



WELCOME



EDUCATION FOUNDATION
CALIFORNIA ASSOCIATION OF REALTORS®

ADU Forum

Big Opportunities in Small Spaces

AGENDA

9:30 AM - 10:00 AM

Check-in & Grab Refreshments

10:00 AM - 10:15 AM

Welcome & Opening Remarks

10:15 AM - 11:00 AM

Session 1:
ADU Laws & Permitting

11:00 AM - 11:45 AM

Session 2:
Project Planning & Financing

11:45 AM - 12:30 PM

Lunch Break & Sponsor Showcase
(Back Patio)

12:30 PM - 1:30 PM

Session 3:
Construction Options

1:30 PM - 2:30 PM

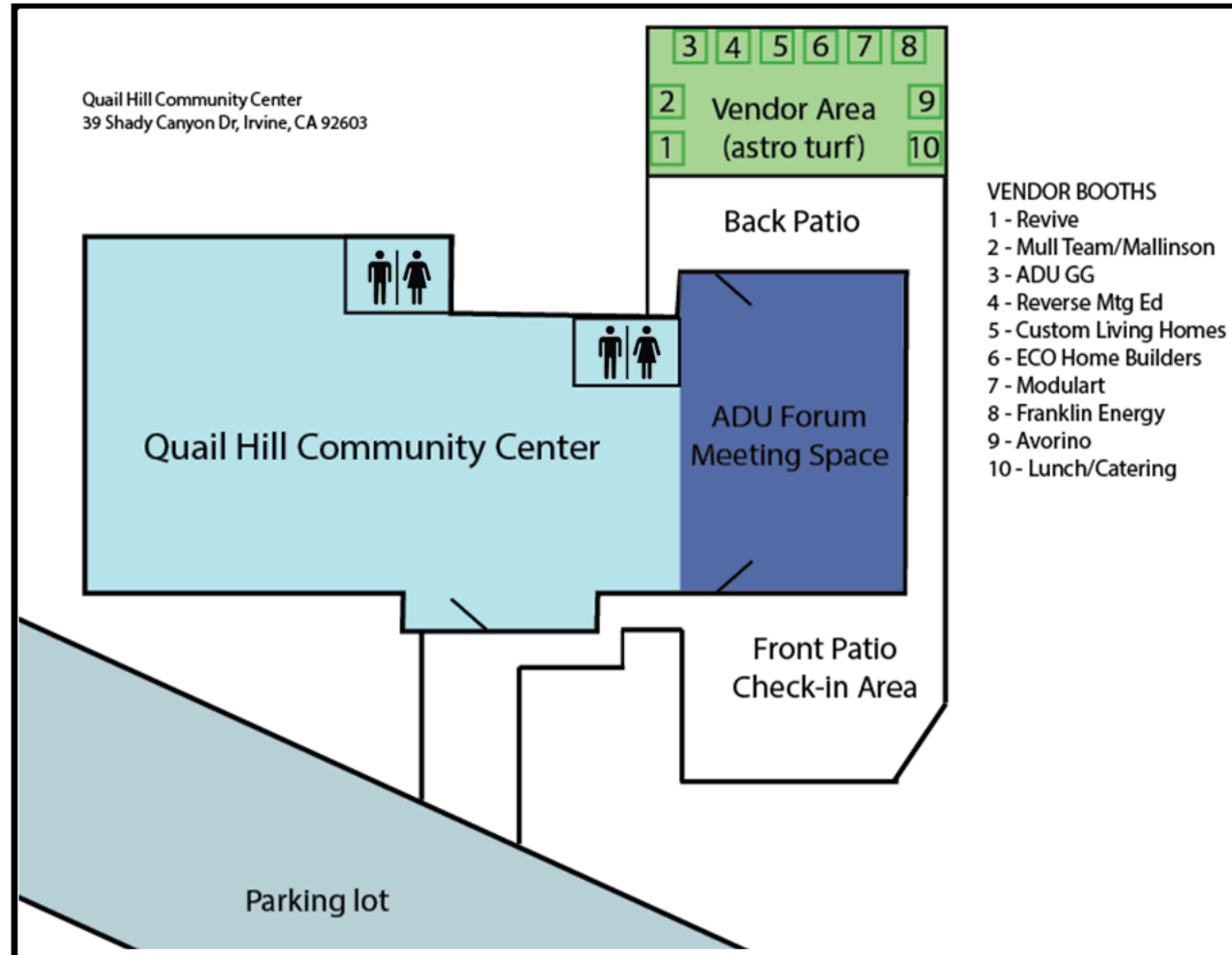
Networking & Resource Fair
(Back Patio)

HAVE QUESTIONS?



Scan the QR Code
**to submit
questions
to the speakers.**

MAP



THANK YOU TO OUR VENDORS & SPEAKERS



CALIFORNIANS FOR
HOMEOWNERSHIP



Session 1:


ADU Laws



CALIFORNIANS FOR
HOMEOWNERSHIP

Basics of ADU Law

Matt Gelfand | Californians for Homeownership



Californians for Homeownership is a C.A.R.-backed 501(c)(3) organization that works to address California's housing crisis through impact litigation.



Some Caveats

- This is a very broad overview.
- We do not represent private parties.
- We cannot provide project-specific advice.



CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT

ACCESSORY DWELLING UNIT HANDBOOK

January 2025



Three Categories of ADUs

State-Mandated ADUs

Ordinary Required ADUs

Optional ADUs

State-Mandated ADUs (§ 66323)

Single-Family	Multi-Family
<p>One Conversion ADU & JADU:</p> <ul style="list-style-type: none">• Converted from existing space, with up to 150 sqft. ingress addition.• Must have exterior access.• Can eliminate required parking.	<p>Multiple Conversion ADUs:</p> <ul style="list-style-type: none">• Must be converted from non-livable space (storage, garages, etc.).• Up to one unit for every four units in the main dwelling.
<p>One 800 Sqft. Detached ADU:</p> <ul style="list-style-type: none">• 4-foot side/rear setbacks.• Height limit of 16/18/20 feet.	<p>Multiple Detached ADUs:</p> <ul style="list-style-type: none">• Up to 8 units (or 100% of existing)• 4-foot side/rear setbacks.

Ordinary Required ADUs

- Can set objective local standards, but:
 - Must allow attached and detached.
 - Must allow up to 800 sqft., or 1,000 sqft. for 2-bedroom ADUs.
 - Must allow at least 16, 18, 20, or 25 feet in height.
 - Restrictions on FAR, open space, etc. are limited.
 - Usually no parking requirements.
 - Cannot be denied based on conditions on the property outside of the footprint of the ADU (legal nonconformities, code violations, etc.)
- Application must be considered ministerially, with no public hearing, within 60 days.



Optional ADUs

- Extra-Large ADUs
- Tiny Homes on Wheels
- Additional ADUs

Other ADU Issues

- Limits on Fees:
 - No impact fees for ADUs under 750 sqft.
 - Proportional impact fees for other ADUs.
 - Limited or no utility capacity charges.
- Special Cases
 - Coastal Zone
 - HOAs



Matt Gelfand

matt@caforhomes.org

Session 1:

Permitting Process

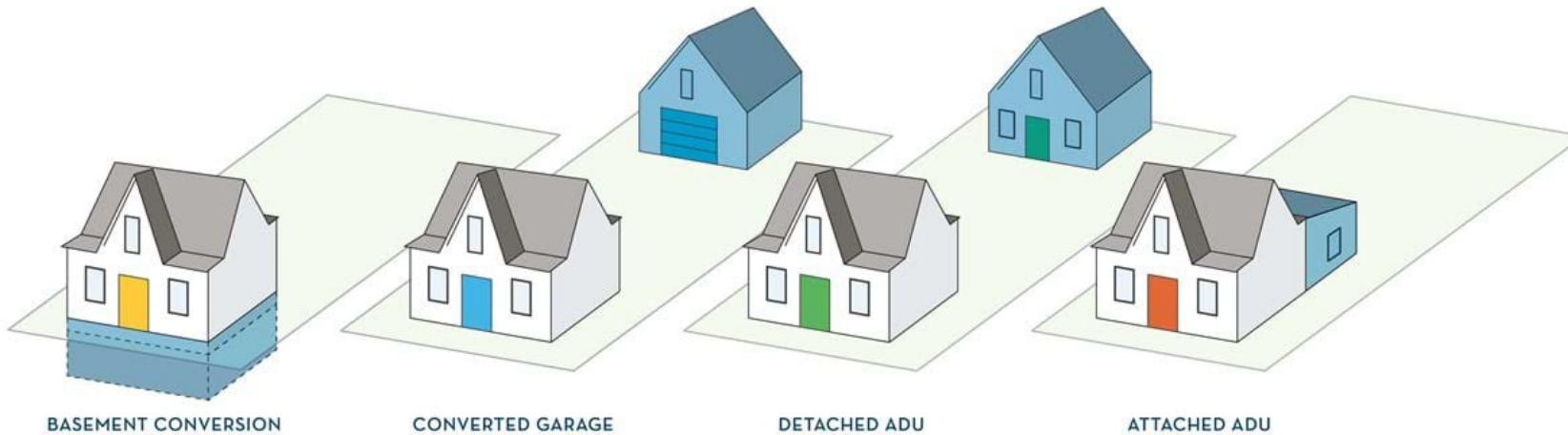


Session 2: Project Planning



ADU

WEST COAST





Overview

- What is an ADU? (Accessory Dwelling Unit)
- Benefits of ADU's.
- Average Cost of ADU's. (what to look for)
- What to look for with Cost?
- Rental Scenarios for ADUs
- Steps in Building an ADU
- Average Time of Construction job
- Pre-Engineered Plans – Check out website
- Q + A (follow us on social media)



Over the Garage



Garage Conversion



Stand-Alone Unit












Basement or Attic Conversion

What is an ADU?

