

Date: April 28, 2022

To: Thomas B. Modica, City Manager 

From: Oscar W. Orci, Director of Development Services 

For: Mayor and Members of the City Council

Subject: **Long Beach Pre-Approved ADU (PAADU) Program**

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Accessory Dwelling Units (ADUs) are an important source of housing for City of Long Beach (City) residents and families. The City's Housing Element identifies ADUs as an essential component of its larger housing strategy. To that end, on January 4, 2022 the City Council directed staff to bring forward a recommendation on establishing a Pre-Approved Accessory Dwelling Unit (PAADU) Program (Program) within 60 days. Additionally, City staff were directed to report back on the costs associated with permitting and construction of ADUs. This memorandum provides a response to the City Council's request.

Since 2016, state legislators have passed a number of bills including Assembly Bill (AB) 2299, Senate Bill (SB) 1069, and AB2406, requiring local governments to streamline ADU permitting. In 2019, the Development Services Department (Department) prepared design standards for [ADU-garage conversions](#) in compliance with the City's [ADU Zoning Regulations](#) for single and multi-family buildings or structures, to facilitate permitting for garage conversions. These standard designs enable homeowners to complete an application and submit for a building permit without incurring design and engineering costs and receive approvals over the counter (OTC). Since 2016, the Department's Building and Safety Bureau's records indicate that more than 680 ADU permits have been issued and garage conversions have accounted for more than 90 percent of the overall permitted ADUs.

To respond to the City Council's request, staff surveyed ADU programs of several agencies in Southern California, including the cities of Los Angeles, Chino, Irvine, and Huntington Beach. The survey highlights best practices utilized in developing PAADU standard plans and associated fees (Attachment A). Based on the survey results, the Department, City Attorney, and Financial Management established and assessed the advantages and disadvantages of the following four Options:

**Option 1: Utilize ADU plans provided by other communities**

This option would establish a Program with plans currently in use by other communities and would require authorization from the community and designer/architect for use in Long Beach.

*Advantage(s):*

- Plans already developed
- Potentially inexpensive

*Disadvantage(s):*

- Agency and/or designer/architect approval may be withheld
- Duration of time and potential costs associated with obtaining the approvals from others
- Plans may not address local code requirements
- While costs are reduced for the homeowner, some costs will remain
- The City may be inundated with various preapproval plan review requests

**Option 2: City purchases plans from design professionals for Program**

This option would involve the City acquiring the services of local design professionals to prepare ADU plans in accordance with City procurement protocols.

*Advantage(s):*

- The City develops the criteria for the PAADU plans that are best suited for the community and local code requirements
- Would engage local development firms

*Disadvantage(s):*

- The City becomes the owner of the plans and may have exposure for potential design and/or construction errors/omissions
- The City may be liable for the costs for preparation of such drawings
- The City will be competing with the construction industry and design professionals for the development of ADU plans
- While costs are reduced for the homeowner, some costs will remain
- The City may be inundated with various preapproval plan review requests

**Option 3: City selects designs from local designers/architects**

This option would include the development of criteria for pre-approved ADU plans and would allow local design professionals the opportunity to submit plans consistent with the City's criteria for review, for a minimal fee, to the City for "pre-approval". The City would then showcase those pre-approved ADU plans on the City's website for the public's review and the design professional and property owner could then enter into a contractual agreement for use of such plans with the community residents.

*Advantage(s):*

- Local design professionals are familiar with and understand the City regulations and processes
- Maintains contractual relationship between property owners and design professionals and other services needed to complete the project
- Design professionals maintain ownership of the plans and responsibility for their designs

*Disadvantage(s):*

- While costs are reduced for the homeowner, some costs will remain
- The City may be inundated with various preapproval plan review requests

**Option 4: Use of manufactured housing**

This option would engage participation from the manufactured housing industry to submit and obtain preapproval for their ADU plans. The City would showcase those manufactured ADU designs on the City's website for the public's review, and the design professional and property owner could then enter into a contractual agreement for use of such plans.

*Advantage(s):*

- Maintains contractual relationship between property owners and design professionals and other services needed to complete the project
- Design professionals maintain ownership of the plans and responsibility for their designs
- Local design professionals are familiar with and understands the City regulations and processes
- This option can potentially reduce construction duration and associated costs

*Disadvantage(s):*

- While costs are reduced for the homeowner, some costs will remain
- The City may be inundated with various pre-approval plan review requests

It is important to recognize that in all of the above-listed options, a site plan will always be required to identify site-related conditions, such as utility connections, location of existing infrastructure, and required setbacks, which will then be evaluated on a case-by-case basis. Additional information is provided further in this memorandum.

