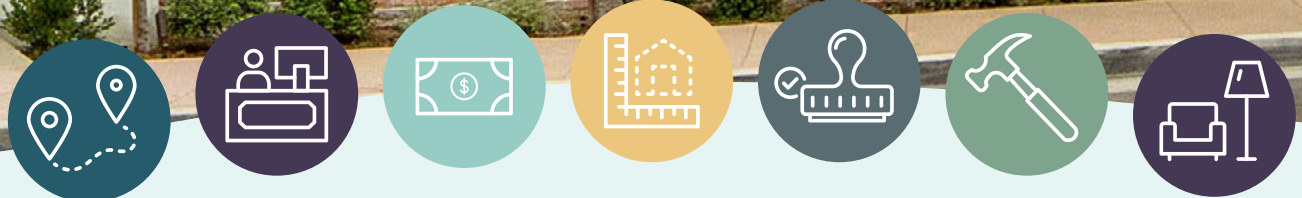




# NEWPORT BEACH ADU GUIDEBOOK



A complete guide to planning an accessory dwelling unit in Newport Beach  
[newportbeachca.gov/adu](http://newportbeachca.gov/adu)



# Welcome!



This guide was created as a resource to help residents of Newport Beach through the entire process of building an accessory dwelling unit (ADU)—also known as granny flats, backyard cottages, in-law units, or basement/garage apartments.

These pages include a step-by-step approach to your ADU project (from ADU 101 all the way to move-in) and provide links to helpful resources and tools along the way.

## NEWPORT BEACH ADU ONLINE

Our ADU website at [newportbeachca.gov/adu](https://newportbeachca.gov/adu) includes this Guidebook, plus tools and exercises to guide you through the ADU process.

**GUIDEBOOK** [newportbeachca.gov/adu-guidebook](https://newportbeachca.gov/adu-guidebook)

**EXERCISES** [newportbeachca.gov/adu-exercises](https://newportbeachca.gov/adu-exercises)

**CITY ADU RULES** [newportbeachca.gov/adu-rules](https://newportbeachca.gov/adu-rules)

**GLOSSARY** [newportbeachca.gov/adu-glossary](https://newportbeachca.gov/adu-glossary)

**ADU PLANS** [newportbeachca.gov/adu-plans](https://newportbeachca.gov/adu-plans)



## NEWPORT BEACH PLANNING DIVISION

1st Floor Bay C, 100 Civic Center Drive,  
Mon-Thu 7:30 - 5:30, Fri 7:30 - 4:30.

Planning and Zoning Info: 949-644-3204

ADU Assist form for initial inquiries:

[newportbeachca.gov/aduassist](https://newportbeachca.gov/aduassist)





MORE CONTACT DETAILS IN THE DIRECTORY, FINAL PAGE



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## EXERCISES



This guidebook includes exercises to help you plan your ADU project. Exercises are available as a [downloadable PDF](#).

### GETTING STARTED

- Identifying Goals & Concerns
- Recording Your ADU Goals
- Making a Rough Property Sketch

### LEARNING THE RULES

- Documenting Property Information
- City Staff Meeting Worksheet

### BUDGETING & FINANCE

- Budgeting Exercise

### DESIGN

- Initial Design Exercise
- Design Ideas Exercise
- Architect/Designer Considerations Exercise

### PERMITTING

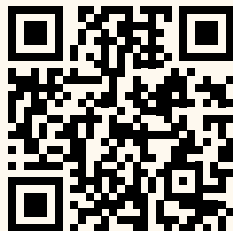
- City Staff Meeting Worksheet

### MOVE-IN

- Identifying What You Want in a Lease



Use the buttons and QR codes listed throughout this Guidebook to access the Exercises PDF.







# ADU 101

Accessory Dwelling Units (ADUs) come in many shapes and sizes but are always a self-contained home that is smaller than the main house and legally part of the same property. They must have a kitchen, bathroom, and place to sleep, and can range from efficiency-size studios to 1,000-square-foot homes with multiple bedrooms.

## ANOTHER OPTION: JADUS

Junior Accessory Dwelling Units (JADUs) are smaller units of up to 500 square feet of space within or attached to a single-family home (including an attached garage). JADUs must include an efficiency kitchen (sink, cooking appliance, fridge, and small counter). Some JADUs have their own bathroom and some share with the main house. Construction costs for JADUs are typically much lower. In most cases, the property owner must live in the primary unit or the JADU.

State law now allows homeowners to have both a JADU and a regular ADU on their property.



# Benefits of ADUs

**Building and renting an ADU is truly a community service** — ADUs often provide homes for the local workforce and small families who have difficulty finding local housing that meets their needs.

For homeowners, there are many reasons to build an ADU — rental income, safe and convenient housing for relatives, flexibility over time, and many others. Here are some of the reasons to build an ADU:



## **HOUSING FRIENDS & RELATIVES**

Space for adult children, aging relatives, or loved ones with special needs.



**RENTAL INCOME** A steady source of income or funds for a rainy day.



**A HOME AS YOU AGE** A home for a caregiver or an accessible and comfortable option for aging adults.



**SAFETY** An extra set of eyes on the property for security, travel, and more.



## **ENVIRONMENTAL BENEFITS**

Small-scale living and reduced commutes for local workers.

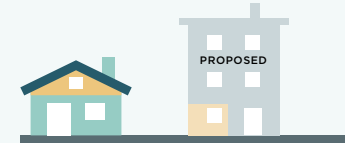
Photo left: [buildinganadu.com](http://buildinganadu.com); Photo right: Villa Homes

## TYPES OF ADUS

Local ADU regulations are based on these ADU types. See the Learning the Rules section for more details.



**JADU:** Converted or new space within or attached to an existing or new home, up to 500 square feet (see previous page)



**INTERNAL:** Converted space in an existing home or accessory building (garage, pool house) OR a unit in a new building



**ATTACHED:** New structure (may include some converted space) sharing at least one wall with a home/building



**DETACHED:** New freestanding structure, such as a backyard cottage



**MULTI-UNIT CONVERSION:** Converted space in an existing multi-unit building (storage, attics, or other non-habitable space)



## **SITE-BUILT/TRADITIONAL**

The ADU is custom-built on your property with typical construction methods.



## **PREFABRICATED/PANELIZED/MODULAR**

Sections of or the entire ADU are built off-site and delivered to your property.





# The ADU Process

 **HOW LONG DOES IT TAKE?**

## PROJECT TIMING

Building an ADU is an investment of time. Most projects take one to two years to complete, with interior conversions being the fastest.

Stages of the process include:

- **PLANNING** 1-3 months  
Getting Started, Learning the Rules, Budgeting
- **DESIGN** 1-6 months
- **PERMITTING** 1-6 months
- **CONSTRUCTION** 6-12 months

## ADU PROCESS AT-A-GLANCE



The following page has a general overview of the steps you can expect as you build your ADU. Many homeowners find that their project does not follow a straight line, but rather involves a learning and revision process.

VISIT [OUR WEBSITE](#) FOR TOOLS AND RESOURCES ASSOCIATED WITH EACH STEP OF THE PROCESS.

## TIMELINE FOR BUILDING AN ADU

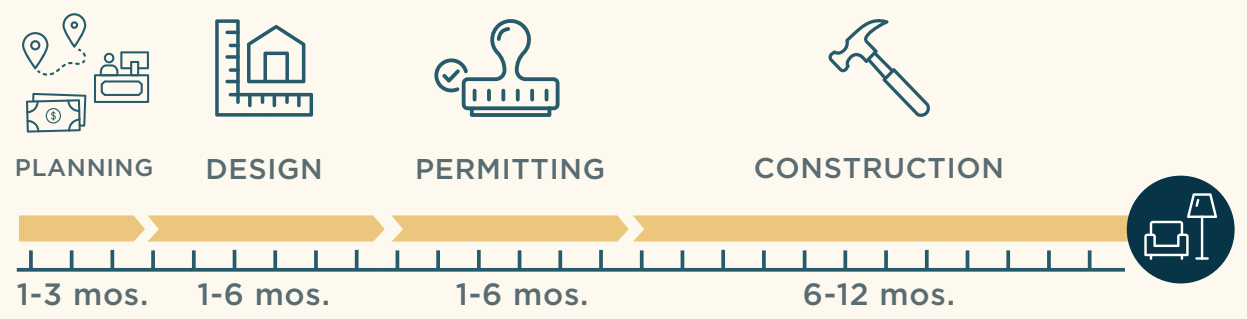


Photo: [buildinganadu.com](http://buildinganadu.com)

# ADU Process At-A-Glance

Newport Beach ADU is here to help you through the ADU building process. Please contact the Planning Division at 949-644-3204 and visit our website at [newportbeachca.gov/adu](http://newportbeachca.gov/adu) for more information.