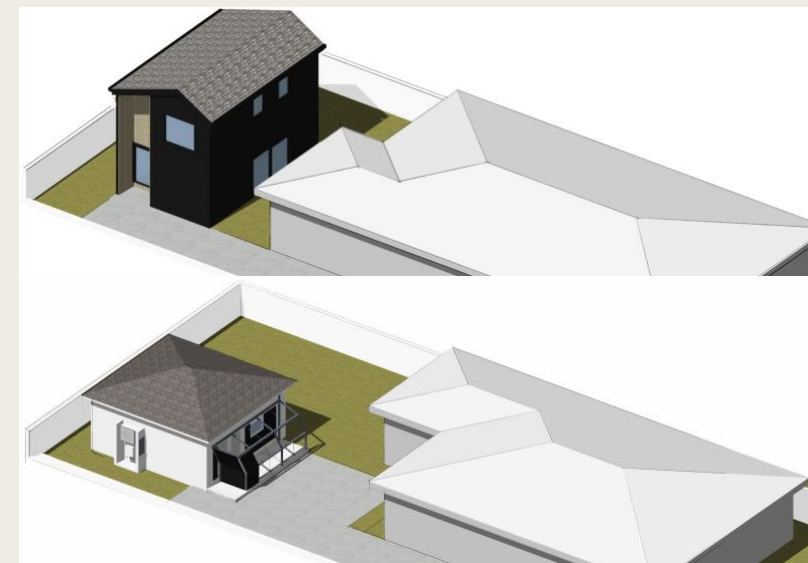
- An ADU is a second or third house with complete independent living facilities which includes a kitchen, bathroom, etc.) for one or more persons. See below for different types of ADU's.
- ADU's stand for "Accessory Dwelling Units" are also called granny flats, in-law units or backyard cottages.) California's 2020 ADU laws lifted many restrictions, allowing up to two additional units per lot (one ADU + one Jr. ADU) on single-family properties

What else can ADU's be used for?

-  Elderly Care
-  Music Studio
-  Office Space
-   Workout/Yoga Studio
-  Art Space
-  Guest House
-  Entertainment area
-  Income property

What are benefits of ADU's

- ADUs can provide a **source of income** for homeowners. (\$1,800 + avg LA/OC for a 400 sq ft unit)
- ADUs allow **extended families** to be near one another while maintaining **privacy**.
- ADU's allow a better approach to **senior living**.
- ADUs give the homeowner an increase in **property value**.
- ADUs increase the housing supply – especially in urban areas where its needed. **Affordable housing**.
- Owners can now build 2 more units on SFR-1 zoned property. (ADU & Jr ADU)
- Help with much needed housing inventory.



Average Cost of ADU's (design & build)

Garage Conversion (400 sq ft & under)

\$165,000 +



Ground Up 400 - 1,200 sq ft (solar & soils report)

\$190,000 - \$450,000 +



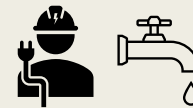
Above Garage (400 sq ft)

\$225,000 +



What to look for with cost?

1. Size and Type of ADU
2. Location and Permitting
3. Utilities & Infrastructure (Electrical, Sewer and Water/Gas)
4. Condition of Existing Structure (If conversion)
5. Exterior Materials (Siding vs Stucco / Roofing Materials)
6. Surrounding Property Conditions
7. Interior Finishes and Upgrades



Rental Scenarios for ADUs

Long-term rentals: A common strategy is to rent an ADU out full-time as a second dwelling. In high-demand California markets (LA, SF, etc.), ADUs can fetch **\$2,000–\$5,000+ per month** depending on size and (ADU West Coast notes ~\$1,900/mo for a 400 sqft unit in SoCal. Typical annual gross rents then range \$24K–\$60K. Owners should account for maintenance, taxes and any management costs.



Mid-term rentals: If short-term (Airbnb) is restricted, owners often do “monthly” rentals (1–11 months) via platforms like Airbnb or Furnished Finder. These suit traveling professionals or students and are steadier than nightly rentals

Rental Scenarios for ADUs



Short-term (vacation) rentals: No short term rentals are allowed for ADU's. It must be a 30+ day rental.

Family/Owner-use: Some homeowners use the ADU for relatives (aging parents, adult children) either free or via rent. This provides housing flexibility and can still add home value. Even if not rented, an occupied ADU adds the same square footage value.

Rental Scenarios for ADU's (appx numbers)

1) Live in the main and rent the ADU

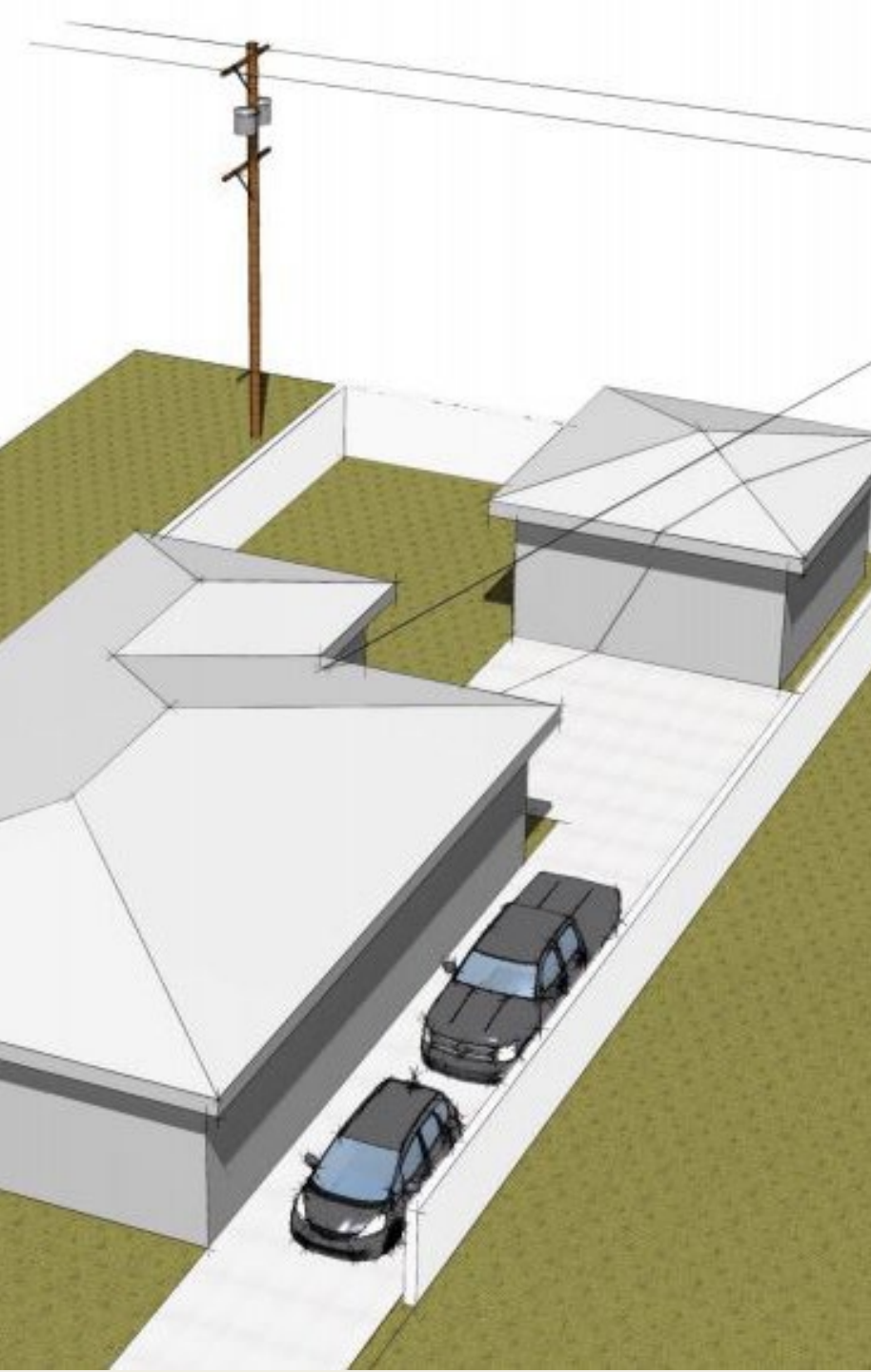
- \$2,000 + avg in OC/LA for 400 sq ft ADU
- \$2,900 + avg in OC/LA for a 750 sq ft ADU (2 beds)
- \$3,800 + avg in OC/LA for a 1,200 sq ft ADU (3 beds)

2) Live in the ADU and rent the main SFR

- \$3,800 - \$6,000+ depending on location and size of SFR

3) Rent both the ADU and the main SFR.

