.”
Lot Size

The next step is to find out your lot size. You will need the total square footage initially, but later you will do a rough sketch of your property including measurements. There are several options to find this information:

**County assessor website’s maps** One good option is to use the county assessor’s website, which can be found at marincounty.org/depts/ar. Click on “Property” in the menu on the left, then “Assessor Records & Maps.” You will need your APN or parcel number to continue. Generally, the assessor’s website estimates the size of your lot. After finding your property, it is also possible there will be a map that you can download by clicking on your property address.

**City records** Some cities list the lot size and have maps on their website where you can look up the zoning. You can also ask the city when you contact them.

**Property survey or property deed** Your property survey or deed may include your lot size.

**Real estate websites** These websites often list lot size, but you will need to verify accuracy.

**Measure it** Assuming your lot is rectangular, lot size is the width times the depth. For example, a lot that is 40 feet wide by 60 feet deep is 2,400 square feet. This should be used as a rough estimate and will need to be verified.

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**County Assessor Maps**

The map you download from the county assessor’s website will look similar to the one to the right. You can use the map to estimate your lot size. For example, lot 31 is 40 feet by 114 feet, or 4,560 square feet.
WHAT EXACTLY CAN I BUILD?

The following pages will help familiarize you with some common zoning terms and concepts. After reading this and gathering some basic information on your property, you will be ready to meet with the city. State law says all homeowners in California are allowed to build an 800-square-foot freestanding ADU. Some cities allow you to build more, but cities cannot be more restrictive.

Two key concepts that many cities use to regulate the size and intensity of development are floor area ratio (FAR) and lot coverage. Both of these regulations compare what is already built on your particular lot to a standard in the zoning code for what is allowed to be built. Sometimes different parts of the zoning code will indicate different standards. For example, FAR may allow a 1,200-square-foot ADU while other standards limit the size of an ADU to 850 square feet. You must meet all the requirements, with the more restrictive rules always taking precedence—except for state law, which supersedes local rules.

When it is time to submit an application, some cities will rely on official records to determine your existing FAR, lot coverage, or other existing conditions, while some will ask you to provide the calculations.

**Floor area ratio (FAR)** limits how many square feet of building are allowed on a lot by establishing maximum FAR or using other formulas. FAR is a ratio of the number of square feet of built space (the floor area) compared to the size of the lot. For example, a 2,000-square-foot home on a 4,000-square-foot lot would have a FAR of 0.5 (2,000 divided by 4,000). In this example, if your site’s zoning permits a FAR greater than 0.5 and you meet all the other requirements, you can build an ADU. If your site’s permitted FAR is 0.5 or less, you would still be able to build an 800 square foot ADU as allowed by state law. FAR is not a simple yes/no calculation; it may also limit the maximum size of your ADU. In the above example, if the maximum permitted FAR were 0.75, your ADU could not be more than 1,000 square feet.

Cities may calculate floor area differently. Some measure from interior walls and some measure from exterior walls. Most include all living space and finished basements and attics. Some include garages, porches, unfinished attics and basements, and sheds.

Initially, it is simplest to ask your city if they have an official record of your existing floor area. If they do not, ask them what spaces to include in your calculations.

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**FAR permitted by city**

\[ \text{FAR permitted by city} \times \text{Lot size} = \text{Max. building square feet allowed} \]

\[ 0.7 \times 4,000 \text{ SF} = 2,800 \text{ SF} \]

**Max. building square feet allowed**

\[ \text{Max. building square feet allowed} - \text{Existing square feet} = \text{Allowable ADU size} \]

\[ 2,800 \text{ SF} - 2,000 \text{ SF} = 800 \text{ SF} \]
Lot coverage means how much of your lot is covered by a building. As with floor area ratio, it compares your current building footprint with the maximum that is allowed according to the zoning code. Most cities include garages in the lot coverage calculations, and some include overhangs and porches. Not all cities do this the same, so contact your city to ask how lot coverage and FAR are calculated and related.

For example, if your home is 40 feet wide and 50 feet long, it has a footprint of 2,000 square feet. If your lot is 4,000 square feet, your lot coverage would be 50% (2,000 square feet divided by 4,000 square feet). In this example, if zoning allows a lot coverage of greater than 50% and you meet all the other rules, you can build a new ADU. If not, you can always build up to 800 square feet per state law, convert existing space or, in some cases, build a second story. Lot coverage, like FAR, is not a simple yes/no calculation but may also limit how much you can build.

Lot Size Recently passed state ADU laws have made it so cities can no longer consider lot size when deciding if an ADU is approved for construction.

Speaking to neighbors It is a good idea to talk to your neighbors early in the ADU development process to keep them informed of your intentions to build. ADU state law does not require neighbors to sign off on the construction of an ADU and generally cannot stop an allowed ADU project, but you will need to live next to your neighbors for many years, and the development and construction process will be much smoother if your neighbors are kept informed throughout the process, especially in the beginning.
Based on the location of your home and the current considerations on your property, there are circumstances that should be evaluated earlier due to their larger impacts down the road. Some early consideration items may include whether there is available sewer or septic capacity.

**Being a Landlord**

As you get ready to build an ADU, it’s also important to consider what it will be like to be a landlord. There are some positives—many owners become friends with their tenants, and often homeowners like having someone who can look over the property when they are out of town. But renting an ADU comes with many responsibilities, including understanding local and state housing laws, executing a lease, finding and managing a tenant, and maintaining a rental unit. It’s also important to understand the laws as they may affect things like future rent increases, changing use over time, evicting tenants, and moving family into the unit.

If you live on the property, being a landlord to a tenant in an ADU results in a more intimate relationship than a typical landlord-to-tenant relationship, due to the proximity. The tenant may share a backyard or wall, and many times shares utilities, trash, and recycling. This means planning for the impacts of a potential tenant: soundproofing walls, providing a ventilation system for cooking smells, setting appropriate costs for utilities, and sharing tasks such as taking out the recycling bin.

There are more helpful resources for landlords available in Section Six of this workbook (page 95).
Parking

Adding parking is much less of a concern than it used to be. At most, you will need to add one spot for the ADU, and it can be tandem (directly behind another spot in the driveway).

You will not need to add any parking for your ADU if it meets any of the following conditions:

- A studio apartment
- Within ½ mile of public transit
- Within an existing structure (e.g., garage)
- In a designated historic district
- Within one block of car share locations

If you convert a garage to an ADU (or demolish a garage and build an ADU), you do not need to make up the lost parking space(s).

Other Standards

There are other standards or regulations for ADUs that may apply. These are listed on the ADU standards sheet for your city, which can be found on adumarin.org/standards. Several cities may have additional rules near the coast. City staff will be able to tell you if there are additional standards or regulations that apply to your property.

MEETING WITH THE CITY

Use the following page to take notes from your meeting with the city planner. One of the best things you can do is to talk to your city’s planning department early in the process about the potential for and restrictions on an ADU.

Most cities have a planning/zoning counter where you can ask questions without an appointment. Some cities might require appointments.

Be sure to bring this workbook.
QUESTIONS TO ASK THE CITY PLANNER

1. Am I allowed to build an ADU on my property?
2. Does the city have handouts or additional information? Are ADU resources on the city’s website?
3. Are there common pitfalls or mistakes to watch out for?
4. Can you explain the ADU approval process for this city?
5. How long does it usually take to obtain approval, and how many times do applicants typically need to resubmit plans?
6. What is the FAR for my zone and does lot coverage apply to the ADU I hope to build?
7. What other important development standards should I know about, such as setbacks or height?
8. Does the city have an estimate of my current floor area?
9. Does the city have information on my lot coverage?
10. Will I need to add parking? Does my existing home meet parking requirements? Do state law parking exemptions apply to my situation?
11. Are there any fire safety or fire sprinkler regulations I should know about?
12. (If converting an existing garage or accessory building) How do I know if my garage was built legally?
13. Are there restrictions on how I can use my ADU?
14. When should I start talking to utility companies about requirements? Do you have direct contacts?
15. (If the property is in the flood zone) Are there certain restrictions I should be aware of?
16. What is the maximum size ADU I can build?
17. What qualifies as a kitchen?
PUTTING PEN TO PAPER: DRAWING A ROUGH SKETCH OF YOUR PROPERTY

Drawing a site plan is an essential step, both for your own planning and to get city approvals. A site plan shows your property line and key information such as buildings, setbacks, lot line, etc. Most homeowners hire a professional to produce the final version, but it is often helpful to have a rough sketch to start. At this stage, you are going to draw major elements like building footprints, driveways, trees, etc.

Start by sketching out your property lines, measuring and marking them accordingly. (You can use fences to estimate property lines, but you may need to get a professional survey.) Add any existing structures. Focus on the basic shape. You don’t need to worry about inside floor plans, you just need to capture the footprint and whether it is one or two stories. Note special features like porches, trellises, and exterior stairways.

Next, add in the driveway. Be sure to measure the length and width of the driveway. Pay attention to other significant features like trees, drainage ways, steep slopes, any easements, etc. When you are done, you will have something that looks like the sketch to the right.

Now, try doing a drawing to scale. Depending on your lot size, a good scale might be one inch equals ten feet. If possible, try to have your north arrow direction pointing upwards on the page. Besides drawing the lines, be sure to make notes about the exact length as well. Be sure to use a pencil.

You’ll want to copy your site plan or take a photo with your phone, because you will probably end up drawing on it several times as you explore ideas.
Important ADU Vocabulary

**Building code** Standards that ensure buildings are built safely. Building codes are made up of various sections (plumbing, electrical, etc.). These are established by the State of California and are often amended by cities.

**Deed restrictions** Conditions or rules that are added to a deed for a house. For example, state law now requires homeowners building a JADU to specify that they will live in the main house while renting their JADU or that they will live in the JADU while renting the main house and that both will not be rented at the same time.

**Discretionary permit** Permission to build an ADU or take other action that requires a public hearing. Generally, ADUs do not need discretionary permits and require only a ministerial review.

**Floor area ratio (FAR)** FAR is the number of built square feet divided by the size of a lot. FAR includes built area on all floors. The zoning code will specify the maximum FAR for your property if this applies.

