

What is an ADU?

ADU stands for Accessory Dwelling Unit. ADUs are self-contained residential units on the same property as a single-family home or multi-family building. ADUs must have a kitchen (or efficiency kitchen), bathroom, place to sleep, and a separate entrance from the main property. You can use an ADU to house friends or family, lease to a rent-paying tenant.



Photo courtesy of Carrie Shores.

State law makes it easy to build an ADU that is:

- 800 square feet or less
- 16 feet in height or less
- Setback from side and rear property lines by 4 feet

Some local regulations are waived for one ADU meeting these dimensions.

Another option allowed under State law is to build an ADU in the same location and to the same dimensions as an existing accessory structure.

What are the types of ADUs?

ADUs can be built within or on the same lot (parcel) as multi-family buildings or single-family homes. **This guide focuses on ADUs created on lots with existing single-family homes.** Single-family ADUs can take different forms, such as a first floor or basement that has been converted to an additional living unit; a freestanding backyard cottage; or a garage that has been turned into a living unit.

The City of Oakland categorizes single-family ADUs based on whether you are converting existing space or creating new space. See Category One and Category Two definitions under “Learning the Lingo” in this guide.

Why build an ADU? It’s a Win-Win Solution.

ADUs have benefits for homeowners, renters, and community!

		HOMEOWNERS	TENANTS	COMMUNITY
GREATER DISPOSABLE INCOME	<ul style="list-style-type: none"> • Generate income for homeowners who rent out the unit 	✓		✓
NEIGHBORHOOD STABILITY	<ul style="list-style-type: none"> • House family or friends at risk of displacement • Generate income to help pay mortgage • Facilitate aging in place 	✓	✓	✓
DECREASED ENVIRONMENTAL IMPACTS	<ul style="list-style-type: none"> • Leverage existing infrastructure • Decrease commute traffic and emissions by housing people closer to jobs and transit • Reduce home’s environmental footprint through small-scale living 	✓	✓	✓
FLEXIBLE LIVING	<ul style="list-style-type: none"> • Create extra space that can evolve to serve different functions • House adult children, aging parents, or caregivers 	✓	✓	✓
INCREASED HOUSING SUPPLY	<ul style="list-style-type: none"> • Built faster and cheaper than any other form of housing • Alleviate our region’s housing crisis without changing the neighborhood character • Typically rent at more affordable rates 			✓
NEIGHBORHOOD CHARACTER AND DIVERSITY	<ul style="list-style-type: none"> • Remove barriers for other races, ethnicities, and incomes to become a part of neighborhoods • Gently fill in neighborhoods with additional residential units while respecting neighborhood look and feel • Add more eyes on the street at different times of the night and day 	✓	✓	✓

Exploration: Go or No?

1 Is an ADU right for you? **H**

Take time to reflect on your options: How will you use the ADU? How will you finance construction? Should you hire an ADU advisor to help think through the tradeoffs? Think about how the ADU could affect noise, privacy, and open space on your property. Deciding to create an ADU is an investment and requires planning. The type of ADU you select will determine your next steps.

2 What can you build? **H**

Your first step is to confirm that an ADU is allowed on your property. ADUs can be created on most lots that allow single-family homes, except in certain commercial/industrial areas, high fire hazard areas with limited accessibility, and other special circumstances. Different requirements will apply depending on your zoning and the type of ADU you want, such as how big your ADU can be or whether you need to provide parking. Check out the City's Summary of ADU Zoning Regulations for a great overview at www.oaklandca.gov/topics/secondary-units.

Project Development

3 Hire your team. **H**

Building an ADU is complicated, but with good planning and/or help, you can do it! Although not required, it's advisable to hire a designer, licensed architect, or engineer to design the ADU and a licensed contractor to build it. Some companies provide both services. Contact references and look at the candidate's previous work before making your selection. It is helpful when professionals have worked in Oakland and know the local permitting process. For more tips, visit <https://www.aia.org/resources/162851-working-with-an-aia-architect> and <http://www.cslb.ca.gov/Consumers/>.