- \$6,000 - \$8,000 + depending on location and size of units



Steps with Building an ADU

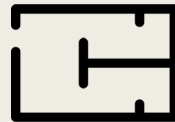
1. Phone Consultation -



2. Site Inspection -



3. Start Pre-Construction Phase -



4. Start Construction Phase -

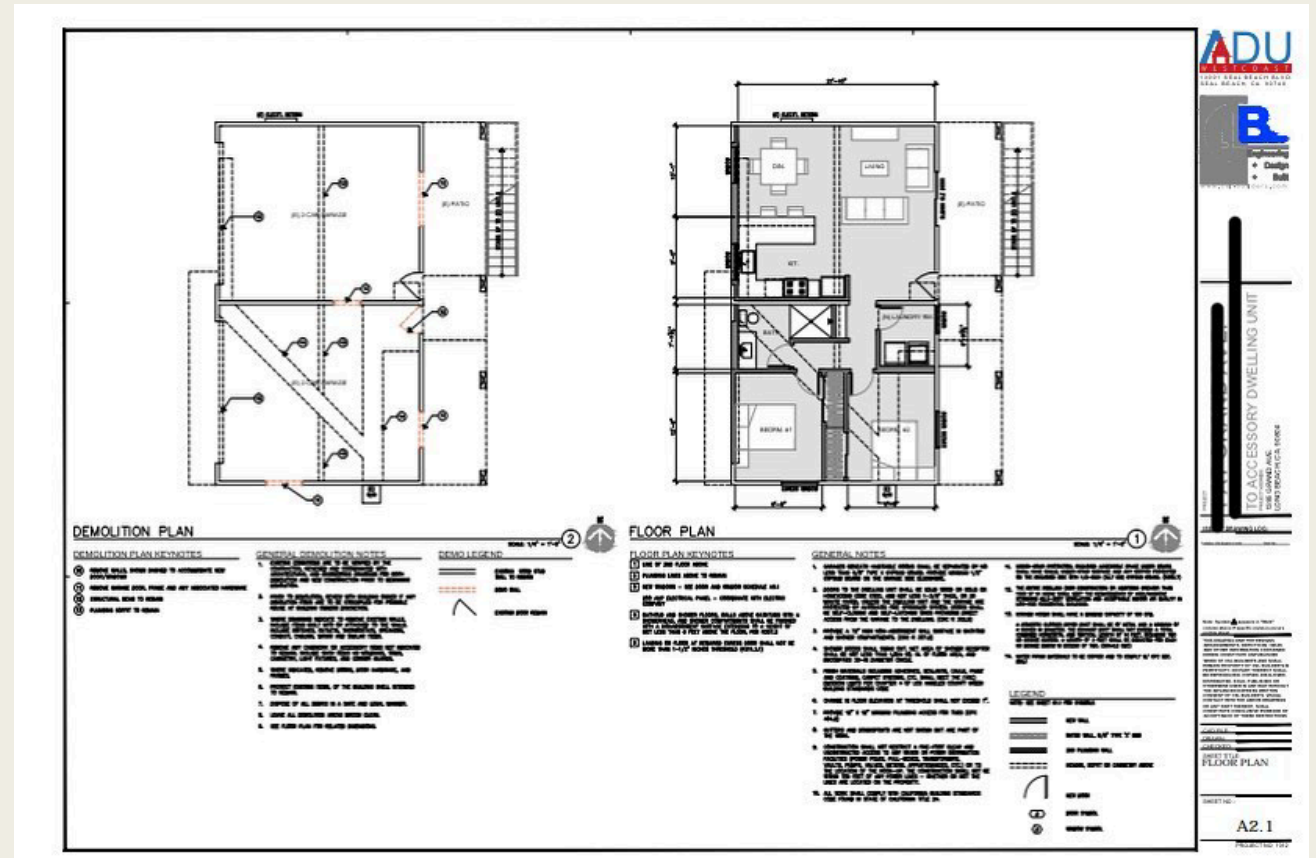


5. Start Collecting Rent \$\$ -



Steps to Build an ADU

Feasibility & Planning: Check local zoning/regulations (setbacks, maximum size, parking rules). Consult city ADU ordinances or an ADU specialist. Prepare a site plan or use a pre-approved design if available



Steps to Build an ADU

Design & Permitting: Hire an architect/engineer or select a pre-engineered plan. Complete construction drawings. Submit plans to the city building department; most CA jurisdictions process ADUs *ministerially* (no public hearings). Many cities offer online plan check or pre-approved templates to speed approval



Steps to Build an ADU

Site Preparation: Clear/grade the site. Perform any foundation work or demolition (e.g. remove old garage door).



Construction: Build the structure: foundation, framing, roofing, exterior. Install systems (plumbing, electrical, HVAC) and insulation. Finish interior (drywall, paint, flooring, cabinets, fixtures).

Steps to Build an ADU

Inspection & Completion: Pass required inspections (structural, electrical/plumbing, final). Obtain a Certificate of Occupancy. Decide on furnishing, then occupy or rent out.



*ADU process includes an initial site consultation (inspection/report)⇒ design/engineering ⇒ permitting ⇒ construction ⇒ completion (handover). Building permits often take several months; ADU West Coast reports permit approvals usually take ~4–6 months in Southern California depending on the city



Average Timeline of Construction Jobs

- 12 - 16 months + TOTAL
 - Pre-construction - 5 - 7 months +/-
 - Construction - 5 - 8 months +/-
- *** Separate meters will add another few months.

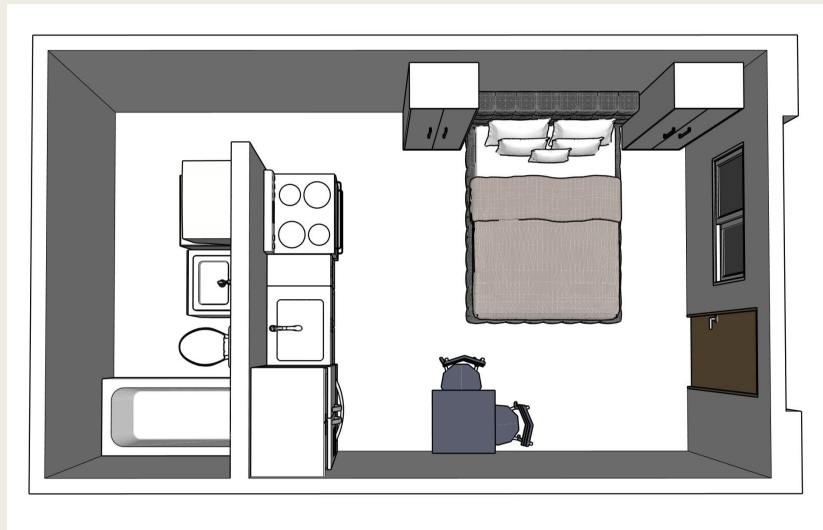


Pre-Engineered ADU Plans

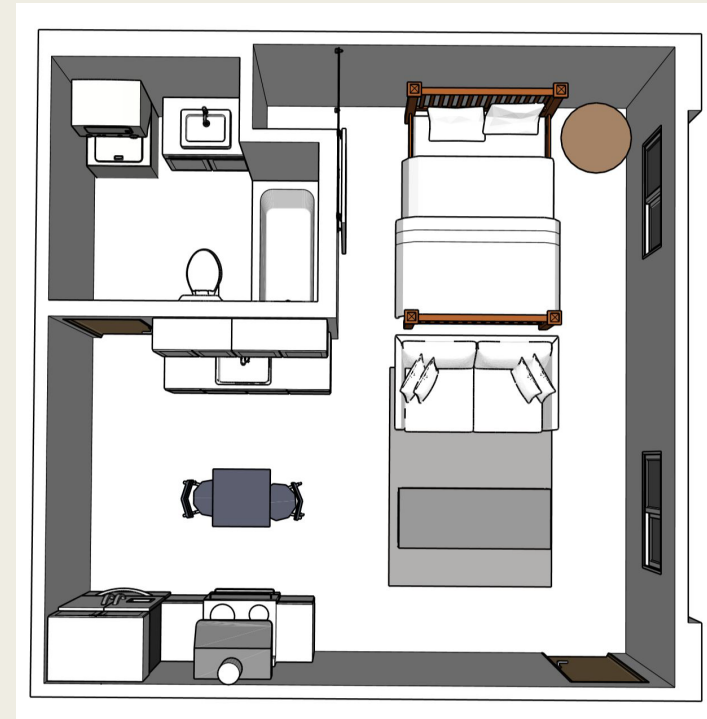
Many companies now offer **pre-engineered ADU floor plans** to streamline the process. These are complete sets of architectural plans that homeowners can buy and adapt. ADU West Coast, for example, provides a catalog of 10 modular plans (studios up to 3BRs) that can be customized

Using a pre-approved design can **save design time and reduce permit delays**. In fact, many California cities publish their own pre-approved ADU templates to speed up review. Homeowners may select a plan and only make minor modifications (to fit setbacks or plumbing locations) rather than designing from scratch. This “kit” approach often yields cost savings and faster approvals

Pre-Engineered Plans – Check our website



Studio ADU (300 sq ft)



Studio (400 sq ft)

QUESTIONS:

1. What advice would you give to a homeowner who's just starting to dream about adding an ADU to their property?



- Budget - What are you using it for - Find a good team (architects, designers, engineers, builders)



2. What guidance do you typically provide homeowners during the early planning stages to help them make informed decisions about their ADU project?



- Start with their budget and what their goals are. From there we propose a design build plan

How do you work with clients to bring their vision to life while staying within their budget?

- Have a good financing team - being creative with design - knowing where to save on cost (1 story vs 2 story, custom windows or doors, ext)

QUESTIONS:

4. How do you approach the balance between meeting client expectations and working within realistic budget parameters?



- *We discuss budget and expectations on the first phone call. - we both have to be a good fit for one another.*

5. How do you approach the balance between meeting client expectations and working within realistic budget parameters?

- *We use a software called **Buildertrend** that handles: daily logs, pictures, videos, invoices, change orders, message communication, gantt chart's, purchase orders and material selections.*



Q + A

Info:

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SOCIAL MEDIA: @ADUWestCoast



^^ SCAN CAMERA HERE ^^

Session 2:

Financing & Appraisal Process



REVERSE MORTGAGE
EDUCATORS



THE MULL TEAM
CROSSCOUNTRY MORTGAGE™

11:45 AM - 12:30 PM:

**Grab Your Lunch at Booth #10
& Visit Our Vendors**

Session 3:

Vetting Contractors





The Renovation Playbook:

Vetting Contractors, Managing Costs, & Getting Results



Today we'll cover

1. Why things go wrong

Why most renovations go over budget, over schedule, or off track.

2. The players & process

Who you need on your team and the step-by-step roadmap from concept to completion.

3. Costs & contractor vetting

What renovations really cost, how to spot red flags, and how to hire the right contractor.

4. Pro tips & red flags

Practical strategies to protect your money, time, and sanity.



Special bonus! Stay to the end for a gift that will jumpstart your renovation journey.



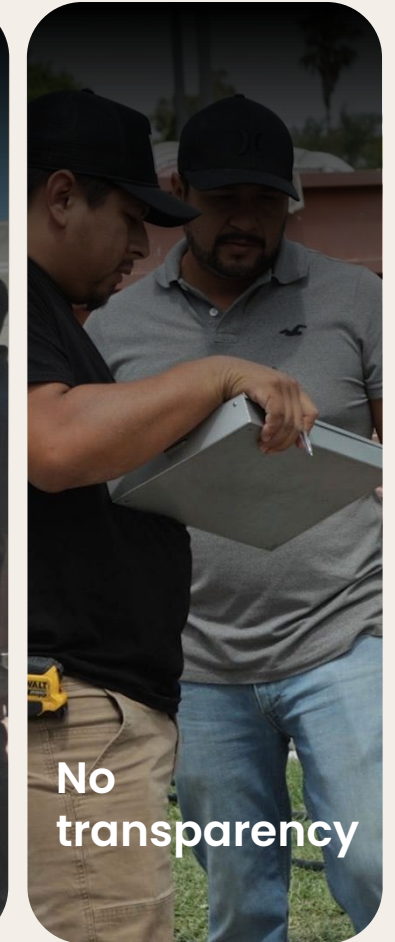
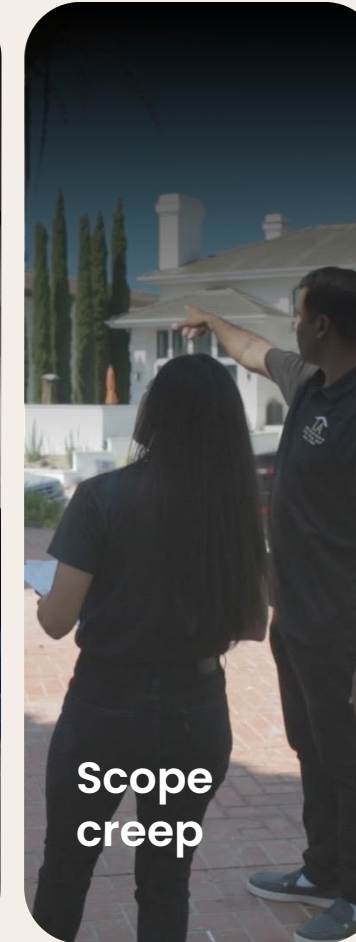
Why Revive was born?