## 1 GET STARTED

- **Think about what you want**, including your project goals and concerns.
- **Look for inspiration** - visit our [ADU website](#) to see ADU floorplans and case studies.
- **Make an informal sketch of your property** - our [ADU exercises](#) can help.
- **Estimate costs** and possible rental income using the [Orange County ADU Calculator](#).



## 3 DESIGN YOUR ADU

- **Consider using one of our [pre-approved ADU plans](#)**, which can ease the process.
- **Hire your team** - If not using a pre-approved plan, we recommend hiring a licensed architect or designer and a licensed contractor, or a design/build team. Whoever you hire will help with permitting.
- **Create your initial design** and discuss it with City staff. Visit the Permit Center during business hours or call to make an appointment.
- **Finalize your design** for permitting.



## 5 CONSTRUCT YOUR ADU

- **Ensure all funding is established** before beginning construction.
- **Monitor construction** (typically 6-12 months) by checking in regularly with your contractors, making decisions about materials as needed, and ensuring required inspections are moving along.
- **Pass final inspection** - your contractor will schedule inspections throughout construction via the [CiViC Portal](#). Once your ADU has passed the final inspection, it's ready for move-in!



## 2 LEARN THE RULES

- **Learn about your property**, service providers, and restrictions that might apply using the [Newport Beach Address Search Tool](#).
- **Learn what you can build** in this guidebook and [City ADU Rules](#).
- **Meet with City staff** to discuss the rules and deed restrictions that apply to your project.
- **Adjust your project budget** as needed and create a plan for financing your project.



## 4 APPLY FOR PERMITS

- **Prepare your application** for [plan check](#) and a [Building Permit](#). Coastal Zone properties may first need a [Coastal Development Permit](#).
- **Submit your application** at the Permit Center. Plan Check fees are due at submission.\* Materials are typically reviewed within 10-20 business days.
- **Revise your application** - ADU applications typically require 2-3 reviews, each taking 10-20 days. Check the [CiViC Portal](#) for updates. Building Permit fees are due upon approval.\*



## 6 MOVE IN!

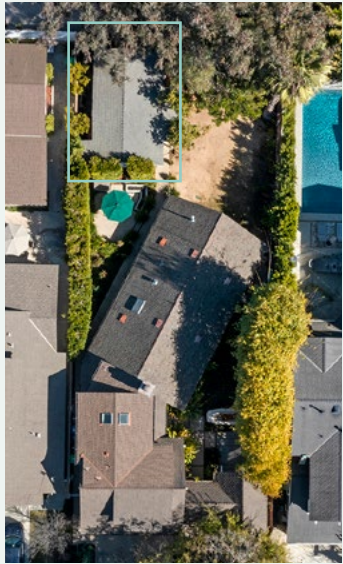


\* City fees are waived for ADUs through at least 2024, except when part of entirely new residential developments.



## SPOTLIGHT: BRAD

# Converted Rec Room Becomes Flexible Housing



I grew up in a sailing family - my father bought a sailboat within a year of coming home from World War II - and many of my first memories were of sailing in Newport Harbor. I sailed professionally when I was younger, back and forth across the Atlantic, and when I returned I started a boat charter business in Newport Harbor.

I bought this house in Newport Heights in 1986. It was a relatively large lot with a main home and a small 15'x20' building in the back, with no bathroom. It was basically a little better than a shed. In the late 1980s I upgraded the building by adding a bathroom, and it was permitted as a recreation room (which ensured no one was living there).

In 2020, I decided to convert the building into an ADU. I've been a City Councilmember since 2016 but I was still surprised by how involved the process was - especially to bring the building up to code. We had to upgrade the foundation, replace the water heater, upgrade wiring, etc. It was a challenging process, but I would do it again.

My ADU is currently occupied by a young family member living in the unit while working and going to school, trying to save up a down payment to purchase their own home. Their situation has really informed me about how difficult it can be for young people to find local housing. They want independence and they're working hard, and we're glad we can help them with somewhere to live while they save.

Photos: Lacey Wood Photography



“ The real value of the ADU is the flexibility - you can rent it out, you can use it as a guest house, you can use it for various purposes.”

<b>Location</b>	Newport Heights
<b>ADU Type</b>	Converted Accessory Building
<b>Price</b>	\$12,500
<b>Year Completed</b>	2020
<b>Time</b>	12 months
<b>Size</b>	424 SF





## SECTION 1

# GETTING STARTED



THINK ABOUT WHAT YOU WANT



MAKE A SKETCH



ESTIMATE COSTS



## EXERCISES

- Identifying Goals & Concerns
- Recording Your ADU Goals
- Making a Rough Property Sketch

## TIMELINE FOR BUILDING AN ADU

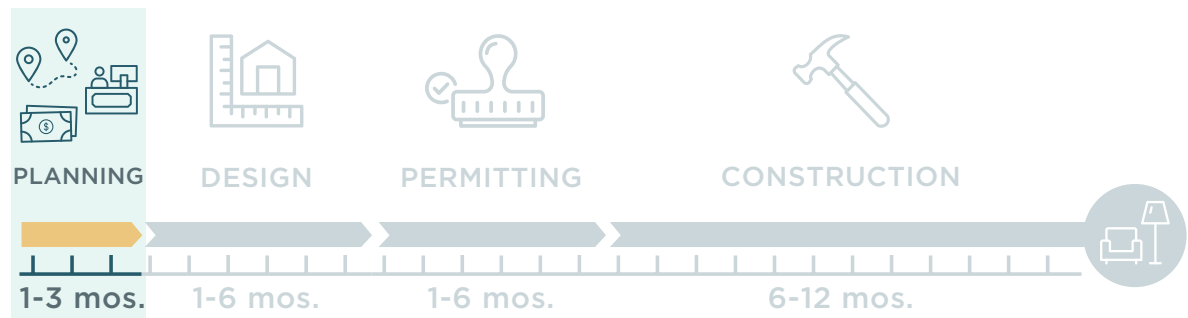


Photo: Marin ADU



# Think About What You Want



HOW DO I GET STARTED?

Use the [ADU Assist form](#) for any of your initial questions for Planning staff.

## EXERCISES



### Identifying Goals & Concerns

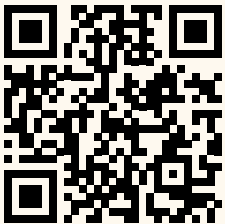
Short- and long-term goals and concerns for your ADU project.

### Recording Your ADU Goals

Focusing on the benefits of your ADU project.



EXERCISES PDF



## GOALS AND CONCERNS

Start by thinking about both your short- and long-term goals. One of the benefits of an ADU is that it can respond to your changing needs over time. At first, it might be rented for income, then turn into a children's playroom, and eventually house aging parents or yourself. It is also important to think about your concerns, like cost, financing, and design. Ways to address these potential challenges are explored in this guide. Creating a list early in the process can help make sure they are addressed sufficiently.

## LOOK FOR INSPIRATION

Seeing other ADUs helps you visualize how you might use one, decide what features and design elements matter to you, and get a feel for smaller living spaces.

**ADU SPOTLIGHTS** Read stories in this Guidebook about Newport Beach residents who have built ADUs (also on our [website](#)).

**FLOORPLANS** See a large selection of real-world ADU floorplans from across California on our [website](#).

## NEWPORT BEACH PRE-APPROVED PLANS

Visit the City's [pre-approved ADU plans](#) to see the designs and floorplans already reviewed by our Planning and Building Divisions (see more details about this program in the Design section).

**TALK TO FRIENDS AND NEIGHBORS** If you know people who have built ADUs, talk to them about what they like and what they wish they'd done differently. If you know any architects or contractors, have a casual chat about ADUs and their suggestions.

Typically, a studio is 220–400 square feet, a one-bedroom is 300–850 square feet, and a two-bedroom is 700–1,000 square feet.