4 Prepare and submit permit application. **P**

The City has a two-step online application process: (1) Planning/Zoning permit approval and (2) Building permit approval. Visit <https://www.oaklandca.gov/topics/secondary-units> to download the application. Your professional team can complete or help you complete your applications. Everything on the City's submittal checklist needs to be included and the application completely filled out. There are fees associated with both the zoning and building permits.

Planning/Zoning Permit Approval: Focused on issues in the zoning code, such as the ADU location on property, size, height, etc. A zoning permit approval is required before applying for a building permit.

Building Permit Approval: Focused on making sure the ADU is designed to meet all Building Code requirements and determining if you need a private sewer lateral. A building permit is required before beginning any construction or demolition activities.

Utilities and Construction

5 Work out ADU utilities. **P**

New construction of a separate building (versus conversion of existing building area) requires approval for new water service from EBMUD. Before breaking ground, your team should fill out an online application for new water service at <https://wsa.ebmud.com/>. Depending on whether the ADU appliances are vented appliances, you may also need a separate gas meter for the ADU. Refer to the City's General Building Code Requirements checklist to verify and log on to PG&E's online customer service portal to apply for new electric and/or gas service. Filling out applications and coordinating with utilities goes most smoothly if you have an experienced contractor to manage it.

ADUs are never required by EBMUD to have a separate meter. Instead, the homeowners decide whether they would like a separate meter. The majority of homeowners could provide water service to their ADU based on their existing meter, but opt to install an additional meter. Homeowners doing a Category 2 ADU or converting an existing attached or detached structure that has never had water service must still fill out a water application for EBMUD to verify the existing water system is sufficient.

PG&E typically requires a separate gas meter when ADUs are issued a separate and unique address. However, some exceptions apply. The Fire Marshal requires detached ADUs to have a separate address, so most detached ADUs will require a separate gas meter.

6 Construction **P**

After getting a building permit, ADU construction can begin. The contractor you hire (see step 3) will lead this step. Construction usually takes 6-12 months, although a much shorter construction time is possible, especially with prefabricated ADUs that are built off-site and then transported to your property.

7 Inspection **P**

There will be multiple inspections by the City to verify construction is going according to the permitted plans. Your contractor will manage this process. When all the work is complete, a building inspector will conduct a final inspection. Upon approval, you will receive a Certificate of Occupancy, which means your unit is legally suitable for occupancy.

COMPLETE!

8 Move in! **H**

Congrats on finishing your unit! We hope an Oaklander will call it home soon. If you are renting your unit, be sure to visit www.oaklandca.gov/topics/rent-adjustment-program and view the ADU Landlord Guide at www.oaklandca.gov/topics/secondary-units to learn more about tenant protections and being a successful rental property owner.

Learning the Lingo

Accessory Structure

A secondary building on the same lot as the main home that is incidental to but associated with the main home. Accessory structures are not intended to be lived in. Detached garages and storage sheds are examples of accessory structures.

Building Code

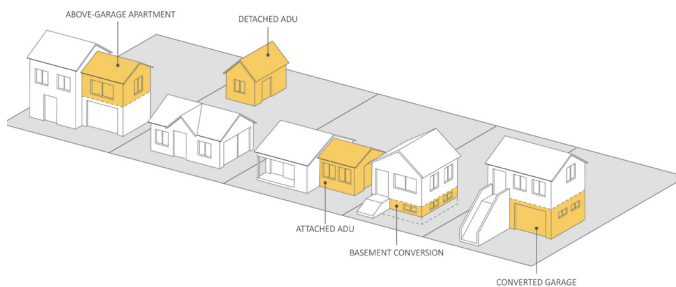
Standards set by the State of California that ensure buildings are built safely. The Building Code is actually made up of many codes (e.g., mechanical code and energy code) that are referred to collectively as the Building Code.

Category One ADU

An ADU created by converting existing space within your single-family home (e.g., basement or attached garage) or by converting or rebuilding an existing accessory structure (e.g., unattached garage) on your property. Go to bit.ly/OaklandADUs for more information and to see how the definition applies to multi-family properties.

Category Two ADU

An ADU created by constructing a new structure, either attached or detached from the main house. This type of ADU adds additional floorspace beyond the footprint of the existing home and accessory structure(s). Go to bit.ly/OaklandADUs for more information and to see how the definition applies to multi-family properties.