Leveling the playing field



Why renovations are so overwhelming

The renovation gap

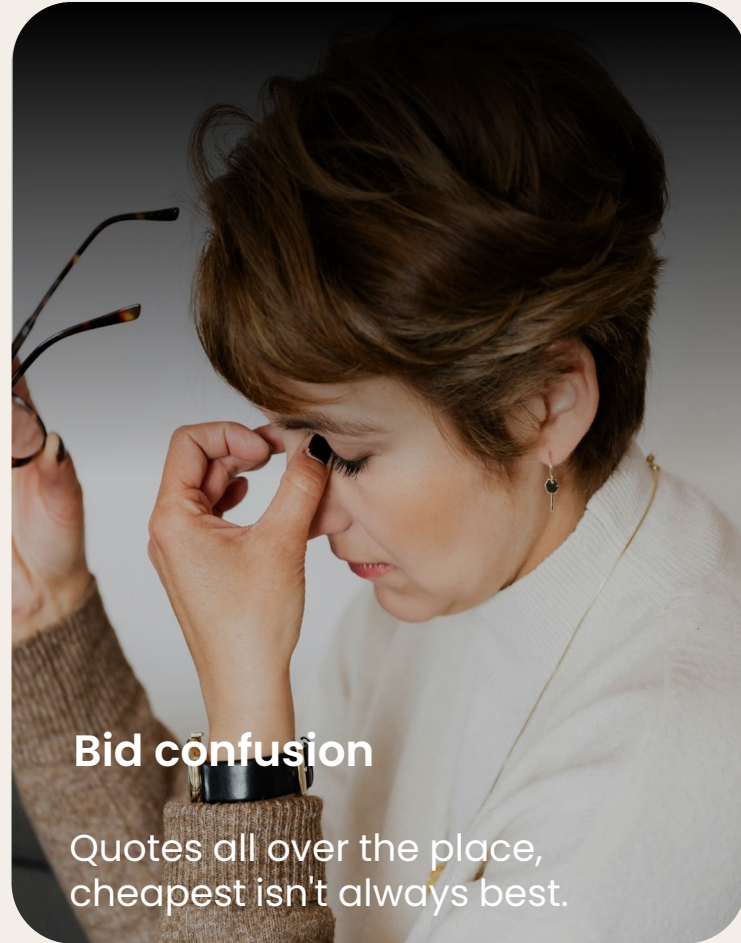


Why renovations are so overwhelming

The renovation gap



Finding & vetting contractors



Bid confusion

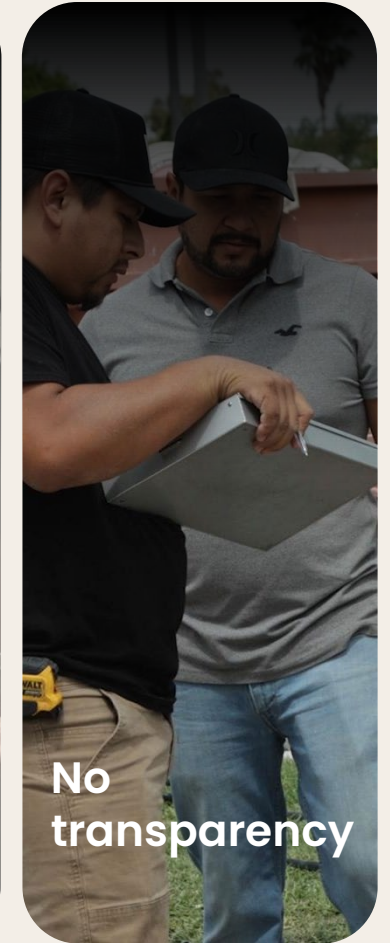
Quotes all over the place, cheapest isn't always best.



Endless delays



Scope creep



No transparency



Why renovations are so overwhelming

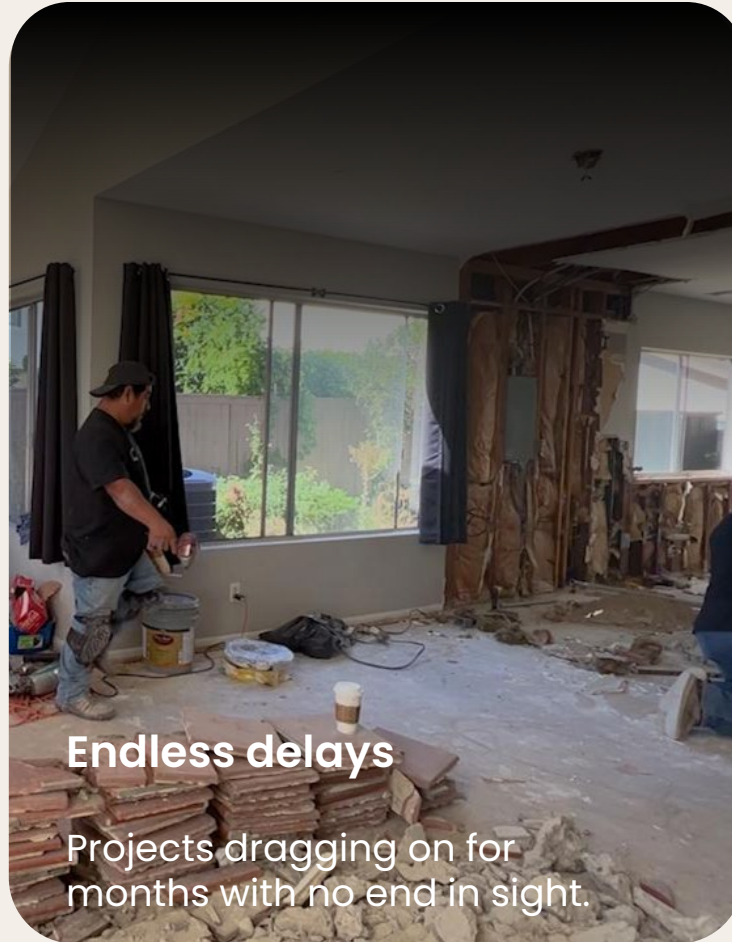
The renovation gap



Finding & vetting contractors

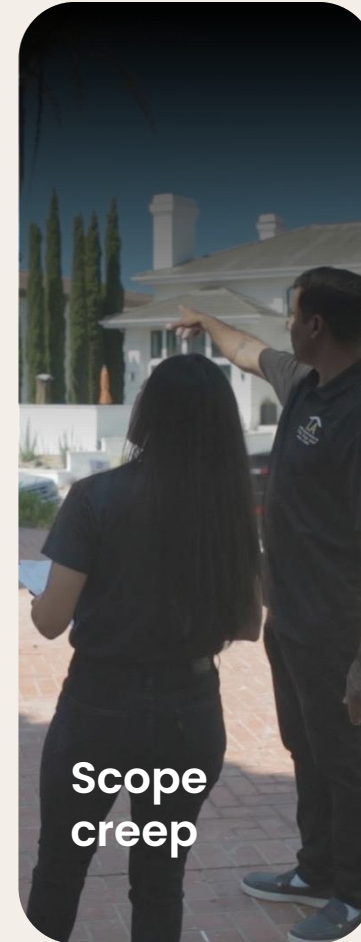


Bid confusion

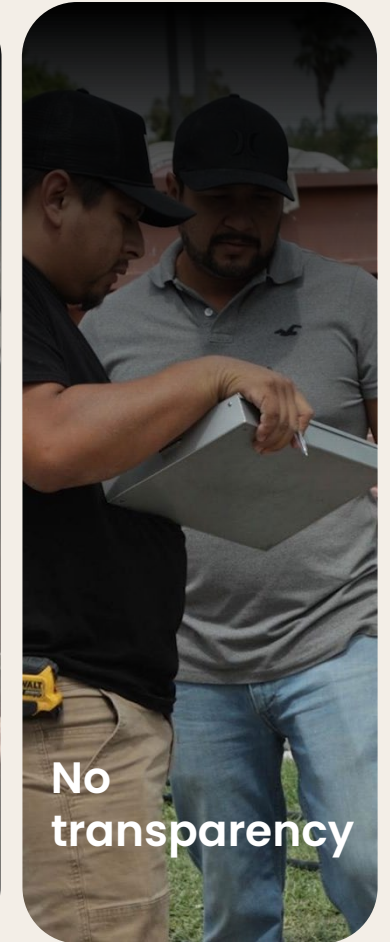


Endless delays

Projects dragging on for months with no end in sight.