**Lot coverage** The area of a property that is allowed to have buildings on it in relation to the total lot area, generally expressed as a percentage. Zoning code will specify the maximum lot coverage for your lot.

**Ministerial review** Review by the city that allows a homeowner to build an ADU as long as it meets all set requirements. There is no discretion or judgment involved on the reviewer's part and no public hearings needed.

**Open space requirements** Rules that require a certain amount of yard area to be suitable for active or passive recreation (e.g., kids playing ball or a family having dinner). This requirement is identified in the zoning code.

**Setbacks** The minimum distance a building must be located from front, side, or back property lines. A five-foot side setback means any building must be at least five feet from the side property line. State law requires a four-foot side or rear setback for new construction that is 800 square feet or less, and no setbacks for conversions.

**Single-family/multi-family** Single-family zoning refers to one home on a property. Multi-family zoning refers to more than one home located on a property (e.g., apartments).

**Zoning/zoning code** City standards that determine what can be built on a site. All lots in the city will be assigned a zone (e.g., R-1, a typical single-family zone), and each zone has different regulations. The zoning code governs many aspects of development, including how tall buildings can be, where buildings can be located on a lot, etc. Most cities only allow second units in certain zoning areas.
JANE & DOUG

In 1969, we bought this house in the canyon and raised our family here. By the mid-90s, our three sons were all grown up or in college. We had a pool table in the basement that had entertained the boys for many years, and once they left, it mostly gathered dust. We were aware of housing problems even then in Marin because people would post ads looking for units, so you could learn something about them before renting.

It took a while back then to get a permit, but once it was remodeled, it was easy to rent based on word of mouth. Some leases were for just a couple of years because young people would move on as their careers and lives changed, but one tenant stayed for 17 years! She was a checker at the local market and close to retirement when she first moved in. Our current tenant works at the same market. He has told us that living here has made an enormous difference in his life. He used to commute an hour and half each way and now is just a ten-minute walk away.

Having an ADU has been wonderful. We help each other—I give them rides and make them cookies, and they help with the cat and the newspapers when we are away. We are very concerned about the affordable housing crisis, and it feels good to know we’ve done a little bit.

“I’ve despaired over the housing situation, and it feels good to know we’ve done a little bit.”

Jane and Doug’s Basement Redo

LOCATION
MILL VALLEY

ADU TYPE
INTERIOR CONVERSION

PRICE
$12,000 IN 2019 DOLLARS

YEAR COMPLETED
2000

TIME
1 YEAR TOTAL, 6 MONTHS TO BUILD

SIZE
200 SF
SECTION TWO

Budgeting & Finance

This section will take you through the initial financial considerations and options for your ADU project. By the end of this chapter, you will:

• Have an overview of the types of financing available for ADUs
• Understand how an ADU might impact your property tax assessment and home value
• Start the budgeting process for your project
Your budget is one of the most important parts of your ADU project. The finances of your project are fundamental in determining what is possible. An early assessment of your current finances is recommended before you proceed to other steps. You will need to balance the design of your ADU with what you can afford. For example, a larger or higher-end unit will likely command higher rent, which will allow you to afford a larger loan. This chapter will take you through the important things to consider as you begin to develop your budget. Keep in mind that your initial cost estimates are likely to change. You really won’t know what it costs to build until you talk to a professional.

**Financing Types**

Many homeowners use a mix of options to finance their ADU. As you’re doing financial planning for your ADU, remember to include the rental income you’ll receive in your calculations. Some lenders will not consider this income when evaluating you for a loan, but it’s important for you to consider it in your calculations.

- **Cash savings or other liquid assets** Homeowners with cash savings or other assets that are easily converted to cash often use these to pay for some or all of the construction costs. Examples include cash, stock, or other assets that can be liquidated. Some homeowners have withdrawn retirement savings and usually pay a penalty. This can be a viable option but should be undertaken with caution.

- **Cash-out refinance** Homeowners with more than approximately 15% equity in their property can refinance their mortgage to pull cash out and finance their ADU. Refinancing is best done when mortgage rates are lower or comparable to the homeowner’s current rate. Refinancing typically incurs fees.

- **Loans from friends or family** Some homeowners are able to borrow from friends and family to finance their ADU. These loans should be formalized with a contract prepared by a lawyer and not simply with a handshake. These types of loans can be mutually beneficial if the lender gets a higher interest rate than they are currently getting and the borrower pays less than they would on the commercial market. This can work especially well when a friend or family member is going to live in the ADU.
**Home equity loans or home equity lines of credit (HELOC)**

Homeowners with sufficient equity in their home (typically at least 15-20%) can take out a second loan or line of credit to finance their ADU. These types of loans are preferable for homeowners who do not want to refinance their first mortgage at a higher interest rate and instead take out a second, smaller mortgage. Banks will typically offer a loan that is 90% of the equity a person has in their house. So if you have a $1 million home and have a $600,000 mortgage, you own $400,000, and the bank can offer you $360,000 (.90 x $400,000). Typically these loans are variable rate mortgages that have no initiation fees. To qualify for a home equity loan, you’ll need to show you make sufficient income to cover the cost of your current debts plus the additional debt you’ll be taking on. One advantage of a HELOC is that the homeowner does not start paying interest until the money is used. Check with your tax advisor regarding the impact of choosing a HELOC versus refinancing.

**Renovation loans**

Homeowners who do not have enough equity in their home for a cash-out refinance or a home equity loan can consider a renovation loan. These loans typically rely on a homeowner’s income to qualify for the loan, so a steady (and usually high) salary is necessary. The Marin Community Development Agency offers an ADU Affordability Program (marincounty.org/depts/cd/divisions/housing/affordable-housing) and the Marin Housing Authority offers a Residential Rehabilitation Loan Program (marinhousing.org/residential-rehabilitation-loan-program).

**Company rent share**

A number of companies have started offering free ADU construction in exchange for a share of the rental income.

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**Financing Options to Consider**

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Financing FAQs

**What is equity?** Your equity in your home is the portion of your home’s value that you own outright, which is calculated by looking at the value of your home and subtracting your current mortgage balance(s).

**What are fixed- vs. variable-rate mortgages?** A fixed-rate mortgage charges a set interest rate for the life of the loan. A variable- (or adjustable-) rate mortgage has a changing interest rate that varies based on market rates after an initial period.

**How do I find a lender?** Talk to your current mortgage company and see what options they can provide. It’s also a good idea to shop around and see who can offer you the best rates and services. Don’t forget to consider local banks and credit unions, which are often more familiar with the local benefits of developing ADUs.

**How do I structure loans with friends and family?** While some people structure these as typical loans paid back over a certain period, sometimes a family member will pay for part of the ADU in exchange for living there. Make sure everyone is clear on the terms and agrees about contingencies (i.e., someone moves or passes away).

**What are peer-to-peer loans?** This is the practice of lending money to individuals or businesses through online services that match lenders with borrowers. These services are typically cheaper than conventional financing but also come with greater risk. For ADUs, some people structure these loans to include shared equity.

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**Estimate Project Cost**

While getting an accurate estimate for your project is quite tricky and dependent on many factors, the ADU calculator is a great place to get a rough estimate of costs and income for your project and a general idea of how the choices you make will impact your budget over time.

**calculator.adumarin.org**

Each subsequent section of this workbook will include a more detailed discussion of costs for that specific phase of the project. It is helpful to not have a fixed budget number in your head.

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The assessed value of your ADU will vary, so it is best to call the assessor and a real estate agent early to know what to expect.
TAXES AND RESALE

Adding an ADU will likely affect your property taxes and the resale value of your home. However, your primary house will not be reassessed, and your property taxes will only increase based on the added value of your ADU. Said another way, the existing Proposition 13 base year value of your primary residence and your land will not be impacted. This is good news for people who have owned their home for many years and have low taxes. Once you know the size and construction quality of the detached ADU in mind, you should contact your local assessor for a rough estimate of the assessed value for the proposed ADU. There are no negatives to making this call.

Each property will require a one-on-one analysis to determine added value, so contact your local assessor once you have an idea of the ADU size and construction quality. They will be able to provide you with a rough estimate of how much more your property would sell for with an ADU. For example, if you build an ADU that adds $150,000 to your property value, and your tax rate is 1.1%, your taxes will increase by 1.1% x $150,000, or $1,650 per year. Typically, they will use either the cost of construction or a sales comparison to assess the ADU and related improvements.

Other options, such as creating a junior ADU (JADU) within the existing structure, will have a significantly smaller impact on assessed value. In some cases, your taxes will not increase at all. Additionally, home sharing will not increase the assessed value of your home at all. Generally, garage conversions will not raise your tax bill as much as new construction, but they will also not add as much value to your house.

Adding an ADU may impact your income taxes as well. This can be rather complicated, and it’s best to discuss these with a tax advisor. The rental income you receive for your ADU is taxable, but you can deduct the cost of maintenance and depreciate the cost of construction, which can often reduce or eliminate the tax increase. You may also have capital gains tax related to the increased value when you sell your property. Note that your unit could be assessed different ways for different purposes. If you are trying to get a loan, the bank might be more conservative and assume the value of your home will increase less.

For more timely information on the potential tax implications of building an ADU, please contact Marin County’s tax assessor’s office:
marincounty.org/depts/ar
assessormailbox@marincounty.org
415-473-7215
BUDGETING EXERCISE

These questions will help you think through and get started with financial planning for your ADU.

1. What are my estimated construction costs? (Use the ADU calculator at calculator.adumarin.org.)

2. How much cash (or other liquid assets) can I put into the project?

3. How am I planning to finance the project?

4. How much equity do I have in my home (market value of home - mortgage balance)?

5. If a family member or friend is going to live there, can they contribute by paying rent?

6. Will my income support a loan?
7. Which loan(s) best suit my situation?

8. Do I expect to qualify for a loan?

9. Do I prefer a bank, credit union, or non-traditional financing?

10. What banks do I want to reach out to? (Make sure to include your current lender.)

11. What do I expect to rent my ADU for? (The ADU calculator at calculator.adumarin.org can estimate.)

12. Is my priority to maximize income or to help meet the housing needs of the community?

13. What other financial considerations do I have and/or what ideas do I want to explore?
CHERYL, LEE & KATHY

When we were expecting our first child, there was an inescapable pull back to Marin. For ten years my husband and I had been living in San Francisco in a small one-bedroom apartment and going over the bridge to Marin for work. Plus, our moms still lived in the homes we grew up in and we wanted to be close to them.