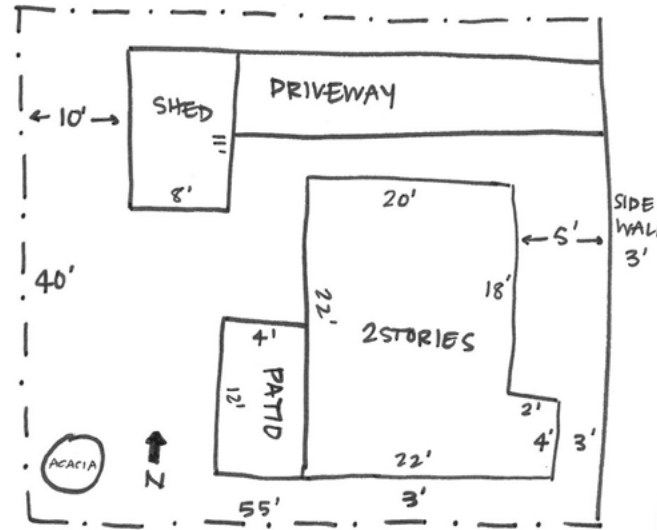
Keep in mind that your ideas are likely to change after you learn more about your property and when you hire a professional team. Being flexible is key!





## Make a Sketch

This is a good time to make an informal, rough sketch of your property, including existing structures, trees, driveways, and other major elements. You can continue to update/revisit this sketch as you learn more about your property and development rules. Use our Property Sketch exercise for instructions and tips.

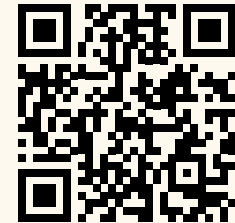


## EXERCISES



- Making a Rough Property Sketch  
Guidelines for drawing a rough site map of your property

 EXERCISES PDF



## Estimate Cost

A very rough placeholder for you to use is \$300 per square foot, including construction and other costs (design, fees, etc.). The real number can vary widely and depends on many factors. [Orange County's ADU Calculator](#) is a great place to start when developing a budget. It provides a rough estimate of costs and income and will help you understand how choices can impact your budget over time, all customized to real local numbers.

There are further discussions of costs in the Design, Permitting, and Construction sections. See the Budget & Financing section for a detailed explanation of financing options.

Photo: Newport Beach ADU



# Early Considerations

Things to think about early on to avoid problems down the road:

**SHARING SPACE** Consider what it will be like to be a landlord and to share your property. You may share a backyard, walls, utilities, and/or bathrooms (for a JADU) with your tenant. Attached ADUs require fireproofing to help protect each unit, and you may want to consider soundproofing, ventilation for cooking smells, utility costs, and any shared maintenance tasks.

**SPEAKING TO NEIGHBORS** The City doesn't require neighbors to agree to your plans, but it is always a good idea to talk with your neighbors about changes to your property. Who knows - learning about the process through your experience may help them decide to build their own ADU!

**HOMEOWNERS ASSOCIATIONS (HOAS)** If you live in an HOA, talk with your representative or board early. An HOA cannot prevent you from building or renting an ADU and cannot “unreasonably restrict” construction or design, but they may still have guidelines or standards to consider. HOAs may also ask to review your ADU plans, but proof of HOA review is not required by the City.

**COASTAL ZONE ADUS** If your property is in the Coastal Zone (you can verify this on the [Newport Beach Address Lookup Tool](#)), you may face some slightly different requirements for your project. Your ADU may require a Coastal Development Permit (CDP), a process that will lengthen your project timeline. See the Permitting section for more details.

**DEED RESTRICTION** All ADUs in Newport Beach are subject to deed restriction (conditions or rules that are added to your property's deed). See the Permitting section for more details. Before committing to building an ADU, homeowners should think about their goals and make sure that they align with these requirements.



Photo: Unsplash





## SECTION 2

# LEARNING THE RULES



LEARN ABOUT YOUR PROPERTY



LEARN WHAT YOU CAN BUILD



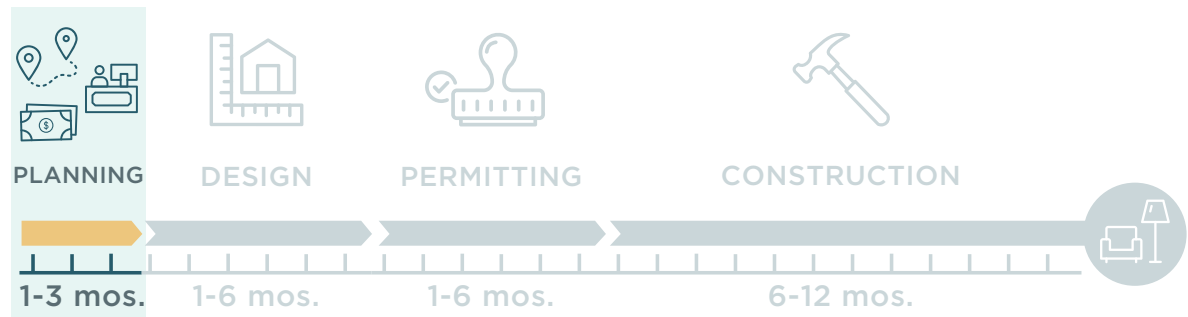
MEET WITH CITY STAFF



### EXERCISES

- Documenting Property Information
- Planner Meeting Worksheet

### TIMELINE FOR BUILDING AN ADU



MAKE SURE YOU DOWNLOAD OR VIEW THE CITY'S [ADU RULES](#)

Photo: Lacey Wood Photography



# Learn About Your Property

**LOT SIZE** At many points in the process, you'll need to know the total square footage of your property. You may be asked to verify the number with an inspection or survey. Here are some ways to find the approximate size of your lot:

- **Newport Beach's [Address Search Tool](#)** Type your address in the search bar, then select your address from the suggestion drop down menu. Click "View Report" to find the approximate lot size recorded by the City.
- **Estimate** by multiplying length x width. For example, a lot that is 40 feet wide by 60 feet deep is 2,400 square feet.
- **Real estate websites** often include approximate lot size.

## **ASSESSOR'S PARCEL NUMBER (APN)**

Every site or lot in California is assigned a unique APN, which is like a social security number for your property. Your parcel APN will be listed on your property tax bill and can also be found using Newport Beach's [Address Search Tool](#). On your property report, the APN is listed in the top right.

**COASTAL ZONE** Use the [Address Search Tool](#) to view the report for your property and scroll down to Local Coastal Program to see if you are in the Coastal Zone.

**ZONING CODE DETAILS** You may want to know about maximum height, setbacks, floor area limits, and other details of how your property is zoned. See our Documenting Property Information exercise for details.

All information you gather about your property should be confirmed with the City before beginning design, especially if you get the information from informal sources like real estate websites.

## EXERCISES



- Documenting Property Information  
Collect important data you'll need as you plan your ADU



Photo: Unsplash





# Learn What You Can Build

This section provides an overview of key state and local laws, followed by a copy of the City's ADU Ordinance Summary. ADU laws are updated occasionally, and there were major updates of state ADU laws in 2020 and 2023. You can verify the most up-to-date City [ADU rules on our website](#) and when you meet with City staff.

## CAN I BUILD AN ADU?

In almost all cases, yes! ADUs are allowed in all residential and mixed-use zones and there is no minimum lot size. Homeowners can build both an ADU and a JADU on their property, and multifamily building owners can build one or two ADUs, depending on the type of project (but no JADUs).

**CAN I USE MY GARAGE?** Homeowners can convert legally built structures (garage, barn, art studio, etc.) into an ADU. JADUs can be converted from an attached garage (but not detached). If you demolish your garage or other enclosed structure and build an ADU in its place, the ADU can be in the same footprint if it's the same size and height of the structure it's replacing.



AM I ALLOWED TO BUILD AN ADU?



Photo: Eric Olson Design



## IMPORTANT ADU LAWS

**OWNER OCCUPANCY** Homeowners who build an ADU do not need live on the property; however, JADU owners must live in the JADU or the primary unit.

**SHORT-TERM RENTALS** ADUs cannot be rented for fewer than 30 days at a time.

**SEPARATE ENTRANCES** All ADUs must have their own exterior entryway (JADUs must also have an interior entrance if sharing a bathroom with the primary unit).

**FIRE SAFETY** Any walls and floors shared between the primary unit and the ADU must be rated for 1-hour fire safety. Fire sprinklers are only required if they're also required in the primary unit.

Photo: ADU Marin

## PARKING

**REPLACEMENT SPACES:** ADUs cannot displace uncovered parking spaces. Garage/carport/covered parking spaces demolished or converted for your project do not need to be replaced unless:

- You're building a JADU.
- You are in the Coastal Zone.