Scope creep



No transparency



Why renovations are so overwhelming

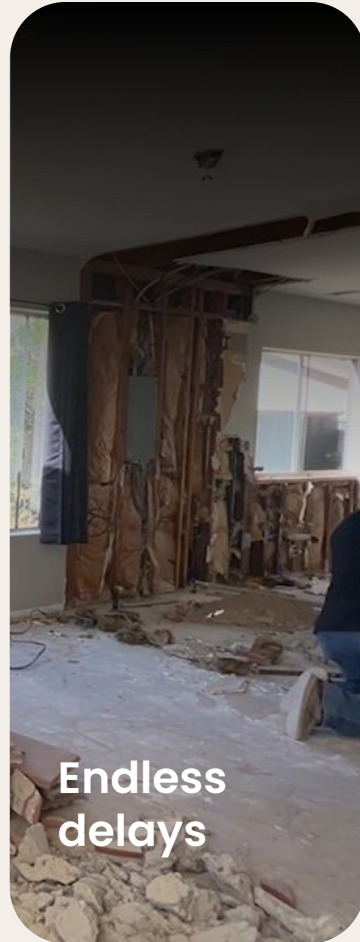
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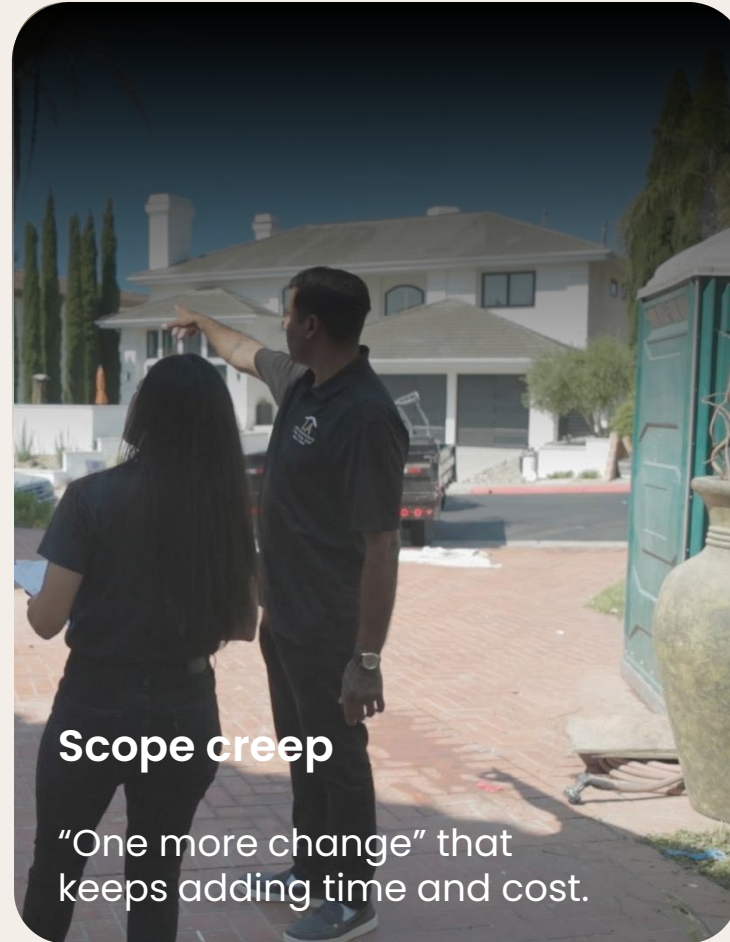
Finding & vetting contractors



Bid confusion

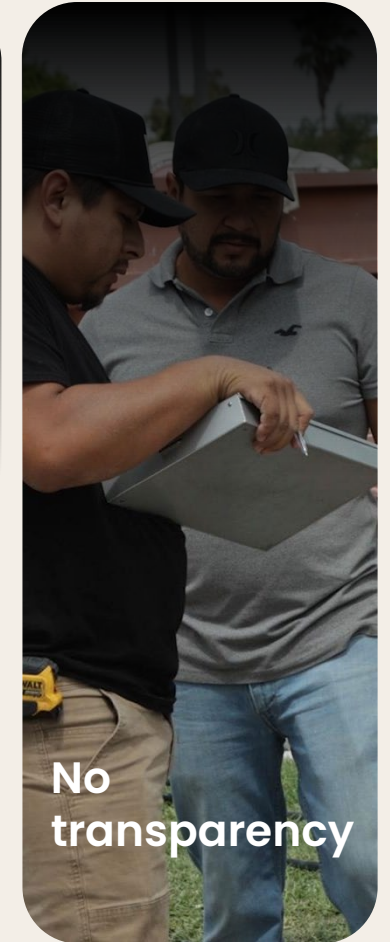


Endless delays



Scope creep

"One more change" that keeps adding time and cost.



No transparency



Why renovations are so overwhelming

The renovation gap



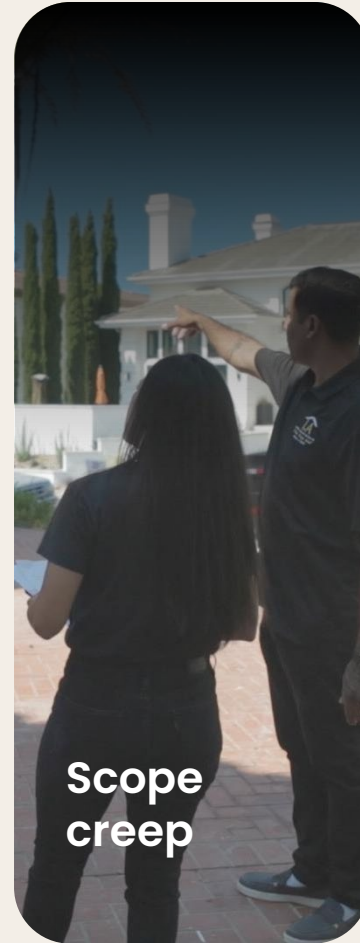
Finding & vetting contractors



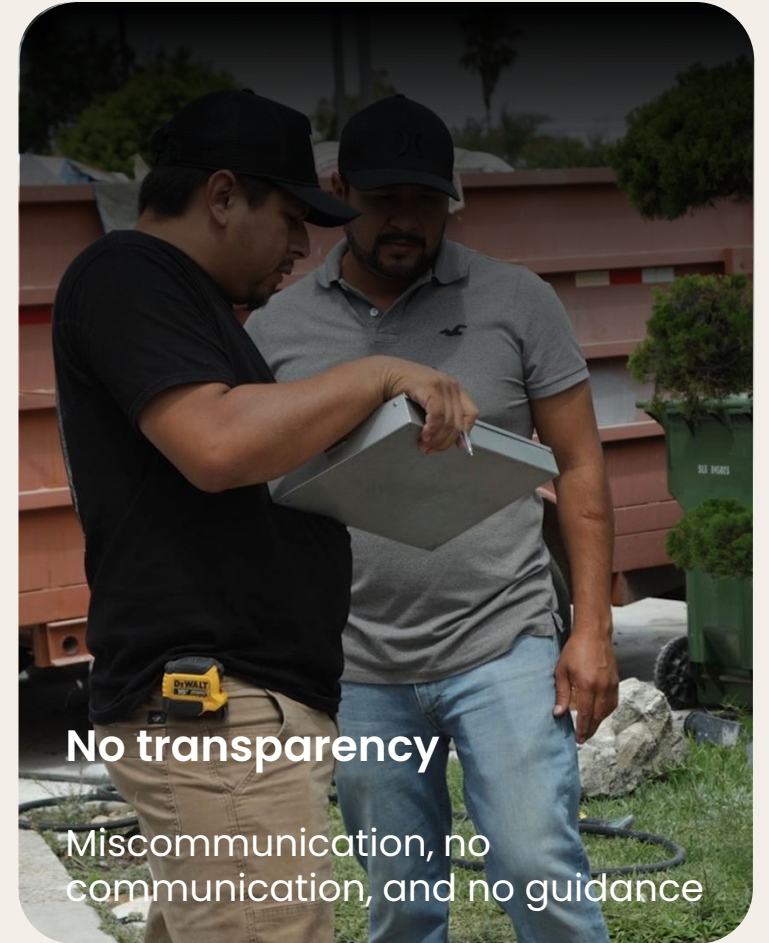
Bid confusion



Endless delays



Scope creep



No transparency

Miscommunication, no communication, and no guidance



Understanding the other side

Why good contractors struggle



The “technician” trap

Skilled but lack business management

Cash flow & overhead

Financial limitations

Lack of systems

Lack processes and software for transparency & efficiency

Wearing too many hats

Taking on design, permits, estimating, even legal > leads to errors



What homeowners don't see:

All the steps, roles, redflags



The homeowner

Visionary, decision-maker, financial backer





Architect/Designer

The homeowner

Visionary, decision-maker, financier





Architect/Designer

Shapes the vision,
creates the plans

The homeowner

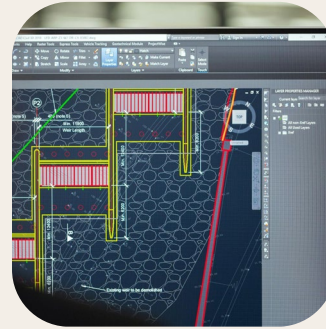
Visionary, decision-maker, financier





Architect/Designer

Shapes the vision,
creates the plans



Structural engineer

The homeowner

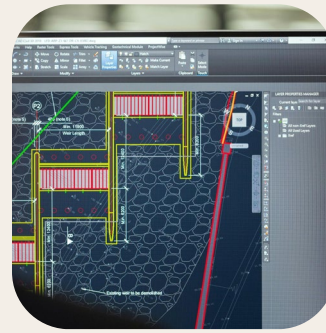
Visionary, decision-maker, financier





Architect/Designer

Shapes the vision,
creates the plans



Structural engineer

Load-bearing
calculations

The homeowner

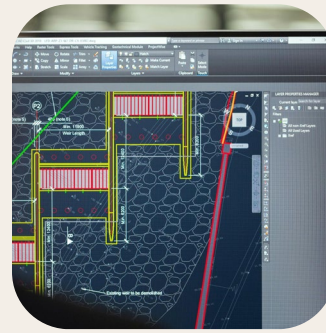
Visionary, decision-maker, financier





Architect/Designer

Shapes the vision,
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Structural engineer

Load-bearing
calculations



Mechanical engineer

The homeowner

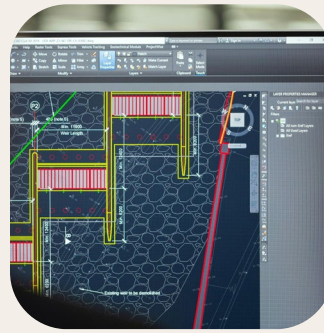
Visionary, decision-maker, financier





Architect/Designer

Shapes the vision,
creates the plans



Structural engineer

Load-bearing
calculations



Mechanical engineer

Systems, design &
compliance

The homeowner

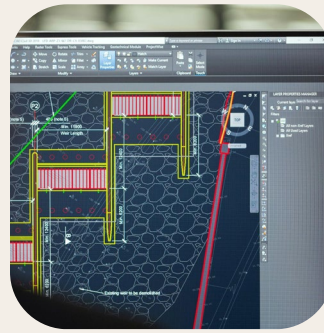
Visionary, decision-maker, financier





Architect/Designer

Shapes the vision,
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Structural engineer

Load-bearing
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Mechanical engineer

Systems, design &
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The homeowner

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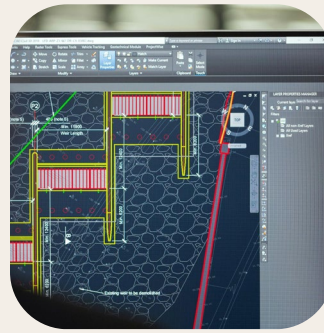
City/Permitting