It was tough to find something affordable, so my mom threw out the idea that we move into the pool house temporarily. Since my family moved in 30 years ago they had added a bathroom and closet, but it wasn’t very livable, so we started talking about renovation. At first, my mom and I were pretty skeptical, but my husband took on the project and ran with it. We worked with a contractor he knew from high school who found us a great architect, and it was completed in a year.

The positives of being right next to my mom but not in her space are huge. We are all so comfortable. My two- and three-year-olds can go to my mom’s just across the way. We spend a lot of time outside together. My husband’s mom lives nearby, and we have family dinners once or twice a week. We think of ourselves as one big family unit, which has been such a blessing, especially during Covid. We are also able to help my mom out with the maintenance, which turns out is a lot. Someday she can rent out the ADU or move into it, but we aren’t planning on leaving any time soon.

“It’s not something we see much anymore, but having family support and connection with my mom just across the way is such a blessing, especially with children.”

LOCATION  SAN ANSELMO
ADU TYPE  CONVERTED EXISTING STRUCTURE
PRICE  $120,000
YEAR COMPLETED  2019
TIME  13 MONTHS TOTAL, 9 MONTHS TO BUILD
SIZE  550 SF

Cheryl, Lee & Kathy’s Converted Pool House
This section will help you think about what you want your ADU to look like, inside and out. You will do some initial work to identify how your proposed addition fits in its environment as well as how it fits in relation to the yard, the main house, and your neighbors’ houses. It will also help you hire and work with a designer or architect. By the end of this chapter, you will:

- Have identified initial design goals, features, issues, and considerations
- Understand the design process and professionals involved
- Be ready to hire and work with an architect/designer
INSPIRATION AND GETTING STARTED

Before moving forward with the design process, it is important to think about how you will use your ADU and what you want it to look like. The following are some activities to begin the process.

When you see things you like or don’t like, take notes and pictures. Pay attention to what neighboring buildings look like and how they relate to their surroundings.

- Take a walk around your neighborhood. Do you see houses or design elements that strike you?
- View your home and potential ADU from your neighbor’s perspective in terms of privacy, views, sunlight, noise, etc.
- View the photos in the “Get Inspired” section of adumarin.org or the spotlights in this workbook, also available on the website.
- Look through magazines or books and tear out pages, or take photographs of your favorite designs.
- Search for inspiration on websites like Pinterest and Houzz.

It is helpful to have a clear sense of your preferences and priorities early in the process.

If you have not made some fundamental decisions, like the type of ADU and how many bedrooms you want, it’s difficult to start the design process. An architect can help you brainstorm or answer fundamental questions, but they cannot start designing until these questions are answered. It’s a good idea to revisit the ADU standards for your city on the companion website adumarin.org/standards to see if your city has any specific design guidelines. Some cities have guidelines intended to help maintain the character of a place that can include guidelines on color, material, details, and style, among other things. Many homeowners are excited to think about the finishes (the type of siding, flooring, fixtures, or lighting), but these design details do not need to be decided early in the process. These elements do not affect the form and placement of the unit, which is what the design will focus on initially. Use the space on page 49 to jot down your ideas, but know that these will be refined later in the design process.

Try not to get too attached to ideas you have early on the process. In the end you may need to compromise due to budget reasons or site restrictions.
Design Definitions

**Architect** A design professional who has passed a licensing exam by the state. Architects are trained in design and construction management. We use the term architect and designer interchangeably in this book.

**Design/build** A firm that does both design and construction.

**Designer** A general term for someone who does design. Architects are one type of designer. Designers who are not architects often charge lower rates, but have less expertise.

**Drafter** Someone who does architectural drawings.

**Elevation drawing** A drawing that shows a straight view, usually of an exterior wall. Elevation is often a synonym for facade, so the south elevation is the south-facing facade of your house.

**Prefab/panelized/modular** A method of building that involves some or most of the construction happening off-site.

**Site plan** A drawing of your lot, buildings, and other features.

**Survey** A professional examination/drawing of your property boundaries and/or slope. This is required in some cases but not in others.
INITIAL DESIGN EXERCISE

Here are some notes and questions to get you started on the design process. Remember, all of these might change when you start discussing costs.

1. Review the goals you identified on page 16 in the Getting Started section to ensure they are still appropriate.
2. What type of ADU do you want (e.g., freestanding, garage conversion, etc.)? See page 4 for ADU types.
3. Do you want a modern or a traditional feel? (Many people feel an ADU will look best if it matches the main home—and the city might require that.)
4. What are some houses that you like and why?
5. Are there floor plans you like or don’t like? What features stand out?
6. How many bedrooms do you want?
7. How many bathrooms do you want, and do you want them larger or smaller?
8. Do you want more communal space (living room) or larger bedrooms?
9. What kind of kitchen do you want (chef’s kitchen or something less expensive)?
10. Will there be a washer and dryer in the unit?
11. Do you want features that will help people stay in the home as they age or that account for special needs (e.g., level entry, accessible bathrooms, no stairs, etc.)?
12. Do you want additional green or sustainable features?
13. Are there landscaping plans you would like to incorporate?
14. Do you have preferences about the flow of the house (e.g., the entrance should be in one place, there should be a door to the garden, etc.)?
15. How should you situate your ADU on your property? Think about natural light, access to utilities, and privacy issues. Consider the privacy of both the primary residence and your neighbors.
16. Are there features in your current home or past homes that you loved or felt could be improved that can help inspire your ADU?
17. Are there any trees on your site that you would like to protect? Retain a certified arborist to advise you regarding distance between new construction and trees in order to protect tree roots.
18. Do you want to create outdoor space adjacent to the ADU?
Design Ideas Exercise

Write down your thoughts here. When it is time, pull this out.

Flooring

Lighting

Siding

Fixtures
As you start the design process, one of your first considerations is what kind of professional you want to work with. Most homeowners choose to work with some type of design professional to plan their ADU and help throughout the process. Bringing on a professional early in the process is often key to getting your ADU approved quickly and smoothly and to creating a cost-effective project. Homeowners with previous design experience can choose to manage the design themselves, but this is not recommended unless they have considerable experience. You will also need to decide how much you want your designer to take on—some homeowners hire their designers just to do design drawings, while others keep them on to do construction drawings and/or to help with construction management. No one type of design professional is inherently better than the other. Like any profession, specific relevant experience, professional interests, personal strengths, and personal fit with the client are critical. The following are the four general types of design professionals you can work with to design your ADU.

**Architect** An architect is a professional licensed by the state who has a degree in architecture and has passed a rigorous licensing examination. Architects take legal responsibility for their work. Architects may provide a range of services, including full-service support from the initial concept, as well as completion of construction, including coordinating with required consultants such as structural engineers and any related subcontractors. Ask what services an architect offers and negotiate a fee based on what services you need. The American Institute of Architects website (aia.org) provides helpful information to homeowners in this regard. Architects usually bill at a higher rate than designers, but some feel the additional expertise saves them money (and stress) in the end.

**Designer** The term designer is not regulated; anyone can call themselves a designer. Some designers have an architectural education and training but are not licensed. Others are self-taught. Most fall somewhere in between. The services designers provide are variable depending on their experience and business model. Ask questions about their experience and if they’ve designed any ADUs.
**Design/build**  A design/build firm will do the design and construction of your ADU. Most often, a design/build firm is headed by a licensed contractor who has a designer on staff, but some are headed by or have a licensed architect on staff. Be sure to ask detailed questions about the level of design services provided. The term design/build is not regulated. Some design/build firms have experienced designers on staff who can provide spatial planning for remodels, additions, and new construction, as well as material selections. Others focus on minor changes and material selections or will hire a drafter to draw up plans based on your or their ideas.

**Modular/prefab**  With modular and prefab homes, some or all of the home is built in a factory and shipped to your site. Generally, the homeowner will work with the modular company to select and often customize their unit. A contractor is then required for site, utilities, and concrete work in preparation for the installation of the modular unit. This method simplifies the design process to choosing a company and then selecting a model and finish options. Modular generally takes the least time from conception to completion with a reliable level of quality control. In theory, permitting should be easier with modular homes if they design to California code, but because it is a relatively new and not yet widely implemented method, some jurisdictions may have additional questions that require additional finesse. Additionally, site-specific conditions on your property, such as access to utilities and where your main sewer line is or whether a prefab home can be delivered to the site, may impact your decisions on whether a modular/prefab ADU will save time and money. See page 78 for more information.

There isn’t a hard line between prefab and custom-built. For example, you will be able to customize prefab designs. You can also have your architect start from plans that have been used and approved in other places. By compromising a little on flexibility, you might be able to save a lot of time and money.
HIRING AND WORKING WITH A DESIGNER

A designer will start the process by visiting your home. They will talk about your ideas and goals. If it seems like a good match, they will prepare a proposal that details exactly what services they will provide and what they will charge. You will need to determine how involved you want your designer to be. Some designers will charge for their initial consultation or development of a proposal; it depends on the firm. There are two key considerations when evaluating a design professional: their experience and their interpersonal skills. There are unique challenges to designing small homes and you most likely will want someone who has experience with small homes. Also, designers have favorite styles (e.g., modern, craftsman, etc.) and your designer’s skills should match your goals.

It is also important to find a designer who has a personality and communication style that fits with you. They should understand and respect your goals and choices. Chemistry really matters. A major portion of a designer’s job is explaining the process and the design choices to you, so you want someone whose explanations make sense to you. This extends to communication mode as well. If they are an email person and you are a phone person, it might not be a good match. The American Institute of Architects recommends you meet with three to five firms before making a hiring decision. Talk with neighbors who have done additions or renovations and ask if they recommend the designers they worked with. See page 54 for questions to ask your designer.