### ADDING NEW SPACES:

- **JADUs and internal ADUs** do not require the addition of a new parking space.
- **Attached and detached ADUs** require the addition of a new parking space (which can be tandem/directly behind another spot in the driveway), unless:
  1. Within 1/2 mile walking distance to transit;
  2. Within an architecturally or historically significant district;
  3. On-street parking permits are required and not provided to the ADU occupant;
  4. Within one block of car-share access;
  5. Not in the Coastal Zone and built along with a new building.



## HOW BIG CAN MY ADU BE?

### FLOOR AREA

- Minimum size is based on CA Building Code for efficiency units, currently requiring a main room of at least 190 square feet plus a closet and bathroom (JADUs can share a bathroom).
- **JADUs** can be up to 500 square feet within/attached to a single-family home.
- **Internal and multi-unit conversion ADUs** have no limit on floor area, but any expansion of the primary home makes the ADU attached instead of internal (exception: conversions of an accessory structure can include up to 150 new square feet for ingress/egress).
- **Attached and detached ADUs** can be up to 850 square feet for studios and one-bedroom units, and up to 1,000 square feet for two-bedroom units.

### ADU HEIGHT

- **JADUs and internal and attached ADUs** can be whatever the base zoning district allows for the primary home.
- **Detached ADUs can be:**
  - 16' tall by default.
  - 18' tall if on a lot with an existing multi-unit, multi-story building.

- 18' tall (plus 2' for a roof slope to match the primary house), if within 1/2 mile of major transit stop or high-quality transit corridor.
- **ADUs above a detached garage** can create a two-story building and be up to whatever height the base zoning district allows, if the garage meets setbacks and the primary home meets current parking requirements.

**SITE COVERAGE/FLOOR AREA LIMIT RULES** determine how much of your property can be developed. These are unlikely to affect you unless your ADU is large – but clarify with City staff.

**SETBACKS** (distance to the property edge)

- **JADUs, internal and multi-unit conversion ADUs** keep existing setbacks.
- **Attached and detached ADUs** have rear and side setbacks of four feet or based on your zoning code, whatever is lower, and front setbacks based on your zoning code. Note that alley setbacks are set separately in the zoning code.

If you're demolishing an existing enclosed structure (like a detached garage) to build an ADU, the ADU can retain the original structure's setbacks as long as it's the same size and height.

Maximum height, setbacks, site coverage, and floor area limit are found in the zoning rules for your property.

### WHAT ABOUT BASEMENT ADUS?

ADUs and JADUs built below-grade are not counted toward the floor area limits for your property, as long as excavation and "daylighting" for exterior access is limited. Talk to Planning staff for more details.

According to state law, you can build up to an 800 square foot ADU, as long as rear and side setbacks are at least 4 feet and it is not above 16 feet tall. No room behind or next to your main home? Front setbacks can be adjusted – clarify with City staff.



# Meet with the City

One of the best things you can do is to talk to staff early in the process about potential issues and rules that might apply to your specific property and project. Newport Beach has a Permit Center where you can ask questions without an appointment, or you can call and ask about setting a specific meeting (for hours and contact information, see the Directory on the final page). This conversation should cover specifics on your lot and the size, location, and type of ADU you want to build. It should also cover additional design guidelines, parking requirements, fees, and utilities as relevant. Consult the City Staff Meeting Worksheet in our exercises for a list of questions to ask.

## EXERCISES



### City Staff Meeting Worksheet

Questions to ask and space to take notes.

 EXERCISES PDF

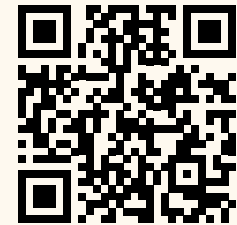


Photo: Timbre Architecture





## SECTION 3

# BUDGET & FINANCE



ESTIMATE PROJECT COST



ASSESS FINANCING OPTIONS

## EXERCISES



Budgeting Exercise

### TIMELINE FOR BUILDING AN ADU

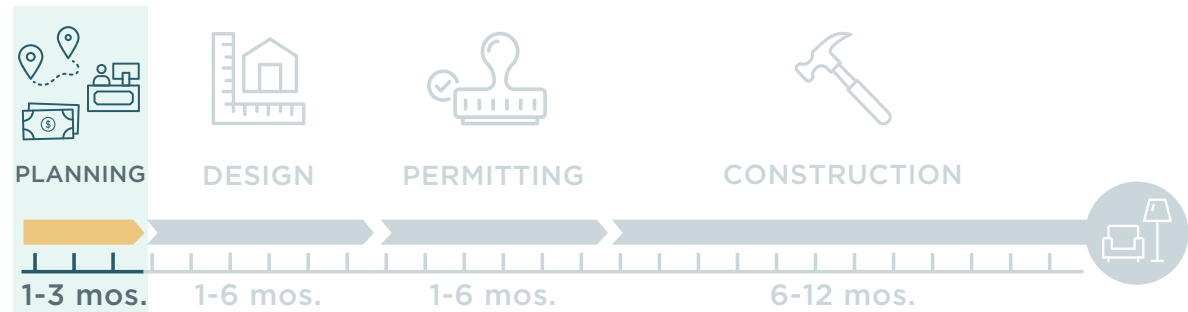


Photo: Valley Home Development



# Estimate Project Cost

Your budget is one of the most important parts of your ADU project. You will need to balance design with what you can afford, but also consider potential rental income. A larger or higher-end unit will likely go for a higher rent, which may allow you a larger loan, but if you wish to rent your ADU at an affordable rent, you may need to compromise on size and/or design.

## If you haven't already, now is the time to estimate your project costs.

A very rough placeholder for you to use is \$300 per square foot, including construction and other costs (design, fees, etc.). The real number can vary widely and depends on many factors. [Orange County's ADU Calculator](#) is a great place to start when developing a budget. It provides a rough estimate of costs and income and will help you understand how choices can impact your budget over time, all customized to real local numbers.

Keep in mind that initial budget estimates are likely to change and you can't know specifics until you talk to your professional team (architect, contractor, etc.).

Photo: Abodu

## ? WHAT WILL IT COST?

The Design, Permitting, and Construction sections contain more specifics about costs.

If you have a tax or financial advisor, it's a good idea to check in with them early.

## EXERCISES

- Budgeting Exercise  
Get started with financial planning for your ADU.

 EXERCISES PDF







# Assess Financing Options

Many homeowners use a mix of options to finance their ADU, including savings, funds from family, and/or loans. **It is strongly recommended that your financing is established before construction starts.** Be sure to factor in potential rental income since that will help you repay loans.



## CASH OR OTHER EASY-ACCESS MONEY

Homeowners often use assets like cash or stocks to pay for some or all construction costs. Some may also withdraw retirement savings, which usually includes a penalty. While this can be a viable option, it should be considered with caution.



## LOANS FROM FRIENDS OR FAMILY

Some homeowners borrow from friends or family. This can benefit everyone if the person lending gets a higher interest rate than a savings account and the person borrowing pays less than they would on the market. Another option is planning for friends or family to live in the ADU - they live rent free in exchange for contributing money for construction. In either case, you should come to a formal agreement and have a lawyer prepare a contract, not just

with a handshake. There are companies that can help formalize an agreement and administer payments, if you want - search online for terms like “friends and family loan payments.”



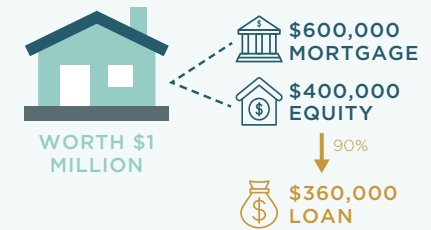
**HOME EQUITY** Your equity in your home is the portion of your home’s value that you own outright. It is calculated by subtracting your current mortgage balance(s) from the value of your home. Homeowners with sufficient equity in their homes (at least 15-20%) can take out a second loan or line of credit.



**LOANS FROM A LENDER** If you think you may want to borrow, you’ll need to figure out how large a loan you qualify for (and feel comfortable with). Banks will generally require two things: equity from your home and enough income to make payments. A good option is to call a mortgage broker and/or a bank, explain that you are considering building an ADU, and ask about loan options. Brokers and lenders consider it a normal question and will be happy to talk. There is no obligation and no cost for an initial conversation.

Banks will typically offer a loan that is 90 percent of the equity a person has in their property. For example, if you have a \$1 million home and a \$600,000 mortgage, since you own \$400,000, the bank can offer you \$360,000 (.90 x \$400,000).