Architect/Designer

Shapes the vision,
creates the plans



Structural engineer

Load-bearing
calculations



Mechanical engineer

Systems, design &
compliance

The homeowner

Visionary, decision-maker, financier



City permitting

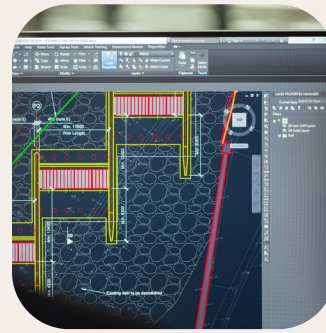
Approvals,
inspections, compliance





Architect/Designer

Shapes the vision,
creates the plans



Structural engineer

Load-bearing
calculations



Mechanical engineer

Systems, design &
compliance

The homeowner

Visionary, decision-maker, financier



Contractor



City permitting

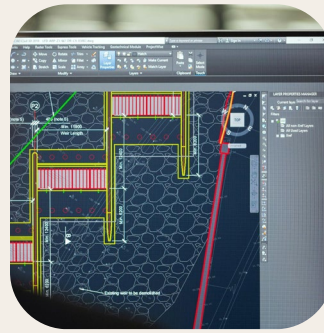
Approvals,
inspections, compliance





Architect/Designer

Shapes the vision,
creates the plans



Structural engineer

Load-bearing
calculations



Mechanical engineer

Systems, design &
compliance

The homeowner

Visionary, decision-maker, financier



Contractor

The builder



City permitting

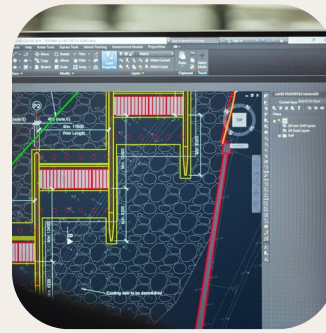
Approvals,
inspections, compliance





Architect/Designer

Shapes the vision,
creates the plans



Structural engineer

Load-bearing
calculations



Mechanical engineer

Systems, design &
compliance

The homeowner

Visionary, decision-maker, financier



Owner's Rep



Contractor

The builder



City permitting

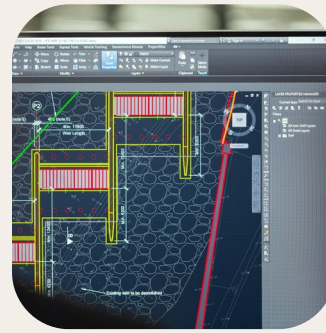
Approvals,
inspections, compliance





Architect/Designer

Shapes the vision,
creates the plans



Structural engineer

Load-bearing
calculations



Mechanical engineer

Systems, design &
compliance

The homeowner

Visionary, decision-maker, financier



Owner's Rep

Advocates for the
homeowner, keeps
everyone accountable



Contractor

The builder



City permitting

Approvals,
inspections, compliance



The process

STEP 1

As-builts

Architect/Designer

\$2K – \$4K+

STEP 2

New design

Architect/Designer

\$5K – \$30K

STEP 3

**Structural/
MEP/Title 24**

Structural engineer
Mechanical engineer

\$3K – \$15K

STEP 4

Permits & submittals

Architect/Designer

\$1K – \$5K

STEP 5

**Contractor bidding
& vetting**

Homeowner/Owner's Rep

\$0-unlimited

STEP 6

Owner's Rep

Optional/Not optional





Common pitfalls at each step

STEP 1

Skipping this step
or using rough sketches

Architect/Designer

Leads to rejected permits

\$2K – \$4K+

STEP 2

Rushing design to
“save money”

Architect/Designer

Unclear plans =
costly change orders later

\$5K – \$30K

STEP 3

Underestimating need
for engineers

Structural engineer
MEP/Title 24

Delays in permitting
and unsafe builds

\$3K – \$15K

STEP 4

Submitting
incomplete plans

Permits & submittals

Architect/Designer

Endless city revisions
& lost time

\$1K – \$5K

STEP 5

Choosing lowest bid
w/o comparing scope

Contractor bidding

& vetting

Homeowner/Owner's Rep

Scope gaps =
surprise costs

\$0-unlimited

STEP 6

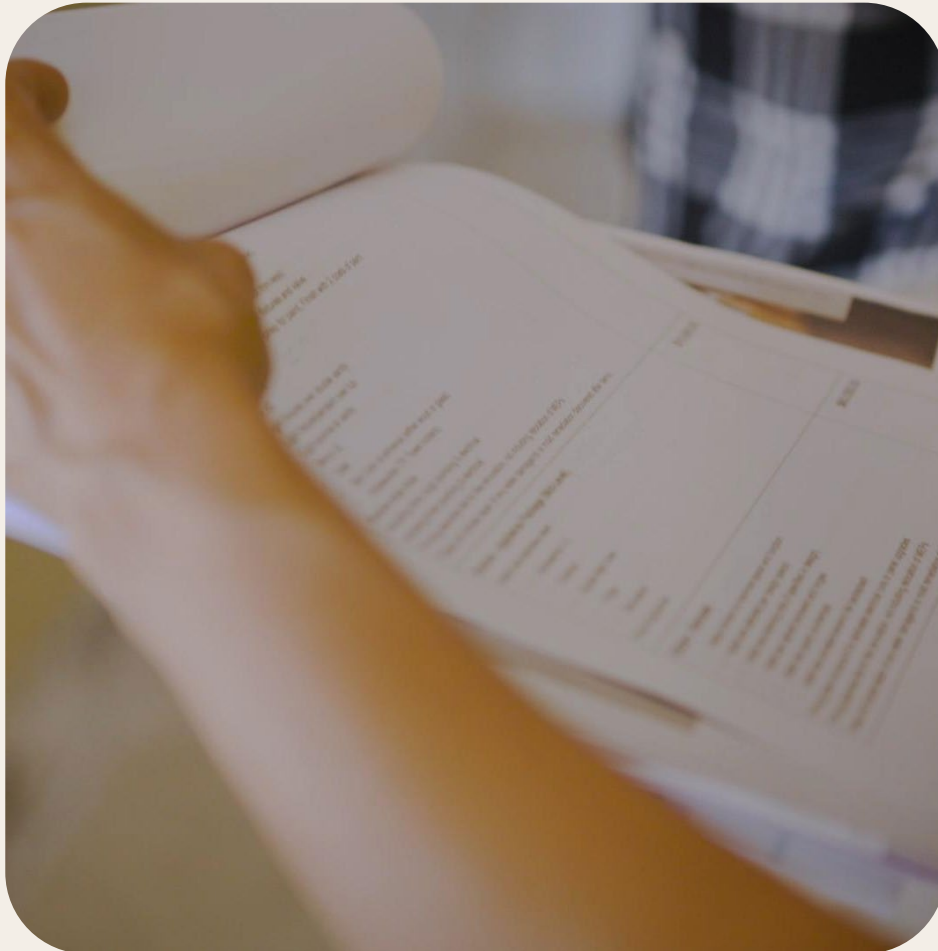
No representative = alone

Optional/Not optional



Know what you're signing: 2 Types of contracts

Contractor agreements



Lump sum (fixed price)

- Set price
- Certainty
- Includes buffer

Cost-plus (open book)