FAQ

How do I find an architect?

Consider hiring someone you know from your community (e.g., church, work, or a neighbor). Because designers and contractors are busy, sometimes the personal connection helps. Also, if there is a problem, you have a strong incentive to find a solution that you can both live with.
**Designer Considerations Exercise**

1. Would you rather work with a licensed architect, who has more training, or a designer, who is likely to be less expensive?

2. Do you want to use modular/prefab construction (unit is at least partially built off-site)?

3. Do you want to use a design/build firm to handle both drawings and construction?

4. How client-centered do you want your designer to be? Some architects welcome interactions with their clients and some dread it. Some homeowners want to be actively involved and some are more hands-off.

5. Do you prefer to work with a larger firm or a smaller firm? Both have pros and cons. In the end it comes down to your personal preference.

6. Do you want your designer to just prepare drawings, or do you want them also to help with permitting, construction drawings, and/or the construction phase?
Questions to Ask Your Designer

**Experience**
- Do you have experience with building ADUs?
- Where can I see pictures of similar projects you have designed?
- Can you send me a list of client references, preferably from smaller projects?
- How big is your firm? Who does which portions of the work? Who specifically will be working on my design?
- Are you licensed?
- What is your experience designing the type of ADU I would like built?
- Do you have experience working with my city and do you know city staff?

**Design**
- How closely do you like to work with homeowners in the design process?
- Do you have a design philosophy?
- What are the steps in the design process and how are they organized?
- How do you help a homeowner establish priorities and make design decisions?
- What role do you have during construction?
- Am I expected to work with the contractor directly?

**My Project**
- How busy are you? What is the timing to start work?
- What is your estimated timeline once the project is moving forward?
- What challenges do you foresee?
- What do you see as important considerations for my project?
- How will you go about identifying my needs and goals and incorporating them into the design?
- Is my budget realistic?
- How will you help me to understand key milestones in the process?
- What do you expect me to provide and by when?

**Fees**
- What are your fees? How do you structure your fees?
- Can you provide some sense of what it might cost (with the understanding that this would be rough numbers without a formal proposal)?
- What is included in your basic services and what services would incur additional fees?
- What is the process for changes in scope?
- How do you manage a project to keep it on budget?

Remember: if the ADU shares a wall, sound- and odor-proofing is a really good investment.
Design costs vary with every project, but a rule of thumb is that it will cost 10-20% of the total construction budget. Typically designers use one of three methods:

**Fixed fee** Based on your project needs, an architect gives you a maximum price. If the project takes more or less time to complete, their prices do not change.

**Time and materials** The architect will bill you for the hours they work. This works best if there are too many unknowns for the architect to fully understand the scope of the project.

**Not to exceed** The architect will only charge the hours they work, but there are agreed upon maximum amounts for each phase of the work. California requires architects to offer you a written contract. You should take advantage of this to protect yourself and to avoid miscommunications. You may want to have a lawyer review the contract to make sure all of your concerns are covered before you sign.

### Sample Design Costs

<table>
<thead>
<tr>
<th></th>
<th>PERCENT OF TOTAL</th>
<th>BASIC STUDIO</th>
<th>HIGH-END 2-BEDROOM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONCEPT/SCHEMATICS</strong></td>
<td>15%</td>
<td>$1,500</td>
<td>$3,000</td>
</tr>
<tr>
<td><strong>REFINEMENT &amp; PERMITS</strong></td>
<td>30%</td>
<td>$3,000</td>
<td>$6,000</td>
</tr>
<tr>
<td><strong>CONSTRUCTION DRAWINGS</strong></td>
<td>40%</td>
<td>$4,000</td>
<td>$8,000</td>
</tr>
<tr>
<td><strong>BIDDING, NEGOTIATION, &amp; CONSTRUCTION</strong></td>
<td>15%</td>
<td>$1,500</td>
<td>$3,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>$10,000</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

These represent typical costs, but every project is different and costs will vary. All costs from 2019.
In most cities, you are not required to talk to your neighbors about your proposed second unit, but you should. Try to imagine yourself in their shoes. They might have some ideas about design or privacy that you can incorporate.

**STEP 1**

**Conceptual Drawings/Schematics**

Once your designer is hired and you’ve discussed your goals, they will take measurements of your property and develop conceptual drawings or schematics. (If the site plan you did in Section 1 was accurate enough, they may be able to use this.) Schematics are often sketches that show broad concepts, but not details. They are relatively fast and inexpensive to produce and can help you and the designer focus in on what you want. The conceptual diagrams will focus on the type of ADU, floor plan, relationship to outside areas and the main house, etc. Cost considerations should come up at every stage of the process. If your designer does not bring them up, you should. City rules will affect your options. For example, some cities may have certain privacy or lighting requirements. Also, the size or height might be limited by city rules. Look back over the city rules you downloaded earlier. In this stage, it is important to consider how the ADU interacts with the yard. People often want more windows and doors with glass in smaller homes to make the space feel more open. There may be trees, open space and other features you’re interested in looking at from within, while you may not want to see other elements like fences, driveways, and neighbors’ homes. Vaulted ceilings are popular as they make smaller spaces feel much larger.
STEP 2A

Refinement
Once you have a concept plan, the designer will refine their work. Designers will ask more questions about your goals and you will have to start choosing components, like doors and windows. At the end of this stage, there will be a drawing done to scale that covers the layout and all the major systems (heating, electrical, etc.).

STEP 2B

Review With the City and Apply for Permits
At this point (ideally, halfway through the refinement process) it is a good idea to show the design concept to city staff to make sure the plan is approvable and to identify any other regulatory considerations. Your designer can attend this meeting and can assist you in clarifying all the requirements and issues that should be covered in the permit drawings. After meeting with the city, you or your designer can complete the city’s permit application and appropriate plans for that stage of the review. See page 67 for more information.

STEP 3

Construction Drawings
Many homeowners get construction drawings from their designer that provide all the detail needed for a contractor to bid on the project. Some homeowners use drawings to get bids, but many contractors cannot give an accurate bid with just this information and may also want to visit the site.

STEP 4

Managing Construction
Some homeowners keep their designer on to help with construction. Most designers have a pool of contractors they work with. They can help you get bids and choose one that works for you. Your designer can also help you think through last-minute complications if they arise.

Builders/contractors will often have thoughts about costs—and opportunities to reduce them—that your designer may not have considered early on. Consider expanding your team to include a builder so you can draw upon their expertise before the plans are finalized. However, you will not have detailed enough drawings to solicit bids. It is okay to have one builder review plans and then have others bid to do the actual work.
Sample Floor Plans
Here are a few examples of floor plans from real-world projects (floor plans are not to scale relative to each other):

**Bowen’s Oasis**
- 336 SF
- 1 bedroom/1 bath

**Sofia’s Granny Flat**
- 674 SF
- 1 bedroom/1 bath plus patio

**Julia’s Garage Conversion**
- 640 SF
- 1 bedroom/1 bath plus utility room

Floor plans: All from New Avenue Homes
Ruthie’s Above Garage ADU
657 SF
1 bedroom/1 bath

Karin’s Backyard Cottage
875 SF
2 bedroom/2 bath
plus sleeping loft and deck

Mateo and Terry’s Downsize
700 SF
2 bedroom/1 bath plus utility room

Floor plans (L to R): Cari Designs Architecture, New Avenue Homes, New Avenue Homes
We moved into this house in 1967. It was a reach for us to afford but we managed the down payment with loans from our family. Even back then it was getting hard to live and work in Marin. We thought about building an ADU for years. Converting our garage to a cottage would give us a lot of options. We are in good health but know at some point we will slow down and could use it for caretakers, caregivers or family members. And since we are retired teachers, we liked the idea of providing affordable teacher housing in the meantime.

We found a fabulous architect who guided us through the process, who found us a great contractor. Once it was built, we were really happy. The cottage fits in beautifully—color, trim, and style match our house. Our contractor considers it a highlight of his building work and brought his son and wife out to see it. Our neighbors like it too.

“I can’t emphasize enough how useful having an ADU will be for us in the future. And being able to provide housing priced below market for teachers now is great.”

LOCATION  CORTE MADERA
ADU TYPE  CONVERTED GARAGE
PRICE  $300,000
YEAR COMPLETED  2019
TIME  13 MONTHS TOTAL, 9 MONTHS TO BUILD
SIZE  576 SF

We put the word out to public schools including the Tam District where Donal had taught. Eventually, we found someone from my old school who was commuting two and half hours a day from the East Bay. Having a wonderful tenant and seeing the life it brings to her and us, made this really worth it. I can’t emphasize enough how useful having an ADU will be for us in the future. And being able to provide housing priced below market for teachers is great.
SECTION FOUR

Permitting

This section will take you through the ADU permitting and approvals process. By the end of this chapter, you will:

• Have an overview of what your city may require as part of the permit application
• Know what to expect for the application review
• Have reviewed the types of fees you may need to pay
• Understand how to get started on your application
Once you have plans for your ADU, you or your designer will need to submit the material to your city for approval. You should have a rough idea of the permitting and approvals process from your initial meeting with the city and the work you did in Section 1 of this workbook. More importantly, your designer or contractor should be familiar with the process and will serve as your guide.

Planning, zoning, and building regulations ensure homes and other buildings are habitable, environmentally friendly, and safe places to live and work. However, the local permit application, review, and approval process can be daunting for anyone who has not gone through it before. While the process has gotten easier, it still can be difficult. The following are steps and resources to keep in mind.

**Final pre-submittal review** Before submitting your application, it is worth you and perhaps your designer making a final trip to the city with a draft of all your drawings and materials. Call the city and let them know you are almost ready to submit and want to make an appointment for final guidance. Set up a time to go over any outstanding questions and get any advice they have before you submit your application, so you can minimize surprises later in the process. This is also a great opportunity to ask about common problems in the permitting process and how to avoid them. See page 69 for suggested questions and space to organize information.