### EXAMPLE EQUITY LOAN



The California Housing Finance Agency (Cal HFA) ADU Program has in the past provided grants to qualified homeowners for the reimbursement of ADU pre-development costs, including impact fees. To qualify, a homeowner must be low or moderate income. See their [website](#) for details.



# Getting a Loan

## FINDING A BROKER OR BANK

If you are going to get a loan, you will need to decide to work with a mortgage broker or bank to find your loan. You don't need to make this decision right away. The product that best fits your financial situation will depend on your income, home equity, and credit score. Like many other aspects of building an ADU, it's important to talk to different brokers and lenders to find the best fit for you.



**MORTGAGE BROKERS** shop to find the best option for you and are not affiliated with a specific bank or lender. They are required by law to offer you products that are in your best interest. There are great benefits to using an independent broker since they work with a variety of lenders and loan providers.

To find a mortgage broker, start by asking friends, neighbors, or people in your social network for recommendations. You can reach out to local real estate agencies since they usually have lists of mortgage brokers who have done work for their clients. The [California Association of Mortgage Brokers](#) has an online member directory and the California Department of Real Estate and California Department of Corporations maintain a [listing of all brokers with valid licenses](#) where you can crosscheck recommendations.



**BANKS OR CREDIT UNIONS** provide a variety of loans to finance your ADU by using your home equity.

There are benefits to going directly to a bank especially if you have an existing relationship with one. For instance, they may be able to offer you a rate or products that cannot be offered by a broker or other banks.

To find out more about what banks can provide, start by talking with your current mortgage company or bank. It's also a good idea to contact other banks about what they can offer. Don't forget to consider local banks and credit unions that may be more familiar with financing options for small homes, including ADUs.

Photo: Timbre Architecture



## LOAN TYPES

Generally, you don't have to worry too much about the different loans available because your bank or mortgage broker will walk you through the various options. Common loan products are summarized below.



**CASH-OUT REFINANCE** Homeowners with more than 15% equity in their property can refinance their mortgage to pull cash out. This replaces your existing mortgage with a new one. This is best done when rates are lower or comparable to the current rate.



### HOME EQUITY LOANS OR HOME EQUITY LINES OF CREDIT (HELOC)

Homeowners with sufficient equity in their home (at least 15%) can take out a second loan or line of credit. These types of loans work well if you prefer to take out a second, smaller mortgage instead of refinancing at a higher interest rate. Typically, these loans are variable rate mortgages (meaning the interest rate changes) and have no initiation fees. To qualify, you'll need to show you make sufficient income to cover the cost of your current debts plus the additional debt you'll be taking on. One advantage is the homeowner does not start paying interest until the money is spent.

## CHOOSING A BROKER OR BANK

	Potential Pros	Potential Cons
<p><b>Mortgage Brokers</b></p>	<ul style="list-style-type: none"> <li>• They will have access to more financial products and can work with various companies or lenders.</li> <li>• Legally they must find the best deals available for you.</li> <li>• They may have more creative financing options available if your financial situation is unique, such as lower income or equity.</li> </ul>	<ul style="list-style-type: none"> <li>• They can only work with their available financial products and portfolio.</li> <li>• They do not have to disclose how much money they are making from your loan.</li> </ul>
<p><b>Banks or Credit Unions</b></p>	<ul style="list-style-type: none"> <li>• They may have access to different financial products not available to mortgage brokers.</li> <li>• One place for all your accounts like mortgage and retirement if they currently manage your portfolio.</li> <li>• The loan process all happens through one institution.</li> <li>• An existing relationship can feel more comfortable.</li> </ul>	<ul style="list-style-type: none"> <li>• They can only work with their available financial products and portfolio.</li> <li>• They do not have to disclose how much money they are making from your loan.</li> <li>• Depending on your financial situation, such as lower income or equity, they may be more conservative in what they can offer.</li> </ul>

## FINANCING OPTIONS TO CONSIDER

	High Income	Low Income
<b>High Home Equity</b>	<ul style="list-style-type: none"> <li>• Cash savings</li> <li>• Cash-out refinance</li> <li>• Home equity loan/HELOC</li> </ul>	<ul style="list-style-type: none"> <li>• Cash-out refinance</li> <li>• Home equity loan/HELOC</li> </ul>
<b>Low Home Equity</b>	<ul style="list-style-type: none"> <li>• Cash savings</li> <li>• Renovation loan</li> </ul>	<ul style="list-style-type: none"> <li>• Financing typically unavailable</li> <li>• Loans from friends or family</li> </ul>

# Taxes and Resale

? HOW WILL IT AFFECT MY TAXES?

Adding an ADU will likely affect your property taxes and the resale value of your home. However, your primary house will not be reassessed, and your property taxes will only increase based on the added value of your ADU. For example, if you build an ADU that adds \$150,000 to your property value, and your tax rate is 1%, your taxes will increase by  $1\% \times \$150,000$ , or \$1,500 per year.

Building a JADU will have a significantly smaller impact on assessed value. In some cases, your taxes will not increase at all. Home sharing will also not increase the assessed value of your home. Generally, garage conversions will not raise your tax bill as much as new construction, but they will also not add as much value.

Each property will require a one-on-one analysis to determine the added value of an ADU, so contact the [Orange County Assessor Recorder Office](#) once you have an idea of your plan. They will be able to provide you with a rough estimate of tax implications. For contact information see the Directory on the final page.

Adding an ADU may impact your income taxes as well. This can be rather complicated, and it's best to discuss these with a tax advisor. The rental income you receive for your ADU is taxable, but you can deduct the cost of allowable maintenance and depreciate the cost of construction, which can often reduce or eliminate any tax increase. You may also have capital gains tax related to the increased value when you sell your property.

Note that your unit could be assessed in different ways for different purposes. If you are trying to get a loan, the bank might be more conservative and assume the value of your home will increase less.

Photo: Eric Olson Design





## SECTION 4

# DESIGN



CONSIDER OUR PRE-APPROVED PLANS



HIRE YOUR TEAM



CREATE THE INITIAL DESIGN



FINALIZE DESIGN



## EXERCISES

- Initial Design Exercise
- Design Ideas Exercise
- Architect/Designer Considerations Exercise

### TIMELINE FOR BUILDING AN ADU

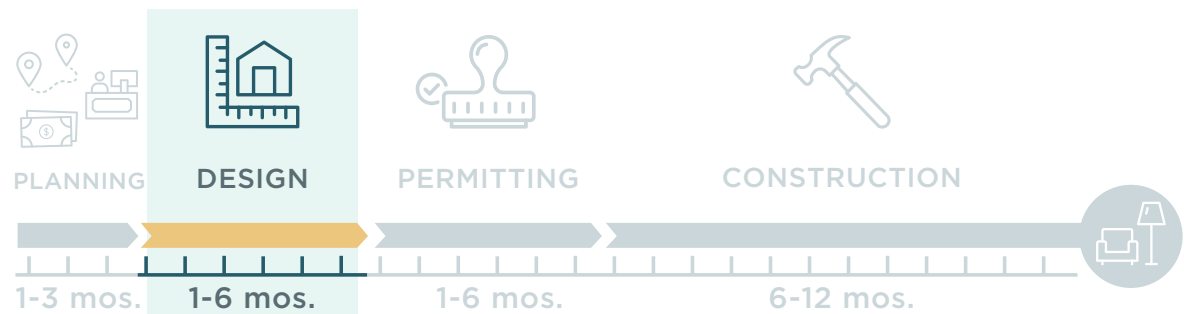


Photo: New Avenue Homes

## GETTING INSPIRED

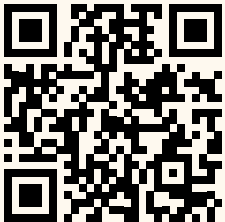
Good sources for ADU design inspiration include the Stories in this Guidebook and [on our ADU website](#), Newport Beach's [pre-approved ADU plans](#), and the gallery on the [Casita Coalition website](#).

## EXERCISES



- Initial Design Exercise  
Notes and questions to start the design process.
- Design Ideas Exercise  
Initial thoughts on finishes and fixtures.

 EXERCISES PDF



## BEFORE YOU BEGIN DESIGN

It is helpful to have a clear sense of what you want early in the process. If you have not made some basic decisions, like the type of ADU and how many bedrooms, it is difficult to start the design process. An architect or designer can help you brainstorm, but they cannot start designing until these decisions are made.