City staff recommends the Program include Options 3 and 4, as these options will allow the City to engage with the local design community, allow the City to pre-approve plans and thus accelerate the plan review process, and eliminate the City's cost and exposure related to plan ownership. Both options will require the City to advertise and release a Request for Qualification (RFQ) to engage local design professionals for this scope of work. A design professional in this case can be a licensed architect or engineer or a California Department of Housing and Community Development (HCD) licensed pre-manufactured housing provider. Plans received prior to the deadline in the RFQ will be reviewed by the City staff upon payment of a plan review fee. After successfully complying with all City and State regulations, the plans will receive a pre-approval status from the City. The PAADU plans will be posted on the City website for public consideration. Property owners can view the general details of PAADU's and directly contact the design professionals of record to obtain the construction documents (e.g., plans, specifications, technical reports, etc.) for a negotiated fee. Plans, including site-specific plans can be presented for an OTC review, and if approved, a permit would be issued upon

collection of permit fees, including Long Beach Unified School District (LBUSD) and sewer connection fees. The PAADU plans, site plan, and any revision to such plans shall comply with the City adapted codes and standards at the time of submittal.

### Planning, Zoning, and Other Considerations

Detached ADUs are permitted in single family, multifamily residential zones, and where residential uses are allowed in mixed-use zones. Applicants seeking to construct a PAADU will be required to comply with all applicable zoning regulations, including use regulations and applicable development standards such as yard requirements and height limitations. Additionally, site-specific constraints, such as narrow lots or utility easements, would require an additional review and may prohibit an applicant from taking advantage of the more streamlined review intended with the PAADU plans. Additionally, PAADU plans within historic districts or designated historic landmarks, and coastal zone areas may be required to be submitted to the Planning Bureau for approval.

### Cost Study

The City Council also directed staff to look at the cost of construction, permitting and approval timing for ADUs as a part of recommended Program. Table 1 illustrates a breakdown of the typical construction cost for a new 800 sq. ft. single story, on-grade (limited earth movement) ADU with a total construction cost of \$220,000 built in Southern California:

**Table 1. Estimated ADU Construction Costs\***

<b>800 sq. ft. ADU List of Costs</b>	<b>Amount</b>	<b>Percent of Cost</b>
Design and Structural Engineering	\$14,000	6 percent
Building Permits	\$4,000	2 percent
Site Prep/Excavation	\$8,500	4 percent
Site Drainage System and Rain Harvesting	\$9,500	4 percent
Concrete Foundation	\$20,000	9 percent
Rough Carpentry	\$27,000	12 percent
Stucco	\$15,000	7 percent
Roofing	\$15,000	7 percent
Windows and Exterior Doors	\$8,000	4 percent
Plumbing	\$23,000	10 percent
Electrical	\$16,500	8 percent
Heating Ventilation and Air Conditioning	\$8,100	4 percent
Insulation	\$7,400	3 percent
Drywall and Interior Paint	\$10,000	5 percent
Interior Doors	\$3,500	2 percent
Millwork (Base and Case)	\$4,500	2 percent
Kitchen Cabinets	\$9,000	4 percent
Tile and Stone	\$9,000	4 percent
Appliances	\$8,000	4 percent

<b>Totals</b>	<b>\$220,000</b>	<b>100 percent</b>
<b>Total Construction Cost</b>	<b>\$275/sq. ft.</b>	

\*2022 Construction Costs

While the construction cost of an ADU depends on various factors outside the City’s control, the goal of the recommended Program is to expedite the ADU permitting process and, to the extent feasible, establish more affordable and cost-effective construction within the City. It is anticipated that the recommended Program will reduce the final design and engineering cost of six percent as indicated on the table above to approximately two percent (four percent reduction of cost).

Table 2 illustrates plan review and permit fees and related costs for an 800 sq. ft. ADU project in Long Beach.

**Table 2. City ADU Plan Review and Permit Fees**

<b>Permit fees</b>	<b>Amount</b>	<b>Percent of Construction Cost</b>
Plan Review	\$1,972	1 percent
Inspection and Sewer Capacity Fee	\$2,380	1 percent
Recycling Deposit (Refundable \$4,140)		
<b>Subtotal Permit Fees</b>	<b>\$4,352</b>	<b>2 percent</b>
Impact – Fire Facilities – Residential	\$242	
Impact – Park and Rec – Residential	\$1,781	
Impact – Police – Residential	\$342	
Impact – Transportation – Residential	\$1,125	
<b>Subtotal Impact Fees</b>	<b>\$3,490</b>	<b>1.5 percent</b>

It is anticipated that the recommended Program will reduce the plan review fee from one percent to 0.5 percent as indicated in the above table. Additionally, ADUs that are less than 750 sq. ft. in size would result in a waiver of City impact fees (per AB68) for an additional 1.5 percent cost savings. Table 3 shows other agencies and district fees for an 800 sq. ft. ADU in the City.