Efficiency Kitchen

A room or portion of a room that includes a cooking facility with appliances, a food preparation counter, and storage cabinets that are of a reasonable size in relation to the size of the unit.

Floor Area Ratio (FAR)

A measure used to regulate how much development can be on a lot, as specified in the zone for that lot. FAR is calculated by dividing the total square footage of the buildings on your lot (i.e., the floor area) by the square footage of your lot. FAR requirements can be waived for one ADU under 800 square feet, under 16 feet in height, and at least 4 feet from the rear and side property lines. Otherwise, the size of your ADU may be limited by FAR.

Junior Accessory Dwelling Unit (JADU)

A small dwelling unit (500 square feet or less) created by converting existing living space (e.g., bedroom, office) within a single-family residence (including an attached garage). They must have an efficiency kitchen and separate entrance but can have either a private bathroom or bathroom shared with the main house. The property must be owner-occupied, i.e., the homeowner must live in either the JADU or the primary dwelling unit. Lots with single-family homes that have one JADU may also have one ADU.

Lot Coverage

A measure used to regulate how much development can be on a lot, as specified in the zone. Lot coverage refers to what percentage of your lot is covered by a building. Lot coverage requirements can be waived for one ADU under 800 square feet, under 16 feet in height, and at least 4 feet from the rear and side property line. Otherwise, the size of your ADU may be limited by lot coverage.

Setback

The distance a building is located from front, side, or rear property lines. A 4-foot rear setback means there are 4 feet between the building and the rear property line (i.e., where your backyard ends). Different zoning districts have different minimum setback requirements, but ADUs are not required to be more than 4 feet from the rear or side property lines. Front setbacks, as specified in the zone, still apply.

Zoning

City rules about how each lot of land may be used and what can be built on it. All lots in the city are assigned a zone (e.g., RD-1, RM-2, RU-1, etc.) and each zone has regulations about the size and type of development that can occur within the zone. One ADU per lot may qualify for exceptions to some zoning standards, as described in this handout. Zoning regulations are found in the Planning Code. You can find out your property's zoning at <http://oakgis.maps.arcgis.com/apps/webappviewer/index.html?id=3676148ea4924fc7b75e7350903c7224>.

Oakland ADU FAQs



How much does it cost to build an ADU?

Costs vary. Where practical, the lowest cost option is conversion of finished space in an existing home such as an existing bedroom with total development costs as little as \$20,000 per unit. Size, condition of existing space, finishes, etc. all contribute to varying costs. Construction of a new detached unit ranges from \$120,000 to \$600,000. See the table below for estimated development costs.

What financing options are available?

- **Home equity line of credit** allows homeowners with at least 15 to 20 percent equity in their home to borrow against their home equity. Banks will typically loan 90 percent of the equity a person has in their home and you do not start paying interest until the money is used.
- **Cash-out refinancing** uses your existing mortgage to provide cash for ADU construction. This typically incurs fees.
- **Cash savings** or other liquid assets (e.g., stock, retirement savings) or loans from friends or family.
- **Renovation loans** typically require a steady and high salary to qualify.

There are increasing options in private lending, especially through credit unions, local lending institutions, and startups, and the public and non-profit sectors may also have options for homeowners with lower incomes. Regardless of how you finance, consider what debt you are comfortable incurring and how soon you'll see a return on investment.

What are the risks?

Building an ADU has inherent risks. Know it can take longer and cost more than anticipated and understand that there are laws that provide certain rights to tenants.

Will an ADU impact my property taxes?

Yes. If you're adding new square footage or changing the way a property is used (e.g., converting a garage to an ADU), the Alameda County Assessor's office will add value for the assessable new construction. Only the portion of the property that is newly constructed or completely renovated will be reassessed and the existing home will retain its previously established Proposition 13 base year value. New income-producing properties may be assessed differently than other types of home improvements. Visit www.acgov.org/assessor for more information.

How long does it take to go through the permitting process?

There are two main steps in the permitting process: (1) Planning/Zoning permit approval and (2) Building permit approval. The permitting process time depends on the completeness of your plans and how quickly you can respond to City comments, if needed. Preparing a complete planning/zoning application with all the necessary submittal requirements is the first and most important step. If your application is complete when submitted, in most cases, the Bureau of Planning can issue your planning approval in 1-3 days. Building permits typically take another 5-12 weeks to issue, including the time spent by the applicant in responding to comments and adjusting plans

How much do permit fees cost?