Also, make sure you and your design team have reviewed all applicable development rules. See the Learning the Rules section for more details. It saves a lot of time and frustration in design and permitting to have met with City staff first to discuss your property and all the applicable rules.



Photo: McDunn ADUs





# Consider the City's Plans

**COMING SOON!** The City will soon be offering a selection of ADU plans that have already been approved for code compliance by the Planning and Building Divisions, bringing you one step closer to full approval (and saving you time and money). There will be three floorplan options available (two studios and one 1-bedroom) in three different architectural styles (see the following pages), plus plans for a 1-car or 2-car garage conversion.

Note: The floorplans below reflect some (but not all) of the design options. Each set of plans can have an optional covered front porch and other features. See [newportbeachca.gov/adu-plans](http://newportbeachca.gov/adu-plans) for more details.

**STUDIO 1 504 SF**



**ONE-BEDROOM 672 SF**



**STUDIO 2 448 SF**



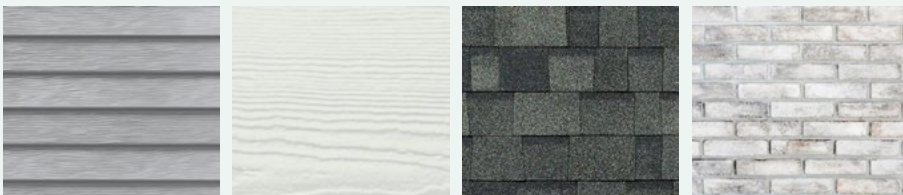
## USING THE CITY'S PLANS (COMING SOON!)

- 1 Visit [newportbeachca.gov/adu-plans](http://newportbeachca.gov/adu-plans) to see the plans.
- 2 Choose your set of plans, then decide about the optional features (covered front porch, etc.).
- 3 Prepare additional permitting materials, like the site plan, Title 24 report, and others. Some items might require professional help from an architect, designer, or engineer.
- 4 Submit documentation for permit approval.

## PRE-APPROVED PLANS ARCHITECTURAL STYLES

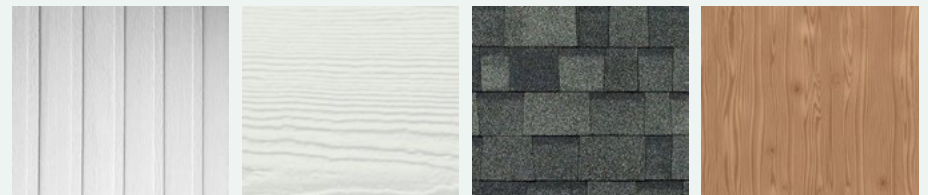
These styles represent the prevailing architectural styles in Newport Beach, but each set of plans is highly customizable in terms of finishes. Each style below is depicted in multiple floorplan options.

### 1 CALIFORNIA RANCH STUDIO, 1-BR



**ROOF:** Asphalt shingle, **SIDING:** Wood, **DETAILS:** Board and batten shutters, brick wainscoting

### 2 CONTEMPORARY FARMHOUSE STUDIO, 1-BR



**ROOF:** Dutch Gable asphalt shingle, **SIDING:** Board and batten, **DETAILS:** Exposed wood posts, railing, and deck



# PRE-APPROVED PLANS, CONTINUED

## 3 COASTAL COTTAGE STUDIO, 1-BR



**ROOF:** Asphalt shingle, **SIDING:** Shake, **DETAILS:** Wood clad columns, ornate railings, wood brackets

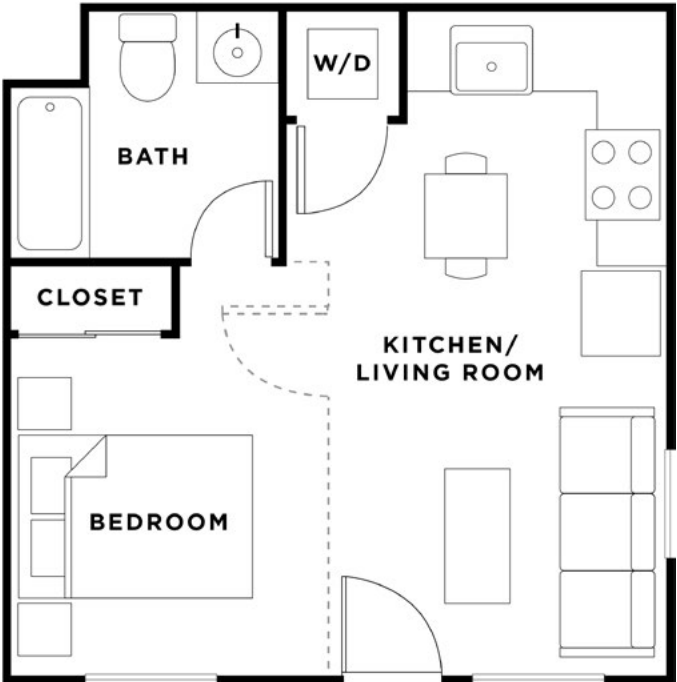
## GARAGE CONVERSION FLOORPLANS

**COMING SOON!** The City has also created two model floorplans for garage conversion ADUs. These floorplans meet code requirements and are a good launching point for conversions, but should be customized based on your existing structure. Garage conversion ADUs may require an updated foundation, new water and utility connections, and other structural changes.

Start by contacting the Planning Division to understand how these floorplans can be used for your project.

**1-CAR GARAGE 231 SF**

**2-CAR GARAGE 441 SF**





# Hire Your Team

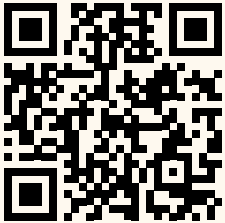
HOW DO I FIND AN ARCHITECT/DESIGNER?

## EXERCISES



- Architect/Designer Consideration Exercise  
Questions to consider when choosing a professional

EXERCISES PDF



The American Institute of Architects (AIA) provides helpful information for homeowners and maintains a [local chapter website](#) where you can find professionals accepting new work.

**Although you can build an ADU as an owner-contractor, we strongly recommend hiring 1) a licensed architect or designer and a licensed contractor, or 2) a design/build team, and most homeowners do.**

Using professional help from the beginning is often key to getting your ADU approved quickly, managed efficiently, and built cost-effectively. Relevant experience and fit are critical and it's important to look at their past work and check references.

Typically, you'll start by hiring an architect or designer and then a contractor to complete construction (unless you're using a design/build company that performs both roles). However, contractors often book early and can have helpful thoughts about the cost impacts of design features, so you may consider adding them to your team early on. It's also okay to pay one contractor for consultation during design but then hire another for construction.

## ADU PROFESSIONALS

**ARCHITECT** A design professional who has passed a licensing exam by the state. Architects take legal responsibility for their work and provide a range of services,

including full-service support from start to finish. They tend to bill at a higher rate than designers, but their expertise can save money (and stress) in the end.

**DESIGNER** A professional who either has architectural training but is not licensed, is self-taught, or falls somewhere in between. This term is not regulated, so be sure to ask about their experience and if they've designed ADUs before. Note: If you're not using a licensed architect, your plans will need to be stamped by a licensed engineer.

**CONTRACTOR** A construction firm licensed by the state. They will work with your designer or architect to finalize plans, budgets, and permits, then manage the construction once it begins.

**DESIGN/BUILD** A company that will design your ADU, manage the process, and build it. Most often, design/build firms are run by a licensed contractor who has designers or architects and builders on staff.

**MODULAR/PREFAB** A company with preset designs of modular or prefab homes. Some or most of the ADU is built off-site, then shipped to your property and installed by a contractor.



## FINDING YOUR DESIGN TEAM

Because a major portion of an architect or designer's job is walking you through a unique project (especially with the challenges of ADUs), it's very important to find someone who has experience and a communication style that fits with yours. Personal connections can help, especially since they are busy – talk with neighbors or friends who have completed an addition or renovation and ask if they know any professionals they'd recommend, and consider if you have any in your community (e.g., neighbors, social networks).

A potential architect or designer will start the process by visiting your home and talking to you about your ideas and goals. If it seems like a good match, they will prepare a proposal detailing their services and fees. They may charge for an initial consultation or proposal. The American Institute of Architects recommends you meet with three to five options before making a hiring decision.

## COSTS AND CONTRACTS

Design costs vary with every project, but a rule of thumb is that it will cost 10-20% of the total construction budget. Typically, design teams use one of three methods:

**FIXED FEE** They bill a maximum price based on project needs. Prices don't change if the project takes more or less time.