- Cost + agreed fee or percentage
- Transparency
- Risk of overruns



4 Pro tips to protect yourself



Get proof of
insurance



Tie payment
to milestones



Demand signed
change orders

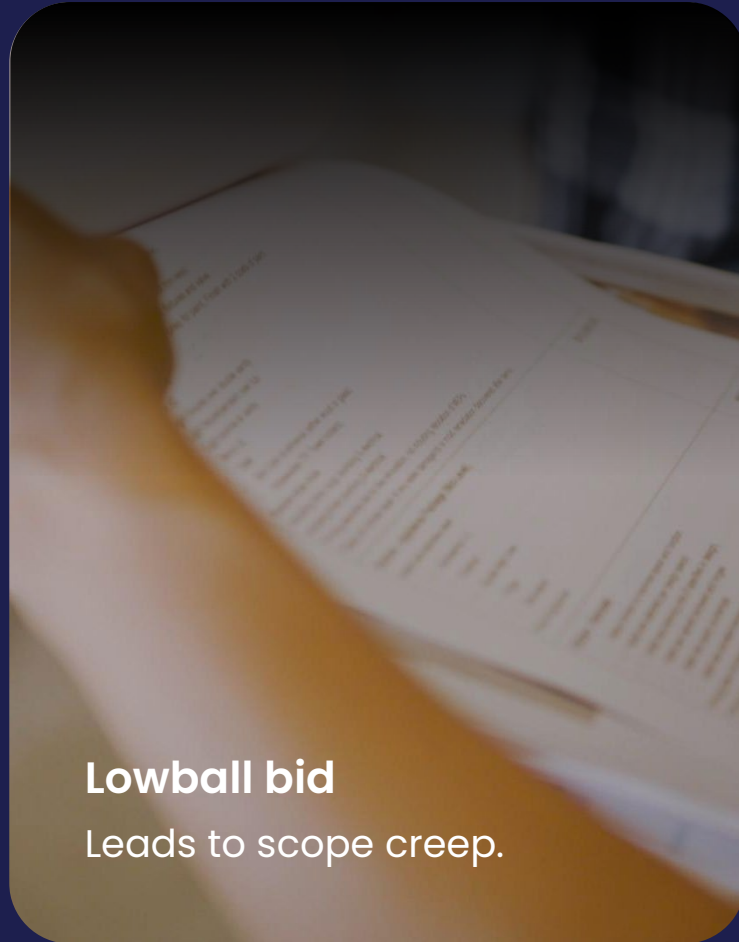


Require final
lien waiver



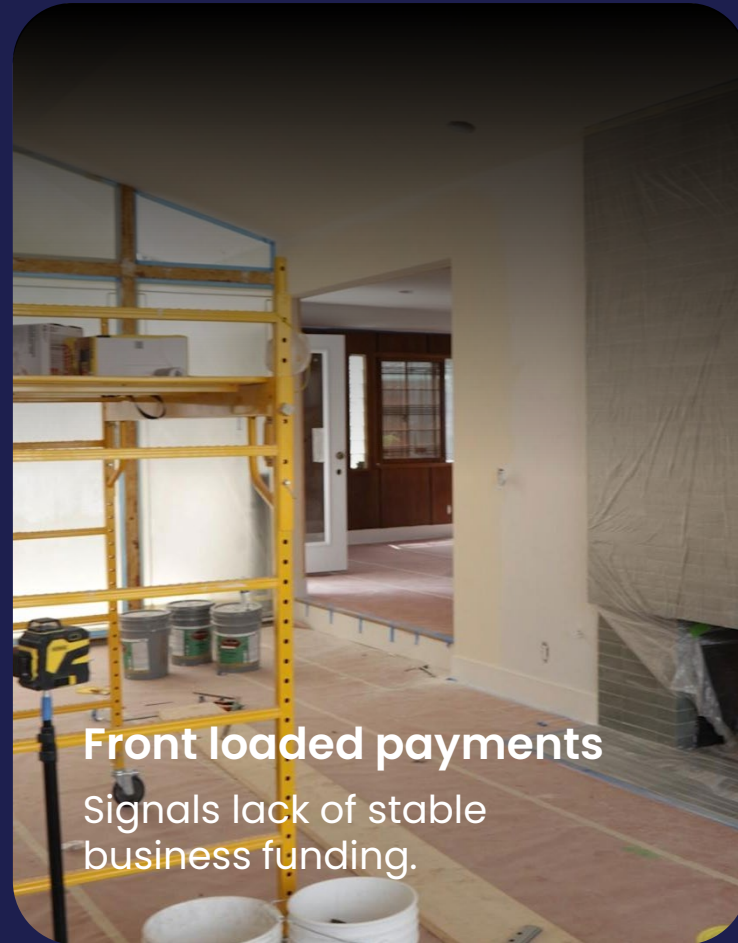
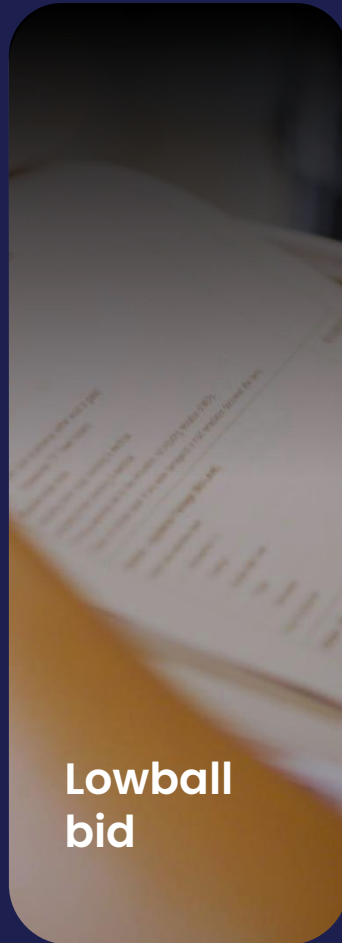
Red flags

Spotting the wrong contractor



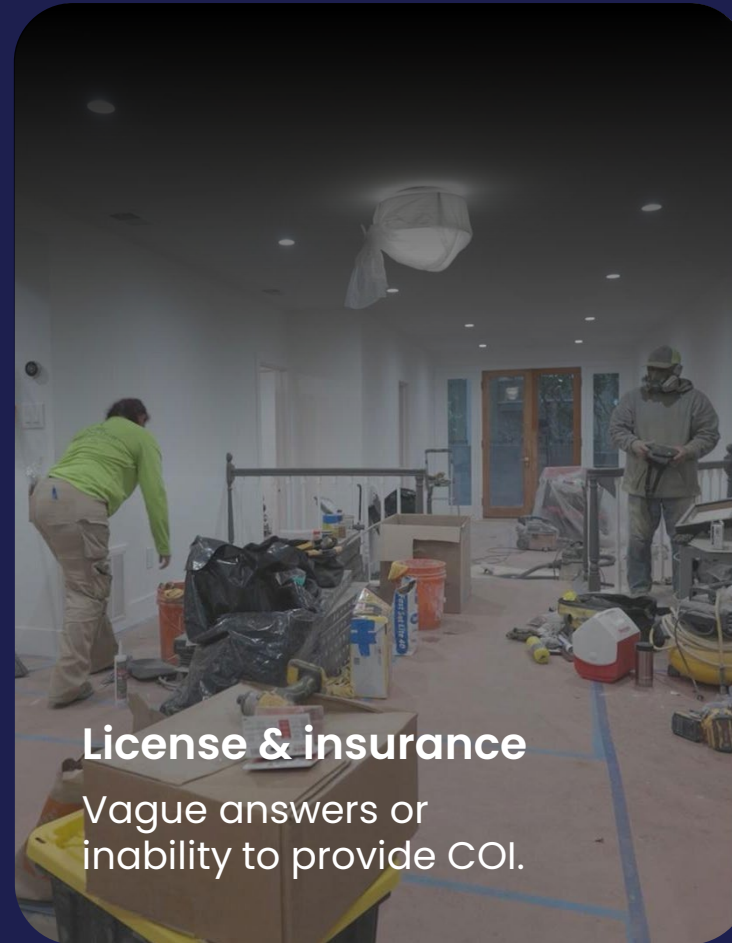
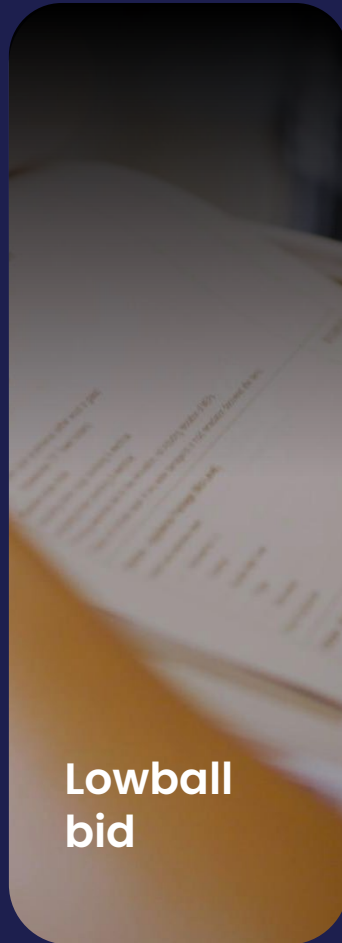
Red flags

Spotting the wrong contractor



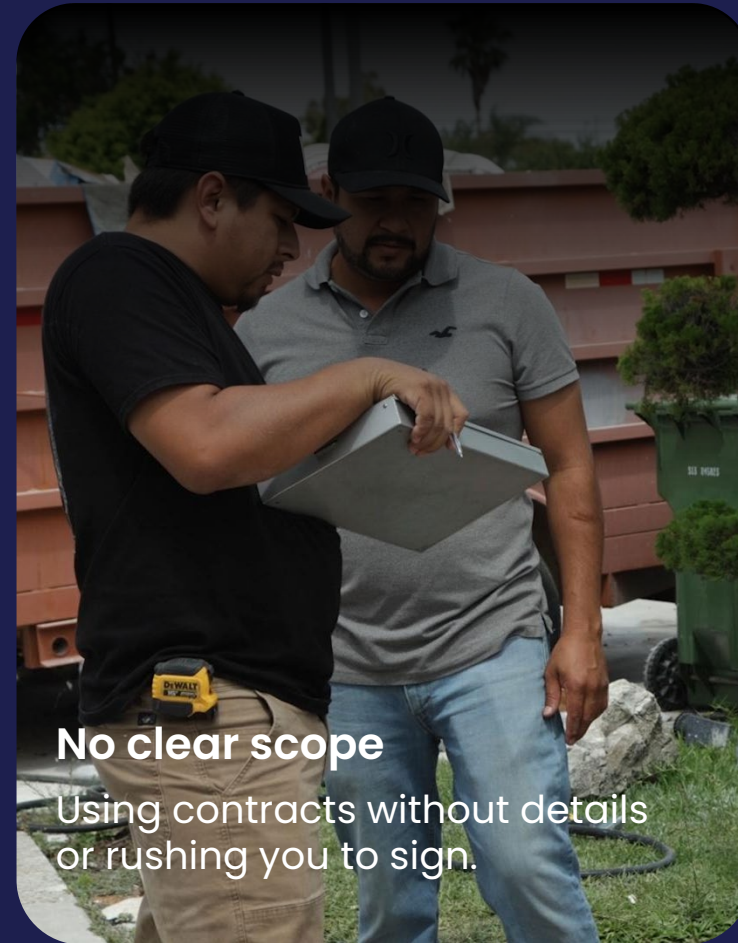
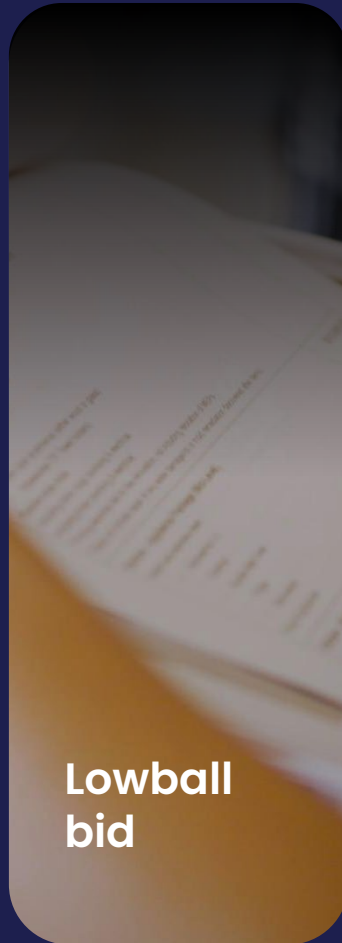
Red flags

Spotting the wrong contractor



Red flags

Spotting the wrong contractor



Making renovation predictable with Revive



Revive's process

STEP 1

As build

Architect/Designer

\$2K – \$4K+

STEP 2

New design

Architect/Designer

\$5K – \$30K

STEP 3

**Structural/
MEP/Title 24**

Structural engineer
Mechanical engineer

\$3K – \$15K

STEP 4

Submit to building

Architect/Designer

\$1K – \$5K

STEP 5

Vet & hire contractor

Contractor

\$0-unlimited

STEP 6

Owner's Rep

Optional/Not optional



Revive's process

STEP 1

 **Revive**
Architect/Designer
In-house design team

\$2K – \$4K+

STEP 2

 **Revive**
Architect/Designer
In-house design team

\$5K – \$30K

STEP 3

 **Revive**
Structural/
Mechanical/Electrical Engineer
Coordinates
with engineers


\$3K – \$15K

STEP 4

 **Revive**
Structural/
Mechanical/Electrical Engineer
Architect/Designer
In-house expeditors


\$1K – \$5K

STEP 5

 **Revive**
Vet. Civil Contractor
Contractor
Solicits 3 bids

\$0-unlimited

STEP 6

 **Revive**
Owner's Rep
Operational/Rep/Owner
So you're not alone





Get a **\$2,500** gift to get your project started



Request your Renovation Playbook!