For budgeting purposes, you can assume government permits and fees will be about 2 to 8 percent of the construction costs. Planning permits cost \$488.84. Building permits vary, as they are calculated by cost of construction, square footage, design, and number of bedrooms.

ADU Type	LOW PER SF	LOW PER UNIT	HIGH PER SF	HIGH PER UNIT
Conversion of part of existing home	\$50	\$20,000	\$250	\$200,000
Conversion of existing accessory structure	\$300	\$110,000	\$650	\$460,000
Addition to existing home or accessory structure	\$250	\$90,000	\$400	\$360,000
Detached new construction	\$300	\$120,000	\$500	\$600,000
Prefabricated/modular	\$300	\$70,000	\$500	\$600,000

Notes: These data reflect construction costs from mid-2017 through mid-2019. Cost estimates are reflective of a full kitchen, one bathroom per ADU, standard interior quality fixtures and furnishings, and normal site conditions. See Oakland ADU Initiative Existing Conditions and Barriers Report, 2020 for more information.

Oakland ADU FAQs, continued.

Utility impact fees are only applicable for ADUs that are 750 square feet or more, but all ADUs can be subject to connection fees or capacity charges if the existing water system is not sufficient or if you need new electric and/or gas service. For ADUs that require an increased meter size to provide water service, a \$10,530 capacity fee applies. However, EBMUD reports that most homeowners can provide water service to their ADU based on their existing meter. For ADUs that create over 500 square feet of new habitable space (e.g. basement conversion or new detached structure), you are also subject to school fees, which are charged during the building permit stage for all residential property at \$3.48 per square foot. ADUs are exempt from all other development impact fees.

Based on a 2019 survey of Oakland homeowners with ADUs, the average cost of government permits and fees (including utility hook-ups) was \$13,782.

How long does construction last?

Construction usually takes 6-12 months. If you go with a prefabricated unit (built off-site and transported to your property), the process is much faster. Delivery and installation of prefab units can be as short as 6 to 12 weeks from purchase.

Can I sell my ADU independent of my home?

No, the ADU and main house must be sold together.

Can I rent my ADU as a short-term rental on Airbnb, VRBO, etc.?

No, it is illegal to rent an ADU as a short-term rental. All ADUs that are rented must be rented for 30 consecutive days or more.

What tenant protections apply to my ADU?

Rent control and just cause for eviction regulations may apply to your ADU. It depends on a couple of factors. Is the ADU creating new square footage? Converting existing space? If so, when was the space built and was it living space or not? Learn more at www.oaklandca.gov/resources/rent-adjustment-program-guide-and-information-sheets or [talk to a housing counselor](#). You can also view the ADU Landlord Guide at www.oaklandca.gov/topics/secondary-units.

How do I learn to be a good landlord?

We're glad you asked! Oakland's Rent Adjustment Program offers workshops, guides, and counseling hours for property owners and tenants. You can find them online at www.oaklandca.gov/topics/rent-adjustment-program or at (510)238-3721.

Do I have to live on the property to have an ADU?

No, both the main house and the regular ADU can be rental units. However, if you build a JADU (see "Learning the Lingo" section), the homeowner is required to live on the lot (in the mainhouse, an ADU, or a JADU on the lot).

Can I legalize an unpermitted unit?

This guide focuses on new construction, but it is an option to legalize an existing rental unit on your property. Talk to City staff to see if special processes apply or if programs are available to help legalize an existing unit.

How do I find a good contractor?

The type of ADU you want to do will influence what contractor you choose, as many have developed specialties (e.g., garage conversions, prefabricated options). Ask friends and family for recommendations. Consider the contractor's previous projects and references. It is also wise to get cost estimates (bids) from multiple contractors to have a range of options to compare.

Do I need to hire a designer?

Strongly recommended, but not a requirement. ADU professionals have learned how to successfully complete projects after years of work, and will be able to provide guidance and counsel that it would be hard for you to learn with one project.



Photo courtesy of Stuart Fishman.