Case for Accessory Dwelling Units (ADUs) in California and Beyond

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The Market for ADU’s

AKA: Accessory Dwelling Units, Granny Flats, Casitas, In-Law Units, Secondary Units, Laneway Units, Mother-in-law Units, Studio Apartments, Carriage House, Auxiliary Unit, Garden Cottage, Etc, Etc.....
SavCo

My Lifelong Residential Construction “PassThrough”

- Framer 1968-69 Laguna Beach Ca.
- Project Manager 1970-72 Twin-Lakes ID.
- Custom Homebuilder/Remodeler 1973-87 Sandpoint ID.
- Remodeler 1988-90 Palm Springs to Salten Sea CA
- Editor *Journal of Light Construction Magazine* 1991-95
- VP Sales/Producer JLC LIVE Training show 1995-99
- Producer Bob Vila.com Showhomes 2000
- Co-President Building Media Inc. 2002-17
- Building Technology Consultant – Cusado & Co.
Building Media Inc.
Continuing Education to the Trades

• Online Training, Live Demonstrations, Show Houses
  • Architects, Engineers, Code Officials, Builders & Remodelers

• Demonstration Projects using SIPs
  • Michigan Code College – Frank Baker video interviews
  • JLC LIVE SIP construction demos
  • Sarah Susanka’s Home By Design Show House (IBS Las Vegas Stardust, 2004)
  • Sarah Susanka’s Not So Big Show House (IBS Orlando, Fl 2005)
  • SIPA sponsored, live SIP installation demo at IBS with Mike Morley

• Building America Research Alliance
  • Energy efficiency training and education outreach.
    Cool Energy House SIP addition
What is an ADU?

An ADU is a secondary dwelling unit with complete independent living facilities for one or more persons and generally takes three forms:

- **Detached**: The unit is separated from the primary structure
- **Attached**: The unit is attached to the primary structure
- **Repurposed Existing Space**: Space (e.g., master bedroom) within the primary residence is converted into an independent living unit
- **Junior Accessory Dwelling Units**: Similar to repurposed space with various streamlining measures
Addressing a National Housing Crisis: Lowering Regulatory Barriers

NIMBY VS YIMBY

• 2017 California State Senator Wieckowski authored Senate Bill 1069

• Reduces local regulatory barriers to construction, which requires that each city in the state have a ministerial process for approving secondary units.

• Removes the most egregious obstacles to building these units will help to increase the supply of affordable housing in California.”

• “SB 1069 returns more power to homeowners and reins in some of the enormous fees and requirements levied by local agencies.
Reduce Parking Restrictions

- SB 1069 reduces parking requirements to one space per bedroom or unit. The legislation authorizes off-street parking to be tandem or in setback areas unless specific findings such as fire and life safety conditions are made. SB 1069 also prohibits parking requirements if the ADU meets any of the following:
  - Is within a half mile from public transit.
  - Is within an architecturally and historically significant historic district.
  - Is part of an existing primary residence or an existing accessory structure.
  - Is in an area where on-street parking permits are required, but not offered to the occupant of the ADU.
  - Is located within one block of a car share area.
Eliminate/Reduce Fees

• SB 1069 – “ADUs shall not be considered new residential uses for the purpose of calculating utility connection fees or capacity charges, including water and sewer service.”

• Prohibits jurisdiction from requiring ADU applicant to install a new or separate utility connection or impose a related connection fee or capacity charge for ADUs that are contained within an existing residence or accessory structure.

• For attached and detached ADUs, this fee or charge must be proportionate to the burden of the unit on the water or sewer system and may not exceed the reasonable cost of providing the service.
Bottom Line: No Total Prohibition

“SB 1069 prohibits a local government from adopting an ordinance that precludes ADUs.”
Case Study: Santa Barbara CA

Notes on Wieckowski Meeting

• 1990-2016 – 12 ADU Permits
• Today – 200+ ADU Permits currently in process!
• HD working on ADU Kit
• Banks are working on ADU Financing.
• If cities don’t comply with adu law they lose all their ordinances.
• Ministerial design review only
• 120 days total time or “judge can issue permit”
• Assessor will adjust property value.
• Fees must be proportional to size of existing unit.
• Average cost 26% of stand alone.
Cusado & Co -- Kit Homes

- Accessory Dwelling Units -- ADUs (Granny Flats, In-Law Units, etc.)
- Pocket neighborhoods
- Trailer park retrofits
- Temporary-to-Permanent Disaster Housing

Pivot to Big Pine Key, FL
Company Vision:

*Design, Permit, Finance & Install ADUs that are energy efficient, durable, safe, & affordable.*

- Kit-House in a Box
- Sold by the room – core unit + bedrooms
- Easy-to-assemble –
  - All components, 2-person transportable
  - Mid-level skill “installers”
  - DIY friendly
- Permitting --
- Financing – Total Cost of Ownership (TCO) based loans
“Leaning” Construction Processes

Review every step -- is there a better, cheaper, faster way?

• Introduce new materials and technologies
• Reduce/Eliminate high-skilled, high-priced contractors
  • Use certified, mid-level installers – “Task Rabbits”
  • Or DIY’ers (with detailed, barcoded “how-to” instruction)
• Innovate Financing
  • Total Cost of Ownership
  • Online (Quicken Loans)
• Streamline Permitting
  • Expedited ADU Permitting & Inspections
  • Artificial Intelligence
Re-Think Foundations -- Helical Piers

- **Faster**
  - Two men, half day, 6 piers
- **Cheaper**
  - $500/pier average with 14’ embedment
- **Better**
  - Eliminate soils engineer/reports
  - Eliminate concrete forms
  - Eliminate concrete placement, pumping
  - Un-screw and use again
Re-Think SIPs
Perfect Wall vs. Dream Wall

- **Floors**
  - Weather resistive exterior skin (bottom)
  - Flooring-ready interior skin

- **Walls**
  - ONE Exterior skin
    - LP SmartSide panel w/seam battens
  - ONE Interior skin
    - LP FlameBlock (MGO coated OSB panel)
    - Tape and skimcoat
    - Intumescent paint

- **Roof**
  - LP FlameBlock (MGO coated OSB panel)
  - Pre paneled?
Re-Think Mechanicals

• Pre-fab Plumbing/Electrical Wall
  • Factory inspected rough-in
  • “SharkBite” connectivity

• Power Over Ethernet (POV)
  • Lighting and digital appliances over CAT 5
  • Limited 110 circuits (in wiremold baseboards)

• Mini-Splits
  • Cassette distribution in conditioned attic spaces

• Solar Ready
Re-Think Interiors

• Ikea Cabinets
• Replace Closets with Wardrobes (Stone International)
• Floating “snap-together” flooring
• Tape/Glue-on paneling
Construction Aggregator

• Amazon sells 60% of products
• Innovative Financing – TCO
• Permitting with Artificial Intelligence
• Flat-pack shipping
• Zero Waste
  • SipBox
The Competition
Thank you