**Application submission** Each city has a different permitting process, but generally you will submit one application with several components and the city will send it to various departments to review. The first step will be for the city to sign off that your application is complete. That will initiate the staff’s internal review. Typically, several city departments will review your application, including (at minimum) planning and building.
**City review and response to comments**
The city will collect all internal review comments on your application and send them back to you or your designer. Assuming changes are needed (which is usually the case), you will resubmit your revised plans in response to the comments or provide additional information as part of your application. This step is repeated until all the comments are addressed, which might take a few rounds. In less common instances, a discretionary permit may be required. See page 70 for more information.

**Fee payments** Before receiving the final permits, homeowners will have to pay all required fees, including fees required by other agencies like school districts or water districts. The city will give you a list of where you need to go to pay and obtain proof of payment for the various fees required.

**Permit pick-up** The homeowner or contractor, if they are identified on the application, may then pick up the building permits to commence construction. Architects are generally not allowed to pick up the permits.
66 - PERMITTING ADUs in the Coastal Zone

If you are building an ADU in the Coastal Zone, the rules may differ. The Coastal Zone covers parts of unincorporated Marin County, but no cities. State law governing ADUs applies differently in the Coastal Zone. A coastal development permit may be required, which may include notifying your neighbors. It’s best to discuss ADU projects in the Coastal Zone with your county staff early in the process to determine all necessary steps.

ADUs in the Coastal Zone

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Photo: Timbre Architecture
PUTTING TOGETHER YOUR APPLICATION

Most homeowners choose to work with a professional throughout the permitting process. Based on dozens of interviews with homeowners in Marin County who have gone through this process, they felt that hiring a professional is the best money they spent.

The submittal and review process is often quite complex and can require significant architecture and building technology knowledge to go smoothly. California allows homeowners to submit the application under their name, but many who start down this path have a miserable time. Also, owner-builders are liable if anything goes wrong.

Generally, it is better to have a professional on your side to explain the requirements and the choices you must make. The following sample checklist from the City of Sausalito gives you an idea of what to expect.
Title 24

Title 24 regulates minimum energy efficiency for new construction in California. For example, these standards dictate how much insulation is required and the types of light fixtures that can be used. All new ADUs will need to demonstrate compliance with Title 24, which usually requires hiring a consultant and typically costs less than $500. In some cases, like newly constructed freestanding ADUs, you might need to add solar panels to meet the rules.

APPLICATION SUBMITTAL

The details of submitting an application are different in each city. Some cities require applications to be submitted online while others require (multiple) paper copies on various sizes of paper. In any case, the city will initially review your application for completeness before it begins a more thorough review. Once your application is deemed complete—meaning you correctly submitted all of the required materials at the required level of detail—the various reviewing departments and agencies will begin their review. Under state laws, cities have 60 days to complete an application review.

Most cities have applicants turn in all their application material at one time. A minority of cities do the application in two steps, first requiring homeowners to receive planning or zoning approval. This generally covers the building size, placement on the lot, height, etc., but not the construction details. A homeowner may apply for a building permit once they receive planning and zoning approvals. As of July 2020, some jurisdictions require or recommend using a two-step process.

Application requirements vary by city, but the following is a checklist of typical application components:

- Site plan (depicting existing and proposed structures)
- Building/architectural plans (floor plans, elevation plans, and details)
- Structural plans (foundation plan, framing plans, and associated details)
- Other items (Title 24 energy calculations, best management practices for erosion control, photos, etc.)

Timeliness

Typically cities want you to finalize your plans within 120-180 days after they send comments, depending on the jurisdiction. If you do not respond within that time, the city may add fees. While applicants can ask for a no-cost extension, working in a timely manner is very important.
Permit Application Planning and Organization

Use this space to collect and organize information on the permit application you will submit.

1. What are all the steps of the permitting and approvals process?

2. How long does each step in the process take?

3. What application materials are required and where/how are they submitted?

4. What fees are required and to whom do I pay each fee?

5. What potential problems do you see with my application and how can I address these?

Other notes or questions:
In the application review phase, various departments will assess your project application to ensure that it meets all applicable regulations. The process will typically include some or all of the following reviews (and possibly a few others).

**Planning Department Review**

The application review process typically begins with planning/zoning review. Planning review will assess whether your proposed ADU complies with basic zoning regulations such as allowed size, height, placement on property, parking, etc. This level of review may actually happen before your application is deemed complete.

**Building Department Review**

Building review addresses the physical construction of the ADU to ensure that all the elements of the building meet the requirements of the California building code. Some examples include electrical, insulation, ventilation, plumbing fixtures, ceiling heights, foundation and seismic safety, etc. Building codes are nearly identical from city to city, but some jurisdictions have made minor amendments.

In addition to planning and building, your project may be reviewed by a variety of other departments and agencies, including:

- **Public works** may review drainage and the project’s connection to streets and sidewalks.
- **Fire agencies** with jurisdiction over your property may review your plans for compliance with all fire codes.
- **Public utilities (water, sewer)** If your unit requires installation or expansion of water and/or sewer service, the relevant agencies will review your project to ensure that water and sewer connections are adequate and appropriately designed. Projects may require a “will serve letter” from local service agencies to prove you have the right to connect to water and sewer services. These utility agencies may require your ADU to meet other requirements related to water fixtures or landscaping. Contact your local city or county (for unincorporated properties) to determine if utility districts serve your property. There are no sewer or water connection fees when converting existing space to an ADU.
- **Environmental health** If your unit requires installation or expansion of a septic system or
relies on well water, the County Environmental Health Services (EHS) department will review these components of the project. Be sure to check the water supply and septic rules early on because sometimes the requirements are expensive and may restrict where an ADU can be built on your property.

COMMENTS
You will receive comments from each of the reviewing agencies that may require changes to your application. You and your project team will need to address all comments and resubmit your application. Most ADUs require one to three rounds of review before the application is approved, and each review typically takes two to four weeks for the city to return comments. The length of the entire process will depend on the number of reviews required and how quickly the application is resubmitted between reviews. Be prepared; sometimes the city may bring up entirely new comments in later reviews. This can be frustrating, but is not uncommon.

One really helpful change is that in many or all cases, state law no longer allows cities to comment on preexisting zoning issues unrelated to the ADU. For example, you should not receive comments about the main house or a fence unrelated to the ADU, unless there is an obvious public safety issue.
SURVEYS, EXPERT OPINIONS, AND CERTIFICATES
Some cities require homeowners to get expert opinions or certificates or to conduct surveys as part of the approval process. For example, if the ADU could impact significant trees, an arborist may need to certify that the ADU will not damage the trees. Other common requirements include boundary and geotechnical surveys, elevation certificates (especially for properties located in the FEMA flood zone), and sewer certification.

DESIGN REVIEW
Some cities require design review, which ensures that ADUs meet certain design standards (color, material, style, etc.) for neighborhood compatibility. State law specifies that design review of ADUs occurs at the staff level only, with no public hearing. With a few exceptions, only ADUs in Larkspur’s Downtown Historic District or Inventory, and Mill Valley’s Historic District Overlay currently require design review.

PUBLIC HEARINGS: THE EXCEPTION
If your ADU meets all basic standards and does not require any special exceptions or permissions (commonly referred to as variances), it will typically only be reviewed and approved by staff at the departments and agencies listed above. However, if your project does not fit within the basic standards, you may request certain exceptions to these regulations. In this case, your unit will typically be reviewed at a public hearing. Depending on the nature of your project, public hearings may include the Design Review Committee, Zoning Board, or Planning Commission. If a public hearing is required, the permits will only be issued after approval by the relevant hearing body.
Sample Review Comments
Here are some sample comments from cities on ADU applications.

“Please amend site plan to clarify whether the 11-inch side property line setback is based on field measurements or property line survey. The plan showing the relationship between the building and the North property line must be done by a land surveyor, or civil engineer.”

“Revise the construction drawing to provide complete plans and specifications for the removal of rainwater from roofs, paved areas, yards, vent shafts, light wells and similar areas.”

“Habitable spaces are required to be provided with an under-slab vapor retarder...”
PAY FEES

Each city will require different fees, and the exact fees will be dependent on your specific project. Fees range from a few hundred dollars to over $30,000. As of 2020, most projects are in the $10,000 range, or less than 5% of construction cost. Generally, you will need to pay all fees prior to receiving your building permit. Surprisingly, cities do not control many of the most expensive fees (e.g., school fees and water fees). Below are the fees commonly required by cities, but fees will vary for each city and project. You may only have to pay some of these fees or there may be other fees. You may also have an annual sewer charge on your tax bill after you finish the unit.

**Entitlement fees** are levied by cities to cover the administrative costs of applications. These typically range from hundreds to thousands of dollars and are not levied in all cities.

**Building permit fees** cover the costs of inspections before, during, and after construction. These fees can vary and are often a few thousand dollars.

**Development impact fees** help pay for new infrastructure in your neighborhood and the surrounding area, such as new roads or parks. These are often the larger fees that are charged. ADUs under 750 square feet are exempt from these fees.

**Water and sewer fees** support the cost of providing water and sewer service to the community. Recent changes to state law have significantly reduced the water fees for ADUs: existing buildings do not require water fees, while new buildings can only be charged fees in proportion to the size of the unit.

Our ADU calculator (calculator.adumarin.org) can provide an estimate of the fees for your project.

Good news! State law has eliminated or reduced certain fees. Check with your city for the latest information on fees.
School district fees support the schools in your area through a per-square-foot development fee. These are paid directly to the school district. Typically, your city will give you the address(es) of the school district(s) to which you are required to pay fees. You will pay the school district directly and then present proof of payment to your city. In 2019, these fees varied from nothing to $3.48 per square foot, though some projects are exempt from school fees (often projects under 500 square feet).