**Table 3. Other Agency & District Fees**

<b>Permit Fees</b>	<b>Amount</b>	<b>Percent of Construction Cost</b>
School (LBUSD) Fee – (\$4.08 per sq. ft)	\$3,264	1.5 percent
Sewer Connection fee	\$1,300	0.5 percent
Southern California Edison	Only if a new electrical panel or solar panels will be installed	
<b>Total Other Fees</b>	<b>\$4,564</b>	

### **Next Steps**

It is anticipated that within 5-6 months from the City Council direction approval on an option for the Program, the PAADU plans will be available for property owners to select in constructing their ADU projects.

If you have any questions, please contact Superintendent of Building and Safety David Khorram at (562) 570-7713.

#### ATTACHMENT A –COMPARISON OF ADU PROGRAMS OF SELECTED CITIES

CC: CHARLES PARKIN, CITY ATTORNEY  
DOUGLAS P. HAUBERT, CITY PROSECUTOR  
LAURA L. DOUD, CITY AUDITOR  
LINDA F. TATUM, ASSISTANT CITY MANAGER  
TERESA CHANDLER, DEPUTY CITY MANAGER  
APRIL WALKER, ADMINISTRATIVE DEPUTY CITY MANAGER  
MONIQUE DE LA GARZA, CITY CLERK (REF. FILE #[22-0028](#))  
DEPARTMENT HEADS

Comparison of ADU Programs and Fees of Selected Cities					
ADU Project	Los Angeles	Irvine	Chino	Huntington Beach	Long Beach
<b>Pre-approved ADU Plans</b>	Mutiple prapproved plans - Applicants can purchase directly from Arch/Engineer	No	In Progress	No	Working on a program to engage the local design consultants
<b>Fees</b>					
<b>Building:Plan check &amp; Inspection Fees</b>	\$4,000	\$2,138	Building fee \$1,800 Excludes Mechanical, Electrical, and Plumbing fees (roughly \$200)	\$3,387	\$3,849
<b>Planning Fees (Included in Plancheck &amp; Inspection fees)</b>	All costs included in the preapproval packages	Deposit = \$1,500	Planning separate charge	Planning deposit = \$561.00	Planning fee of \$502 is charged in conjunction with the other fees
<b>Development Impact Fees</b>	<750 sq ft no fees >750 sq ft Transportation Corridor Agency (TCA) provides calcs.	<750 sq ft no fees >750 sq ft TCA provides calcs.	< 750 sq ft no fees > 750 about \$8/sq ft	<750 sq ft no fees >750 sq ft Park, library, fire, & Police = \$3,673.91	<750 sq ft no fees >750 sq ft Fire, Park, Police,& Transportation -- \$3,490
<b>Sewer Connection Fees</b>	No charge	-	No charge	Based on fee study > \$75.00	About 10 fixture units= \$1,300
<b>County Sanitation Fee (collected by County)</b>	LA County currently does not Charge	Orange County	San Bernardino County	Orange County	LA County currently does not charge
<b>ADU School Developer Fee (collected by School District)</b>	< 500 sq ft no fees > 500 sq ft \$4.08/sq ft	< 500 sq ft no fees > 500 sq ft \$4.08/sq ft	< 500 sq ft no fees > 500 sq ft \$4.08/sq ft	<500 sq ft no fees > 500 sq ft \$2.73 - \$3.48/sq ft	< 500 sq ft \$4.08/sq ft > 500 sq ft \$4.08/sq ft
<b>Oher Issues</b>		Recycling fee= \$80	Only charge for water meter if customer requests a separate meter		No extra fee for ADU addressing

1 - The fee estimates are based on a new stand alone 800 sq ft ADU.

2 - Per Assembly Bill No. 68, (3) (A) A local agency, special district, or water corporation shall not impose any impact fee upon the development of an accessory dwelling unit less than 750 square feet. Any impact fees charged for an accessory dwelling unit of 750 square feet or more shall be charged proportionately in relation to the square footage of the primary dwelling unit.  
[https://leginfo.ca.gov/faces/billTextClient.xhtml?bill\\_id=201920200AB68](https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB68)

3 - Detached ADU's require solar system under a separate permit