**TIME AND MATERIALS** They bill for hours, which works best if the project has many unknowns. To protect yourself and comply with state law, these contracts must identify the total amount, start and stop dates, and a payment schedule with details on completed work in dollars and cents.

**NOT TO EXCEED** They bill for hours but also agree on maximum amounts for each phase. A written contract protects you and is state law. You may want to have a lawyer review it to make sure all your concerns are covered before you sign.



Graphic: Smallworks

## SAMPLE DESIGN COSTS

	Basic Studio	High-End 2-BR	% of Total
<b>Concept/Schematics</b>	\$1,600	\$3,200	15%
<b>Refinement &amp; Permits</b>	\$3,200	\$6,300	30%
<b>Construction Drawings</b>	\$4,200	\$8,400	40%
<b>Bidding, Negotiation, &amp; Construction</b>	\$1,600	\$3,200	15%
<b>TOTAL</b>	<b>\$10,600</b>	<b>\$21,100</b>	<b>100%</b>

These represent typical costs, but costs vary for every project.



# Create the Initial Design

Homeowners are often surprised by fire separation requirements for attached ADUs (walls and floors shared between the primary unit and the ADU must be rated for 1-hour fire safety), as well as noise attenuation (between floors). Odor-proofing may also be a good investment.

Once you have your team in place, you will work with them to design your ADU. Together you will consider size, use, layout, specific project needs (storage, laundry room, etc.), architectural style, and privacy.

**CONCEPTUAL DRAWINGS** Your design team will take measurements of your property and develop concept drawings, including the type of ADU, floorplan, and its relationship to the main house and outside areas. Drawings are usually quick and inexpensive and can help you figure out what you want. Construction costs and [ADU development rules](#) should be discussed at every stage, so if your team does not bring them up, you should.

**REFINED DRAWINGS** Once you have concept drawings, your design team will refine their work. They will ask more questions about your goals, and you will have to start choosing components, like doors and windows. At the end of this stage, there will be a drawing done to scale that covers the layout and all the major systems like heating and electrical.

## GETTING ADVICE ON YOUR DESIGN

Once you have a design, it's a good idea to discuss it with staff so they can point out any issues before submitting your permit application. Your design team can attend this meeting to clarify drawings and help you understand requirements. You can visit the Permit Center during business hours or call to make an appointment (see the Directory on the final page).



Photo: Lanefab Design/Build



## CONTACTING SERVICE AGENCIES

This is a good time to reach out to the agencies that provide vital services like water, sewer, gas, and electricity to see if their requirements need to be incorporated into your design. Your design team will know how to navigate these logistics, so make sure they're involved as well. This is also a good chance to confirm connection and service fees.

ADUs do not require separate water and sewer connections, but the Public Works Department and the Building Division may require homeowners to upsize service and/or meters to meet capacity requirements ([see details here](#)).

Some utilities (water, sewer, and waste) are coordinated by the City, while others (electricity and gas) are coordinated by outside agencies. Contact information for these agencies is listed in the Directory on the final page.

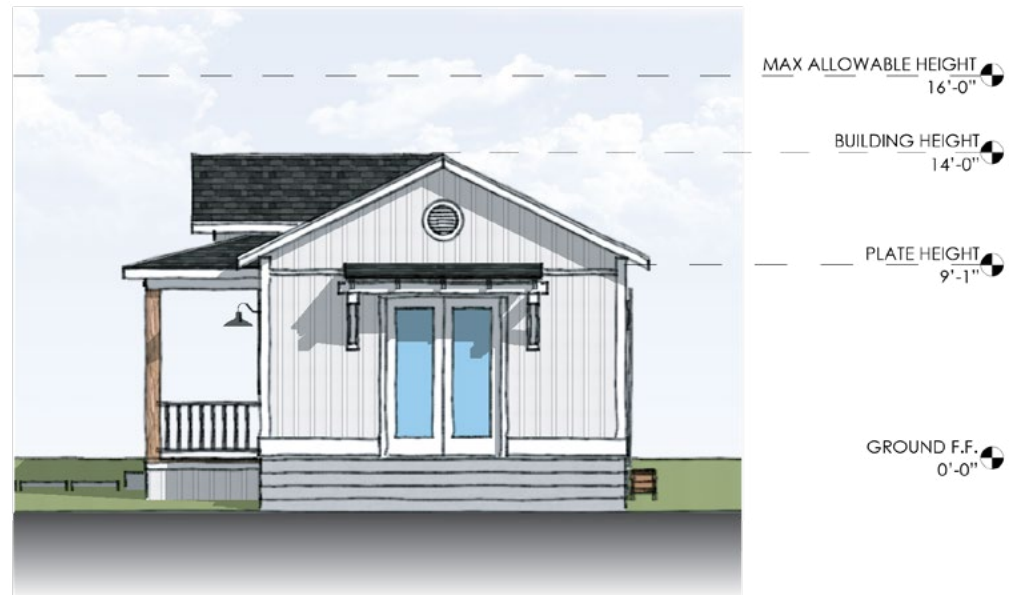
All new ADUs must meet Title 24 standards – minimum energy efficiency for new construction in California – which includes things like the amount of insulation and light fixtures required (and solar panels for detached ADUs). Hiring a consultant usually costs less than \$500.



## Finalize Your Design

Based on your meeting with City staff, you and your team will work through any required changes and prepare the permit application (see Permitting section).

Many homeowners also get construction drawings from their design team that provide all the detail needed for a contractor to bid on the project (see Construction section). Potential contractors will likely want to visit the site along with seeing the drawings.



Elevation: Newport Beach 1-bedroom ADU, Contemporary Farmhouse Style (see pages 27-29)

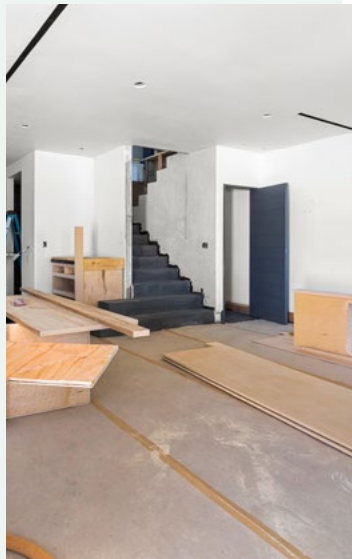
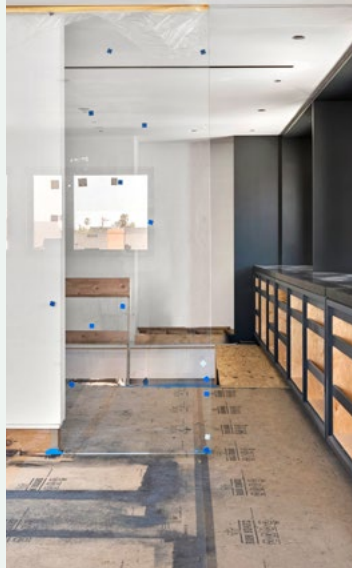
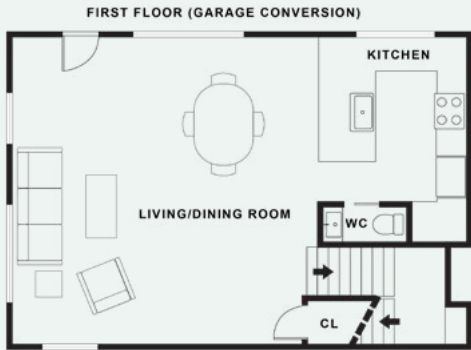


## SPOTLIGHT: TERRY

# Bold, Modern Design for a Dream Retirement



“The value of an ADU in many ways is being able to have people close to you and having relationships with people who might live next door.”



After more than 20 years in Newport Beach, our goal of retiring was in the near future.

Staying in the neighborhood we love was an important lifestyle choice for our retirement plan. We realized that our existing garage and unused bedroom area, could be converted into an ADU with plenty of space and privacy for us to prepare for aging in place. This new space could be used for visiting family and later for a caretaker and is even an option for us to move into.

As we progressed with our architect, we realized that the state of California and the city of Newport Beach had incentives to assist us in creating such a space. We applied for CalHFA grant and worked closely with the city of Newport Beach. Our Architect was selected for his specialty in modern design and detail. Our 1,500 square foot ADU has lots of natural light and tons of storage. The goal for our architect and contractor was to design functionality with low maintenance materials while keeping it beautiful and comfortable to live in.