✓ Red flags

✓ Vetting questions

✓ Pro tips

✓ Renovation checklist



Discuss your home



Session 3:

Modular Construction





Building Smarter with Modulart

Orange County Realtors ADU Forum





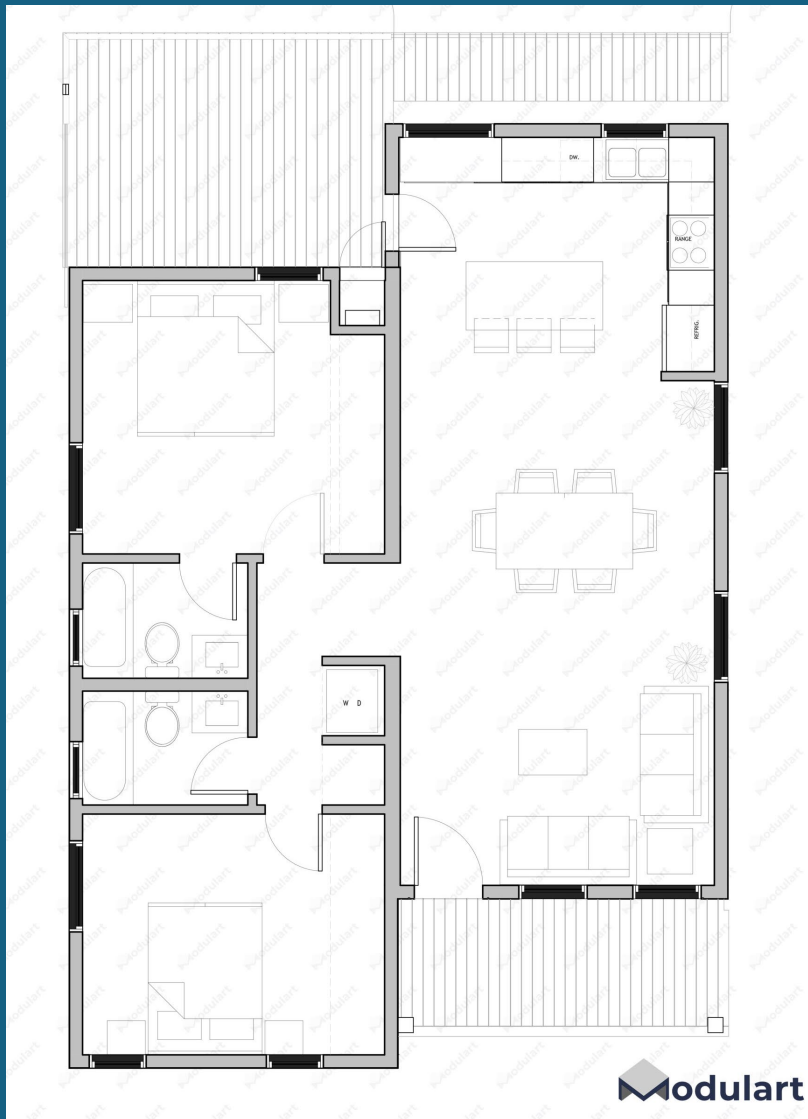
Why Modular?

- Significant cost savings vs. stick-build
- Faster building time
- Environmentally friendly – less waste and lower emissions

Turning ADU Dreams to Reality

- Step 1 – Choose model / customize
- Step 2 – Permits & Site Prep
- Step 3 – Foundation & underground utilities
- Step 4 – Factory construction
- Step 5 – Delivery & installation
- Step 6 – Finishing & handover of keys





Step 1: Talk to Modurlart and choose your ADU

- Available area
- Allowable dimensions
- Attached vs. Detached ADU
- Budget
- Design considerations
- Selection is made / agreement signed
- Customization options



Step 2: Permits & Site Preparation

- Local zoning & permit approvals
- Site grading, utility connections
- Why site layout and site prep is important for smooth installation



Step 3: Foundation work

- Slab / Raised foundation
- Timing aligned with factory build
- Save weeks vs. stick-built sequencing

Step 4: Factory Construction Advantages

- Built indoors, climate-controlled environment
- Faster, higher quality, fewer delays
- Inspections done at the factory



Step 5: Delivery & Installation

- Modules trucked to site
- Crane installation in 1-2 days
- Final details another 3-5 days
- Immediate weatherproof structure



Step 6: Finishing & handover

- Interior finishes
- Final inspections
- Certificate of occupancy
- Keys handed to homeowner





Q&A

CONTACT MODULART

Phone: 951-325-4014

Email: info@Modulart.com

Website: www.modulart.com



THANK YOU

www.modulart.com



Session 3:

Manufactured Homes as ADUs





CUSTOM LIVING
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Potential!**

Elevate your Real Estate Game

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customlivinghomes.com





Who are we?

- Family owned and operated
- 35+ years of development experience
- 18+ years of Manufactured Home Sales Experience
- Everything done in-house
 - Feasibility Study
 - Permitting
 - Construction
 - Financing
 - Keys

Laura Whitehead
Owner/Founder

ADU'S



- ✓ Boost Return On Investment (ROI)
- ✓ Create Passive Income Cashflow (\$1200-\$2500/mo)
- ✓ Increase Homes Resale Value by 30%*
- ✓ Create a NextGen home for multi-family living (young adults/aging parents can live independently)

Why Prefab Homes?



Build stronger than traditional site-built homes



Built in a controlled environment, in a factory & have to meet or EXCEED HUD requirements



Energy Efficient



MFH on permanent foundation is real property and appreciate similar to a site-built home*



30% More Affordable

**according to the Federal Housing Finance Agency*

Modular Vs. Manufactured



Modular Homes are built to the IBC Code



Always placed on a permanent foundation



Built to Situs Specific Standard/Requirements



Inspected by a 3rd Party & Local Building Inspectors



Treated as permanent residential units, so they're usually easier to get past HOAs or picky neighbors.



Manufactured Homes Built to HUD Code



Can Be placed on Piers or Permanent Foundation



Only Inspected By HUD



Fewer Local Plan Checks



Predicatable Pricing and Cost Control

What Makes Us Different?



Educate Cities on California Government Code { 65852.2 & Manufactured Homes



Completely custom floor plans



Pre-Approved Plans for several Orange County Cities



Everything is Done in House



Expedited timelines & Affordable Pricing

Cost Breakdown Example



600 SQFT Home

\$70,000

Construction

\$115,000

**Includes engineering, permits, crane & delivery*

Total Project Cost

\$185,000

Questions?



Contact Us



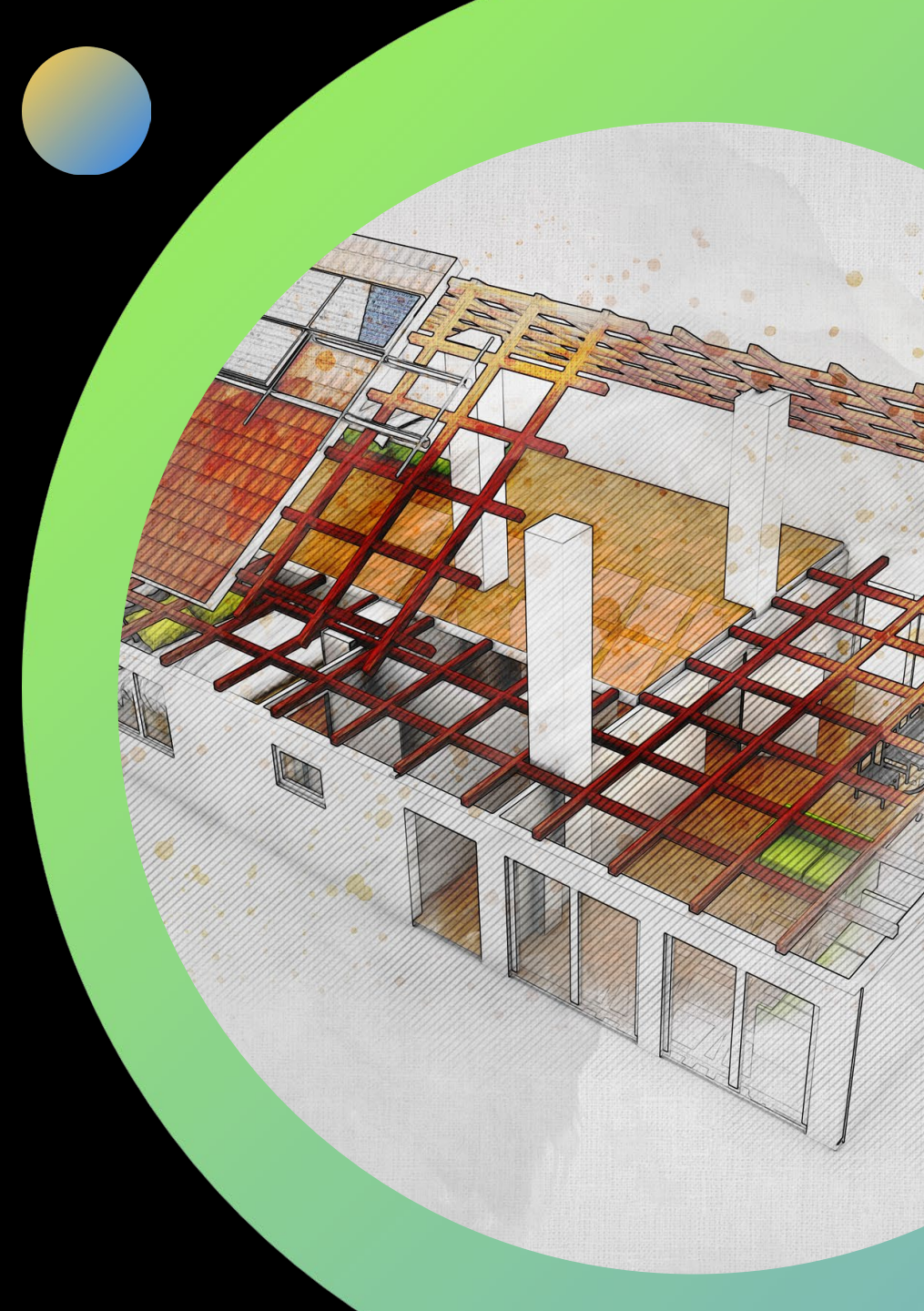
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CALIFORNIA ASSOCIATION OF REALTORS®

**THANK YOU
FOR ATTENDING!**

ADU
Forum