There are a few ways to save on fees. School districts are not allowed to charge fees for units under 500 square feet, but not all districts have adjusted their policies to be in line with state law. State law also says that an ADU created within the space of an existing building (e.g., garage, bedroom, etc.) does not have to pay a water or sewer connection fee or capacity charge. If the ADU is created by constructing new square footage a fee may be charged, but it must be proportional based on its square footage or number of plumbing fixtures. ADUs under 750 square feet are exempt from other impact fees.
This section will guide you through the construction phase of your project, from hiring a contractor to completing final inspections. By the end of this chapter, you will:

- Have an overview of different types of construction
- Be able to very roughly estimate construction costs
- Know how to get bids and hire a contractor
- Understand you and your contractor’s roles during the construction process
There are two types of construction to consider for your project: traditional construction (unit is custom-built on-site) and prefabricated/modular methods (sections of the unit or the entire unit are built off-site). Both traditional construction and prefab have pros and cons, so it’s best to consider your specific needs in terms of your lot, design intention, ease of hiring contractors, etc. Traditionally, a homeowner hires a builder to construct the unit that their architect designs or a design/build firm handles the entire process. This allows the homeowner to design a home fitted to their space and needs. Traditional construction also allows for smaller changes to the design during the process, even after construction has started. With prefab and modular methods, some or all of the home is built in a factory and shipped to your site. These methods rely significantly less on contractors—except for on-site assembly, foundation, utility hookups, etc. Additionally, prefab often saves time because the site can be prepared while the home is being constructed in the factory. Prefab homes typically offer less customization. Prefab homes are often about the same price as traditional construction, though some companies offer lower-cost options. While prefab homes can appear to offer cost savings, it’s important to consider some of the additional costs like transport, crane costs, the foundation, and sales tax when comparing costs, which can end up being 20-40% of the total cost. Also, not all banks will finance prefab construction.
Three Types of Prefab Homes

Panelized: Homes constructed from two-dimensional, pre-built sections that are assembled on-site.

Modular: Fully constructed and finished boxes (with cabinets, plumbing, and doors already installed) that are hooked up on-site.

Manufactured: Similar to modular in that unit is built off-site, but it’s regulated by federal building code, often designed to be mobile, and usually more affordable.

To explore prefab home options, you will want to get in touch with prefab companies directly. Generally, they will visit and evaluate your site and make recommendations for your property, including cost and customization options. You can find prefab builders by researching online.

Shipping Container Homes

Many people are excited about shipping containers finding a second life as small homes. Typically, these heavy-duty steel boxes are 20 feet long and 8 feet wide and are repurposed by companies and do-it-yourselfers into dwellings made up of just one container or multiple containers connected together. If you are interested in them, make sure they meet all legal requirements for your location.
Someone will need to manage the construction process. This includes hiring subcontractors for electrical and plumbing, coordinating construction, managing scheduling, making payments, working with the city on permits, and more. If you hire a design/build firm (see page 51 for more information), you will not need to hire a separate person or company when you get to the construction phase. If not, you’ll either need to hire a general contractor or manage the project yourself.

*Often, people who are their own general contractors have a difficult and unpleasant time.* Many people believe that because they have experience managing a kitchen renovation or adding an addition that they will be able to save money by being their own general contractor. But it’s important to recognize that building an ADU is more akin to building an entire house than a renovation, and there are many more possibilities for costly and time-consuming mistakes and delays. From securing permits to dealing with PG&E, the process is challenging and best left to those with extensive experience. The Getting Bids and Hiring Your Contractor sections of this chapter will take you through the process of finding and hiring a general contractor.

Some homeowners choose to retain the services of their designer during construction, or they hire a construction manager or owner’s representative who represents and advocates for the homeowner through the process. Having an expert who assists with contract negotiation, payment schedules, quality checks, project timing, working with the city and other regulatory agencies, and more can be valuable to a homeowner who is unfamiliar with these processes. Though it may cost more up front, some homeowners will come out ahead because their project was better managed and/or because of the rental income they would have lost to a delayed project.
Building Costs

Construction costs for your second unit will vary significantly depending on personal preferences, site conditions, location, and many other factors. Similar to asking what an average wedding will cost, it’s impossible to give an accurate estimate without some specifics and an understanding of your preferences. The cost to develop a second unit typically ranges from $30,000 for a simple interior conversion to $500,000+ for a large unit with high-end finishes on a hillside lot. Cost per square foot is a good way to estimate, though this too can range from $200–$800 per square foot depending on the complexity and design finish of the project. Generally, most projects are between $300–$550 per square foot, and $450 per square foot is a good starting estimate for an average project.

Despite what many think, smaller units are not necessarily significantly cheaper because construction costs are not directly proportional to the size of the unit. There are many costs that must be included in all second units— particularly the foundation, kitchen and bathroom(s)—with marginal increases for larger size units. Each bathroom generally costs $15,000–$25,000, and the kitchen is generally $25,000–$50,000.

The type of ADU you build will also impact costs. While costs will depend mostly on the specifics of your project design, some types of ADUs are generally less costly to construct than others. New construction of both detached and attached ADUs tends to be the most expensive. Conversions of interior space (basement or otherwise) can be much cheaper—assuming no complex building code or structural issues exist—because much of the structure for the ADU is in place (walls, floors, ceilings, etc.). If allowed, two-story units can generally be built at a lower cost per square foot because only one foundation and one roof are needed. Garage conversions are often no cheaper or not much cheaper than new construction because these structures usually need significant work to be brought up to code, and the shell of a building (walls, foundation, roof) are not the most expensive parts of construction. Common challenges include redoing the foundation, replacing the floor so a vapor barrier can be added, replacing the windows, insulating, etc.

Similarly, modular or prefab ADUs are often not much less than new construction. This is due to taxes, delivery charges and additional work that is needed like putting the foundation in place.

Placing all your plumbing, such as kitchen and bathroom pipes, on the same side or in the same wall, especially on multiple floors, will save you money during construction.
**Green Building**

Contact your local building department to review adopted green building criteria for more information on green building materials, water conservation, solar photovoltaic systems, electric vehicle chargers, and more.

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**Worried about high construction costs?**

If the construction costs of building an ADU are too high, consider home sharing or converting interior space into an ADU. Home sharing requires no construction, but brings in rental income. The cost to convert interior space into a JADU is often much lower than other types of construction, so this can be a great option if cost is a barrier. See page 5 for more information.

There are many other factors that will impact costs, including:

- Quality of interior finish work and amenities
- Architectural form and details
- Extent of utility, structural, mechanical, electrical, and plumbing upgrades required
- Required ancillary upgrades (sidewalk frontages, sewer and water upgrades, etc.)
- Whether sprinklers are required
- Whether doors and windows meet emergency exit standards
- Lot complexity (slope, trees, fault lines, etc.)

Many homeowners wonder if fire sprinklers are required. In general, sprinklers are only required in an ADU if the primary dwelling is required to have sprinklers. However, new construction or projects that add significant square footage may trigger a requirement for sprinklers. It’s best to discuss your specific situation early on with your city to determine if you need sprinklers.

*Photo: County of Marin*
To estimate your project’s specific costs, check out our ADU Calculator, which estimates costs based on your specific project, including location, construction type, size, and interior quality. This calculator is available at calculator.adumarin.org.

Here are a few examples of construction costs from real-world projects in San Mateo County, which has similar construction to Marin County (costs in 2019 dollars):

- **$90,000**
  2 bedroom/1 bath
  Interior conversion, designed by owner
  771 SF

- **$86,000**
  1 bedroom/1 bath
  Detached, panelized
  288 SF

- **$327,000**
  2 bedroom/2 bath
  Attached new construction incl. primary residence, construction managed by owner
  800 SF

- **$267,000**
  1 bedroom/1 bath
  Attached & interior conversion
  700 SF

- **$306,000**
  2 bedroom/1 bath
  Detached, modular
  704 SF

Photos, left: San Mateo County Second Unit Center
Photos, right: SDK Design, Soup, San Mateo County Second Unit Center, Valley Home Development
Cost Case Studies

Costs do not incur all at once. From hiring your design team to completing construction, the costs for your project will be staggered and vary over time. Recent projects from New Avenue Homes show that early on, costs are low and mostly for architectural designs, followed by city fees. There might be a lull while you are waiting for permits to be approved, then an increase once construction begins.

PROJECT 1  STUDIO GARAGE CONVERSION

$199,124 over 13 months
Studio/1 bathroom w loft
Garage conversion
469 SF

This converted garage project took 13 months to complete. During the first 2 months, all costs went to design and permit fees. Construction began in month 3 and was paused in month 6 because the windows delivered were the wrong size. The majority of framing and building was completed in months 9 and 10, and the remainder of costs went to finishes and final touches.
$459,386 over 21 months
1 bedroom/1 bathroom
Detached
430 SF

This backyard cottage took 21 months to complete. Costs went mostly to design, engineering and revisions during the first five months, as well as to permit fees. Construction began in month 7, but there was a delay in month 12 because a change in the heat pump required revising the plans. After construction picked up again, a second delay occurred in month 15 when the kitchen cabinets manufacturer ran into a supply issue. The rest of the costs went to finishes, including tile and flooring.

Data for both projects from New Avenue Homes. All costs in 2020 dollars.
GETTING BIDS

To get bids, you will use the construction drawings your designer completed (see pages 56-57). You’ll want to be specific about what the bid should include, and be clear on which costs are covered and which are not. If you did not have complete construction drawings prepared (just drawings for planning), it is even more important to know what assumptions the contractors are making. You should also ask the contractor to include their license and insurance information, references, examples of past work, and a proposed schedule in their bid. Make sure you are asking each contractor to bid on the exact same specifications, so the bids are comparable.

Once you have figured out what you are asking the contractors to bid on, you will need to come up with a list of professionals to ask for bids. Ask friends, family, neighbors, and any homeowners who completed a construction project for recommendations of good local professionals. Your designer may also have recommendations of people they have worked with in the past. You can also conduct your own research to find professionals who might be a good fit.

Contractors with ADU experience can be an asset to the project. However, ADU construction is often similar to other residential construction, so past work on ADUs shouldn’t be an absolute requirement. Once you have your list, contact and request bids from your top choices. You will want to get at least three bids for comparison.
SELECTING A CONTRACTOR

When you have at least three bids, you can begin the selection process. First, make sure you understand all the details of the bids and, if necessary, ask the contractors any clarifying questions. Your architect or designer may be able to help you compare bids and select a contractor. While it may be tempting, selecting the lowest bid is not always the best decision. Generally, there is a trade-off between experience and cost; less expensive builders will have less experience, while those with more experience can charge more. You will need to decide what level of experience you are comfortable with in relation to when they can start your project and overall costs. You will want to check the contractor’s references by reaching out to them directly. If possible, you should see photographs of the referenced projects. Some of the questions for references you may want to ask include:

- What was their overall experience like?
- Were they satisfied with the work?
- Was the project completed on time and within budget?
- What are the contractor’s communication skills like?
- Is there anything they wished they had known before hiring the contractor?

