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What to know about ADUs in Los Angeles

These small residences could help solve California's housing shortage

By Elijah Chiland | May 29, 2018, 10:25am PDT



"Accessory dwelling unit" is a technical term for a granny flat, in-law unit, or other supplementary residence. | Photo courtesy Cover

Amid a <u>profound housing shortage</u> that's driving up rents and property values statewide, California officials and real estate experts are looking to an often overlooked form of housing as a potential solution: the in-law unit.

Thousands of Angelenos already live in back houses and granny flats (officially called "accessory dwelling units"). New <u>state policies passed in 2016</u> make construction of these small residences simpler.

ADUs can provide an easy source of rental income for homeowners and low-cost housing for renters. They also add <u>manageable density</u> to single-family areas where new apartment complexes would be difficult to construct.

But trying to build one isn't necessarily easy, and navigating local rules regulating what is and what is not allowed on specific properties can be difficult, given that the state rules give local governments a lot of leeway to make their own regulations.

That's why we've compiled a list of things to know about ADUs if you're thinking of building one, moving into one, or both.



Most single-family homeowners can build ADUs

State law allows homeowners in single-family neighborhoods to build an accessory dwelling unit as long as there's room for it on their property. How much room? A detached ADU will need to be at least 10 feet from the main residence and 5 feet from any property lines.

Cities and counties can customize the state regulations to some extent. The Los Angeles County Board of Supervisors approved <u>new rules</u> last week; the city of Los Angeles is working on its own ADU ordinance; <u>Santa Monica</u>, <u>Glendale</u>, <u>Pasadena</u>, and <u>Long Beach</u> have already approved city-specific guidelines for the dwellings.

Local governments can further restrict setback and size requirements for ADUs. For example, Pasadena's rules ensure that a detached ADU can't be built less than 10 feet from the rear of a parcel, as opposed to the 5 feet required by the state.

One big element of the new state law is that cities can't require parking for ADUs within a half-mile of a major public transit stop. That means that a lot more people will be able to construct them without also figuring out how to add a parking space—or clearing out clutter from their garage.

The units don't have to be detached

Speaking of clearing out clutter from the garage, ADUs *can* be established in existing structures, including pool houses or underused garages. Homeowners can even convert a portion of their existing residence into an ADU, as long as it has its own entrance, a kitchen, and at least one bathroom.

An ADU can also be built atop an existing garage or as an addition to the main residence.



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Pre-fabricated units

Prefabricated units are another option, though they will need to conform to any local requirements in terms of size and design style. Local companies such as <u>Cover</u> and <u>Minarc</u> offer <u>prefabricated dwellings customized to local standards</u>. Such services are convenient, but not necessarily cheap. (A basic model from Cover without a kitchen or bathroom sells for \$110,000.)

Size requirements

Under state law, the size of an ADU attached to the main house is limited to a maximum of 1,200 square feet or half the size of the existing residence, whichever is smaller. Detached units can't be larger than 1,200 square feet.

Some cities require ADUs to be even smaller. In Santa Monica, all types of ADU can be up to 650 square feet in size; in Glendale, they are limited to a maximum of 600 square feet.

To get a sense of what the rules are in the city of Los Angeles, check out this handbook from UCLA's CityLab, which explains the state standards. Since the city hasn't settled on its own guidelines yet, these are the standards now being used in LA.

Will you need a permit?

In Los Angeles-area cities, and in unincorporated Los Angeles County, homeowners will need to run plans for the project by their local department of building and safety. For ground-up construction, that means diagrams and exact measurements will need to be included. If a project is especially complex, homeowners may want to seek assistance from a licensed architect.

Once the project is built, homeowners will need to obtain a certificate of occupancy before anyone moves in. That means the structure will need to be inspected, and that its electricity, plumbing, and heating system will all need to be in working order.

The airstream trailer in your backyard is not an ADU

While the definition of "accessory dwelling unit" is loose, it doesn't include recreational vehicles like campers and RVs—at least not yet. In the city of Los Angeles, new ADU standards being workshopped by city officials would allow for a new category of dwelling called "moveable tiny houses."

These are units that can be hitched to a vehicle and wheeled around, while providing all the features of an ADU when stationary (a bathroom, kitchen, and living space). For now, though, these residences on wheels cannot be permitted as ADUs.

How much will it cost?

Whether homeowners decide to build a new back house, order a prefabricated unit, or add on to their existing residence, the cost of constructing the project is likely to be significant.

An <u>analysis</u> from the county of Santa Cruz found that the average cost of construction was nearly \$150,000—though the median was \$86,500, suggesting many residents figured out how to keep costs down.

Homeowners who don't have that kind of cash on hand will need to take out a loan for construction, and that's not always easy. Those with equity built up in their home may be able to obtain a <u>second mortgage or agree to a cash-out refinancing deal</u>. Other prospective builders may be stuck trying to obtain personal loans or running up credit card bills, since most banks don't offer special financing deals for ADUs.

ADUs may make properties eligible for rent control

Because of the <u>Costa Hawkins Rental Housing Act</u>, rent control laws in Los Angeles only apply to buildings constructed prior to October 1978, when the city's <u>Rent Stabilization</u> <u>Ordinance</u> went into effect. Single-family homes are also excluded from rent control requirements. But owners who build and move into an ADU, offering their existing homes as rentals, will trigger rent control on the main residence, if it was constructed before 1978. Since the ADU adds a unit to the property, the single-family categorization no longer applies.

ADUs can be listed on Airbnb-in some cities

State rules leave it up to local governments to decide whether ADUs can be listed on short-term rental sites like Airbnb. Some, like Santa Monica, Long Beach, and Los

Angeles County, have chosen to ban ADUs from short-term rental use in order to encourage owners to lease them out for longer periods of time.

Homeowners aiming to build a rental unit for vacationers should definitely check local rules in their area before starting on the project.

ADUs aren't just for housing

ADUs might be a solution to the housing crisis, but they don't have to be used to house someone. Some homeowners may just want some extra space for an office—or a yoga studio—that can also be used as a guest room.

With that being said, owners who are just looking for some extra room probably don't need to bother getting all the necessary permits to build an ADU—most photo labs and fitness rooms don't need a separate kitchen.

A standard addition permit may be an easier way to add that flex space.

- A new tool tells Angelenos what kind of ADU to build in their yard [Curbed LA]
- New state rules make it easier to build in-law units in Los Angeles [Curbed LA]
- Why tiny ADUs may be a big answer to the urban housing crisis [Curbed]