Finally, you will want to consider your personal experience with the contractor, their communication style, whether you feel like you will work well together, and whether they understand your goals. Similarly to when you selected your architect, you want to find someone who fits well with you and with whom you have chemistry. You will need to weigh the fit with costs, past experience, references’ experience, and other factors to decide the best fit for your project.

Department of Consumer Affairs Resources

The California Department of Consumer Affairs is a great resource when it comes to selecting a contractor. They have resources on hiring, checking the status of a contractor’s license, negotiating a clear contract, and resolving disputes. Check out their online resources at cslb.ca.gov/consumers.
Hiring Your Contractor

Before you hire your contractor, make sure to check their license and insurance. You can verify the contractor’s license by calling the Contractors’ State License Board at (800) 321-2752 or check on the web at cslb.ca.gov. Verify insurance by requesting a certification of insurance or by calling the contractor’s insurance agent. Make sure workers’ compensation, property damage, and liability are included. Your contractor will most likely present you with a contract to formalize your agreement. Alternatively, you can present your own written agreement, though this is less common. Review the entire agreement carefully to make sure you understand and are okay with everything. Also, make sure you understand how contingencies and added work will be handled. The contract should address the following:

- Contractor’s license number, name, and address
- Total project cost and payment schedule
- Start date and timeline
- List of work to be accomplished and materials to be used
- Work to be subcontracted (if any)
- Specific terms about what constitutes substantial completion of work
- Any special requests (such as saving scrap lumber, bricks, or homeowner “sweat equity”)
- The terms of warranties
- Whether there is a cancellation penalty
- A provision requiring the contractor to obtain lien releases from all subcontractors and suppliers (to protect the homeowner if a subcontractor claims they weren’t paid)
- Plan for cleanup and removal of material and debris
- Requirements for protecting property and landscaping
- Areas where materials may or may not be stored
- Instructions regarding children or pets
- Notations about what costs are not covered
The payment schedule should be a dated plan that shows when you will make payments based on construction completion milestones. For example, you might pay 20% after the building enclosure is complete, 25% once the exterior finish carpentry is complete, etc. California law requires that no more than 10% or $1,000 be paid up front, whichever is less, and it’s generally a good practice to withhold 10% of the total project cost until all work and inspections are completed. Do not sign the contract until you fully understand and agree with all the terms.
Once your contract is signed, your contractor will start work according to the schedule you agreed upon. It’s a good idea to have your designer, yourself, and your contractor go through the work in detail as your contractor may have questions and may suggest construction cost savings related to the design of your ADU. Your contractor will lead the construction process, but you have the following responsibilities during the process:

**Communicate** Keep in touch with your contractor and ideally set up a schedule for checking in.

**Monitor** Regularly walk through the construction area to monitor the quality of the work and to make sure the work is progressing the way you expect.

**Decide** Be prepared to make decisions about the details—light fixtures, appliances, and other materials—in a timely manner so your contractor can stay on schedule.

**Adjust** Follow the contract you agreed to, including any changes as described specifically in a change order form.
These estimates are for traditional construction—prefab will typically be faster.

Inspect Although your contractor will usually arrange the required city or utility inspections, it is your responsibility as property owner to make sure that the inspections are conducted as required.

Traditional construction will take 6-12 months, though this will vary depending on the specifics of the project. Stages of construction include:

- **Site preparation**: 1-2 months
- **Foundation**: 1 month
- **Walls, roof, doors**: 1-2 months
- **Plumbing & electrical**: 1-2 months
- **Insulation & drywall**: ½-1 month
- **Fixtures & finishes**: 1-2 months
- **Final touches**: ½-2 months

Any changes to the original agreement should be reflected in a change order form signed by both you and the contractor. Change order forms describe the specific change and any corresponding change to the project price or timeline. Changes to size, height, position, or outside finish could require review by the city. During construction, your ADU will be inspected multiple times to ensure it is being built according to the permitted plans. Typical inspection points include building, plumbing, mechanical, electrical codes, and sometimes fire, water, or public works. You will also need to apply for an address for your ADU—check with your city as the exact process varies by location. The building permit (which must be posted on-site) will state the required inspections and the order in which they should be performed.

*Photo: Timbre Architecture*
SPOTLIGHT DOWNSIZING FOR MORE FREEDOM

JULIE & TIM

My husband was raising two boys full-time, and when we got married, the oldest was graduating from high school soon and the youngest wanted to go to boarding school. We told him if he could get himself in, he could go, and he did. Our house is on the small side, around 1,100 square feet, but now we had two extra bedrooms and an under-used backyard. So, we thought why not build another unit and invest in our biggest asset? I’m not sure from the onset if we knew what we would do, but by the time the project was complete, we knew we’d live there.

It was an easy enough transition. We already didn’t have a ton a stuff and without the kids we could get rid of more. We designed the ADU for outdoor living, with a single-car garage door that opens up to make the space larger, and we use the front yard for entertaining. We rent out the house to a single woman with a four-year-old, who is an interior design buyer and keeps it immaculate.

It’s simpler and easier to live in an ADU. We have a smaller footprint with less stuff and will be able to have the mobile lifestyle we want. Before, we were both working full-time in San Francisco and killing ourselves. Now, we don’t need two incomes. Eventually we hope to live six months here and six months of the year in places like San Jose del Cabo, Mexico.
Construction is complete, and now it’s time for someone to move in. This may be you, a friend, a family member, or a tenant. If it is a renter there are plenty of resources to help you become a landlord, including organizations that can help you manage your unit if you want. By the end of this chapter, you will:

- Understand how to be a landlord, including relevant laws
- Have an idea what your unit may rent for
- Know how to search for and select a good tenant
- Know the key parts of a lease and where to go to find one
Being a landlord comes with a number of responsibilities that can be addressed by making sure you follow a structured, well-thought-out series of steps, summarized below:

**Preliminary steps** Prepare to rent your unit by getting insurance, setting up utilities, creating a street number, and developing a plan to handle the finances.

**The law and being a landlord** You will need to understand all the laws related to being a landlord, especially with regards to discrimination. For an overview of California laws, review *California Tenants: A Guide to Residential Tenants’ and Landlords’ Rights and Responsibilities*, published by the California Department of Consumer Affairs.

**Setting the rent** Learn how to establish a fair rent that will attract and keep good tenants. Maximizing the rent is often not the only consideration.

**Rental leases** Make sure your lease (or rental agreement if it is month-to-month) clearly identifies all of the expectations for you and your future tenant.

**Finding a tenant** Understand how to successfully advertise your unit and select a good tenant.

**Tenant management** Have a long-term plan for the care and upkeep of your ADU, and how to address any issues with your tenant.

**Help for Landlords**

Property managers will help find and screen tenants and will deal with tenant complaints, schedule repairs, and collect rent payments for you. In exchange, you pay a percentage of the rent to them. Often, property management companies charge as little as 5% of the rental income plus a one-time fee when finding tenants. You can search online for companies and reviews. If you are nervous about being a landlord, this is a good investment because they will handle much of what is covered in this chapter. You can always start with a property manager and reconsider if you decide you want to take on the responsibility.
PRELIMINARY STEPS

Before you start looking for a tenant, there are several things you will want to consider and address first.

**Obtain insurance** You’ll need to notify your homeowner insurance company about your ADU. Regardless of how you intend to use your unit, your insurance will go up because your policy will need to cover more. Different insurance companies charge different amounts, so it is a good time to shop around. Be sure to consider if your policy covers personal injuries and losses from fire, storms, vandalism, and theft.

**Have an accounting plan** Working with an accountant or tax advisor, at least initially, can help you understand how to plan your ADU finances and pay your taxes. This will help you set up good systems and know what to expect. The law is complicated, but the good news is that many of your ADU costs count as deductions. Keeping accurate records of your income and expenses (including proof of all expenses) and understanding the depreciation schedule process (which allows for deduction of some construction costs) will help maximize deductions. You can obtain an accountant referral at calcpa.org.

**Set up utilities** Prior to advertising your unit, you will want to make sure all utilities are set up and that you have a plan for who will pay for what. If gas or electric utilities are shared or if the tenant’s meter covers common areas, then you must disclose to your tenant that utility meters are shared and have a written agreement for who will pay for the shared utilities. California law does not specifically regulate how landlords bill tenants for water and sewer utilities.

Due to recent wildfires in the region, it is important to check with your existing homeowner insurance company to determine if building an ADU on your property will have impacts on your insurance due to fire-related policies, based on the location of your property and the history of fires in the region.
FAIR HOUSING LAW

Disclaimer: This section provides information about California fair housing law, but does not provide legal advice.

You’re probably aware that there are numerous laws that impact rental housing in California. As a landlord of an ADU, one important consideration is state fair housing laws. (Federal fair housing laws and rental control typically do not apply to ADUs.) Under state fair housing law, it’s against the law to discriminate against potential tenants on the basis of certain characteristics. You should know this information before you meet with your first potential tenant.

Discrimination can take many forms, including denying a person housing, telling a person that housing is not available when it actually is available, stating a preference in advertisements, or charging a higher deposit.

In California, individuals are protected from housing discrimination based on the following categories:

- Race, color
- Ancestry, national origin
- Religion
- Disability, mental or physical
- Sex, gender
- Sexual orientation
- Gender identity, gender expression
- Genetic information
- Marital status
- Familial status
- Source of income (e.g., alimony, Section 8 vouchers, etc.)

Discrimination can also be refusal to make reasonable accommodation for a person with a disability. Avoid saying things like “ideal for a couple” or “perfect for a student” because these can be considered discrimination against families. Project Sentinel (housing.org) is a great resource to learn more.
SETTING THE RENT

As you get ready to advertise your ADU, you will need to set the rent. Setting the right rent for your ADU will depend on the current rental market, location, size, design features and layout, and nearby amenities.

You’ll also want to consider setting the rent a bit under market rate. Even very small discounts will attract a lot of applicants, which often leads to a greater pool of longer-term applicants. The longer your tenants stick around, the less time you will spend finding new renters. Setting the rent a bit below market rate can also make your unit more accessible to community members like teachers, firefighters, or nurses. You can use our calculator (calculator.adumarin.org) to see rents in your area for similarly sized units.

Consider the following as you determine the rent:

**Research rental prices for similar units** Find out how much rent others are charging for comparable units. Look on sites like Craigslist, Zillow, RENTCafé, and Trulia.

If you would like to rent to a community member, consider setting your rent below these rates.

**Location** Location is the key factor that commands higher rent. If the property is in a convenient and popular location (e.g., near popular areas, employers, public transit, or schools) it will command a higher rent.

**Desirability of your unit** The location, size, and layout of the unit affects the rental value. High-end finishes and appliances (including a dishwasher and washer/dryer), as well as contemporary design elements, can command higher rent.

If you plan to work with a property management company or rental agent, they will help you set the rent. These professionals typically have a keen understanding of local rental markets and can assess the positives and negatives of your rental property to set the appropriate rental price.
### Average Rent for Marin County

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Analysis based on data from CoStar, Trulia, and Zillow (July 2020)

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### Renting to a Community Member

Many homeowners are motivated to rent their ADU to a school teacher, firefighter, or other community member who might otherwise have to commute a long distance to find a home they can afford. Consider giving the school district, local preschools, your place of worship, restaurants, grocery stores, or others a call so they can tell their employees.

Setting a rent below market rate can help attract great local renters. The Marin Housing Authority’s Landlord Partnership Program (marinhousing.org/landlord-partnership-program) aims to expand rental opportunities for families holding housing choice vouchers. The Real Community Rentals Program (realcommunityrentals.org), an initiative of the Community Land Trust Association of West Marin (CLAM), offers incentives for homeowners to create rentals on their property and set rents at reasonable levels.
Before you advertise the vacancy or seek a renter, you should prepare a lease that will specify all of your requirements for the tenant. A lease agreement is a legal contract that will give each party the security of knowing they hold the other responsible for upholding their end of the arrangement. The lease or rental agreement should follow the law while documenting the concerns both parties will have when entering into such an arrangement.

There is no one best resource for what you should cover in your lease or rental agreement. Generally, you can find sample leases online. Visit adumarin.org for homeowner resources. Nolo, a publisher of self-help legal guides (nolo.com), has high-quality paid resources as well. The California Department of Consumer Affairs booklet California Tenants: A Guide to Residential Tenants’ and Landlords’ Rights and Responsibilities is another helpful resource (available hcd.ca.gov/manufactured-mobile-home/mobile-home-ombudsman/docs/tenant-landlord.pdf).

Renting to Friends or Family

If you’re renting to a friend or family member, you will still want to prepare a lease for both of you to sign. This will establish clear terms and avoid future problems. You can also write guidelines about how you plan to live together.
Your Lease Terms

Use this space to plan important decisions about your lease terms.

- What is the rent?
- When is rent due and how will it be paid?
- What is the security deposit?*
- Is your lease fixed-term or month-to-month?
- At the end of the rental period, does the lease terminate or turn into a month-to-month rental?
- Does the unit include parking?
- Do you allow pets? If so, what type? How many? Size restrictions?
- Does the rent include utilities such as water and gas?
- Do you allow smoking or marijuana use?
- Do tenants have access to any shared spaces (yard, storage, etc.) and, if so, what are the terms?
- Are you limiting the number of tenants?**
- Are short-term rentals like Airbnb allowed in your city for your ADU and, if so, are you allowing tenants this option?***
- Is there anything else will you include in your lease?

* As of September 2019, California law says you may charge up to two months’ rent or three months’ rent if the unit is furnished.

** Landlords can generally limit the number of tenants to two people per bedroom plus one person (e.g., five people for a two-bedroom apartment).

*** Short-term rentals are illegal in some cities, so make sure to check the laws in your city. As of September 2019, the following jurisdictions in Marin County limit or prohibit short-term rental of ADUs: Corte Madera, Larkspur, Mill Valley, Novato, Ross, San Anselmo, and Sausalito. However, new state laws effective January 2020 require cities to limit ADU rentals under 30 days in certain cases. Please see adumarin.org for more details.
FINDING A TENANT

You may want to follow the steps below to advertise your unit and find a tenant. If you choose to do a rental application, credit check, background check, and/or reference check, you must require them for all prospective tenants in order to comply with fair housing laws. Also, check with your city to see if short-term rentals are allowed.

Advertisement The first step to finding a good tenant is to advertise your unit. You will be most effective if you use high-quality photos and include information on rent, size, layout, approximate location, special features, and any requirements. Many people in Marin County advertise on Craigslist, but you can also consider a property sign, advertising with local institutions (schools, employers, etc.), other online advertising (Trulia, Zillow, Nextdoor, etc.), public bulletin boards (community centers, churches, etc.), and word of mouth.

Rental application You will need to prepare a written rental application to give to prospective tenants when they view your unit. Collect information requested on the application for each adult who will live in the unit. Free sample rental applications are available online, or you can contact a legal publishing company like Nolo (nolo.com).

Open house Next you will be ready to show your unit to prospective tenants. You can advertise and hold an open house, or arrange individual showings with potential tenants. Having an open house is often more efficient, but setting up individual appointments allows you to select the most promising tenants. Make sure to have all interested potential tenants complete your written rental application.

Tenant selection Once you have applications, it’s time to select a tenant. It’s recommended that you develop written, fair criteria that you will use to judge applicants and apply the criteria consistently with all applications. This will help ensure that you comply with fair housing law. Review the applications and select the tenant(s) that are the best fit for you and your property based on your criteria.

Credit check You may want to run a credit check on potential tenants to evaluate if they are financially stable. Credit reports are issued by the three major bureaus: TransUnion, Experian, and Equifax. You will need to verify that you are a landlord before you can run a credit check. The report will include your potential tenant’s credit score, ranging from 300-850, and past financial information.

Free Tenant Matching Services for Seniors

HomeMatch (covia.org/services/home-match) helps seniors screen for roommates, including seeking housemates who can help with basic household activities in exchange for reduced rent.
A score above 620 is considered good for a rental application. If you have trouble understanding the credit report, there are third-party companies that can provide easier-to-understand reports.

It is important to note that some potential tenants may not have a credit score. This can occur when someone is financially stable, but is debt free and prefers to pay with cash. In this case, rely on a reference check of past landlords.

**Background check** You will also want to run a background check on potential tenants using a verified tenant screening company. The Consumer Financial Protection Bureau (consumerfinance.gov) has compiled a list of approved companies for tenant screening. The background check will show a number of things like any criminal record (including running the name on the sex offender database), whether they have ever damaged any property, and whether they paid rent on time. You can charge a reasonable fee to cover your costs for the credit and background checks.

**Reference check** You’ll also want to check the applicant’s references, including past landlords, employers, and financial institutions. It’s recommended that you speak to several past landlords, not just the current one.

**Lease** Once you’ve selected the tenant(s) and they accept, you will need to sign the lease or rental agreement you prepared. You should collect the security deposit and the first month’s rent when you sign the lease. It’s also recommended that you conduct a move-in inspection with your tenant(s) and that you and your tenant(s) retain a record of the results of the inspection.
Once your tenant has moved in, you’ll still have ongoing landlord responsibilities.

**Maintenance** It is your responsibility as a landlord to maintain a “habitable” unit per state law. Regardless, it is best practice to keep your unit well-maintained to keep your tenant happy. Except in the case of an emergency, you will need to give your tenant(s) 24 hours’ notice before you or any maintenance people enter the unit.

**Rent increases** Generally, if your tenant is on a lease you cannot increase the rent during the lease term. When the lease expires (or in month-to-month tenancies), you can increase the rent as you see fit. Beginning in January of 2020, the Tenant Protections Act now provides rent cap protections for qualified rental housing in California. However, ADUs built in the 15 years before 2020 are exempt from this law.

Property owners with ADUs built in the 15 years before 2020 may increase the rent as much as they want, so long as they give month-to-month tenants notice at least 30 days in advance for increases of 10% or less, and 90 days for increases exceeding 10%. Governor Newsom has also set rent increase limits during a state of emergency not to exceed 10%.

**Eviction** Hopefully you and your tenant(s) will not have problems, but if problems do arise that cannot be resolved, you will need to consider eviction. It’s recommended that you work with a lawyer if eviction is necessary. State law mandates a judicial eviction process, which is best handled by a lawyer.
Next Steps

Congratulations!

By completing this workbook, you’ve taken a big step towards developing your ADU.

As with any major construction project, there will be surprises along the way. By working closely with your city and project team and by following the advice in this workbook, you can get through any challenges. ADUs are a uniquely win-win type of housing; they can help you meet your family’s needs and can play an important role in addressing the housing needs of Marin County. By adding an ADU to your property, you can be part of the solution. The goal of this workbook is to serve as a solid foundation to help you get started, and as a tool to lean on as your project progresses. Let us know how we did! We welcome your feedback about this book or any other ADU topics.

Best of luck with your project, and thank you for helping create more affordable housing in Marin County!
Certificate of Completion

This is to certify that

has completed the ADU Workbook and is now ready to begin design and development of their second unit. These efforts will increase the availability of much-needed housing.

CONGRATULATIONS!
ACKNOWLEDGMENTS

Marin ADU is a partnership between the County of Marin and ten cities and towns: Belvedere, Corte Madera, Fairfax, Larkspur, Mill Valley, Novato, Ross, San Anselmo, Sausalito, and Tiburon, designed to support and inform homeowners in Marin County who are interested in building ADUs. This work is supported by a grant awarded by the California Department of Housing and Community Development as part of the SB 2 Planning Grant Program. As a part of these efforts, this workbook was created by Baird + Driskell Community Planning.

Special thanks to Jillian Zeiger at the County of Marin and all the staff throughout the county that made this possible.
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