We are truly happy with our team of professionals, from start to finish. From the ADU advisor, to our architect, contractor, and subcontractors. The best recommendation is to start with your initial ideas and get your professionals on board early and follow your plan with minimal changes.



<b>Location</b>	Newport Heights
<b>ADU Type</b>	Attached (partial garage conversion)
<b>Year Completed</b>	2023
<b>Size</b>	1,500 SF

Photos: Lacey Wood Photography





## SECTION 5

# PERMITTING



PREPARE YOUR APPLICATION



SUBMIT YOUR APPLICATION



REVISE YOUR APPLICATION



RECEIVE YOUR PERMITS



### EXERCISES

- City Staff Meeting Worksheet (repeat)

### TIMELINE FOR BUILDING AN ADU

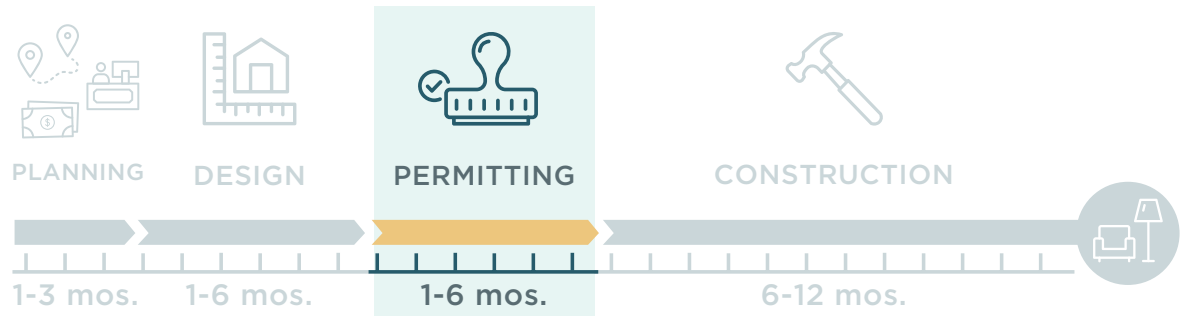


Photo: Unsplash



## Prepare Your Application

Once your plans are finalized, you and your design team will submit your application to the City for approval – materials are detailed on the following pages.

**TALK WITH CITY STAFF** Meeting with staff for review and advice on your application before submission can help the process go as quickly and smoothly as possible. Contact the Permit Center to schedule a meeting (see the Directory on the final page). This is a great time to confirm if you'll need a Coastal Development Permit.

State law allows you to submit an owner-builder application, but many who do this have a hard time. The process can be technical and complex and you are liable if anything goes wrong. Most homeowners choose to work with a professional through the permitting process.



## Submit Your Application

Your team will go to the Permit Center to hand in an application package with the required documents. (In the future, you may be able to submit materials via the [CiViC portal](#)). Plan check fees are due at submission (see details following).

The City will review your application and send it to other departments or agencies that need to review it, including Building, Planning, Public Works, and the Fire Department (when relevant).

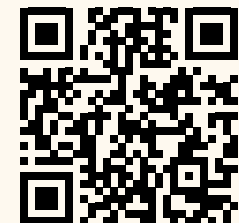
Photo: Newport Beach ADU



### EXERCISES

- City Staff Meeting Worksheet (repeat)  
If you haven't yet asked these questions, now is the time.

 EXERCISES PDF







## Revise Your Application

Staff will usually review your application within 10-20 working days. If changes or additional details are needed (which is usually the case), you and your team will receive notification. You can view the status of your application on the [CiViC Portal](#). On the main website page, follow “Plan Check Status Guide” for instructions.

After receiving comments, you and your design team will revise and resubmit. Most ADUs require two to three rounds of review and the City usually returns new comments within 10-20 working days each time.

**GET AN ADDRESS** This is a great time to request an address for your ADU. Send an email to your project planner with the following information: 1) name, 2) relationship to the property, 3) mailing address and contact information for the letter, 4) requested address assignment, and 5) reason for the address request (i.e., a new JADU or ADU). The Planning Division will respond with a formal address assignment letter that you can share with utility agencies and U.S. Mail.

Most ADUs will not require a public hearing, but if your ADU requires a special permit or does not comply with ADU rules (example: it is over the height limit), it may need additional review.

State law says cities cannot comment on zoning issues unrelated to the ADU. For example, you should not receive comments about the main house or a fence, unless there is an obvious public safety issue.



## Receive Permits

Once your application is approved, staff will let you know that your permit is ready and provide you with information on Building Permit fees, which are due before you receive your permits. You or your contractor (as identified on the application) may pick up the permit and begin construction. Permits are valid for 180 days (which extends an additional 180 days after each inspection, up to 3 years).



Photo: Craig S. Hampton



# Application Overview

## FIRST, IF NEEDED: COASTAL DEVELOPMENT PERMIT

If your property is in the Coastal Zone (check on the [Address Search Tool](#)), you may need to apply for a Coastal Development Permit (CDP). Confirm with City staff before starting the process.

Review of the CDP application can somewhat overlap with the review of your overall application, but it's a good idea to start the CDP before submitting the rest of your application in case the CDP process requires you to make substantial changes to your plan. The City issues CDPs, but if the Coastal Commission appeals the City's decision you will need to have a Coastal Commission hearing - but this is unlikely.

The entire CDP process can take more than eight weeks, so make sure to include that in your timeline. Planning Division staff can help you navigate this process. See more details in these [CDP instructions](#).

Keep in mind, any lost parking must be replaced for JADUs and ADUs located within the Coastal Zone.

Photo: Lacey Wood Photography



# Application Overview

## PLAN CHECK AND BUILDING PERMIT

Your team will guide you through the requirements for these submissions and will produce all the necessary technical documents related to your design and building plans. You can find more information about these applications and access a variety of forms that might be required at the [City's Building Permits and Plan Check webpage](#).

**PLAN CHECK** includes multiple divisions reviewing your construction plans for compliance with local code and flagging any safety or other issues. The required submissions for residential additions and new construction plan check are [listed online](#). You can check the status of your Plan Check submission at the [CiViC Portal](#).

**BUILDING PERMITS** give you permission to start construction and will be provided when your entire application package is approved. There may be multiple forms for you to fill out, but all applications will include the [Worksheet for Combo Building & Solar Permit Application](#).

Photo: Humboldt ADU

**ADDITIONAL MATERIALS** After your application is submitted, you will receive a request for these items (blank copies provided as relevant):

- **Grant deed** to verify ownership and legal description of your property.
- **Housing Questionnaire** asking how your ADU will be used and the projected annual rent (if relevant).
- **Deed restriction** All ADUs must include a deed restriction, which prevents property owners from selling the ADU as a separate property from the primary home or from using the ADU for short-term rentals (such as Airbnb). For a JADU, it also needs to include that the property owner will be living in the primary unit or the JADU. Planning staff will provide you with a deed restriction template and help you customize it for your property. You'll need to print, date, and sign this form with a notarized signature and physically bring it to the Permit Center.

If you need to demolish a garage to replace it with an ADU, your demolition permit application can be processed at the same time as your ADU permit application.





# Permitting Fees

ADUs incur a variety of fees from the City, the State, and other agencies. Some fees are based on the details of the project while others are fixed. Surprisingly, the City does not control many of the most expensive fees, like school and water fees, which are assessed by other agencies and dependent on the size or location of your ADU. The fees below are often required. For more information about fees for your project and what to expect, speak with planning staff.

**ESTIMATING FEES** The total amount of fees depends on your property and plans. The [Orange County ADU calculator](#) can estimate fees for your project.

**EXEMPTIONS** ADUs under 750 square feet don't have to pay impact fees (for things like roads and parks), and ADUs under 500 square feet don't need to pay school district fees. Water and sewer providers cannot charge connection fees for an ADU converted from existing space.

## TYPICAL FEES

**PLAN CHECK FEES\*** are paid directly to the City for application processing and review and are due when the application is submitted. The fee is anywhere between \$850 and \$1,700, based on valuation for conversions and floor area for new construction.

**BUILDING PERMIT FEES\*** are paid directly to the City to cover application review and are due when the application has been approved and the permit is issued. The fee is anywhere between \$850 and \$2,100, based on valuation for conversions and floor area for new construction.

**\*CITY FEE WAIVER** At least through the end of 2024, City fees are waived for new ADUs and JADUs added to existing homes and residential developments. This includes plan check, Building Permit, and Traffic Fairshare fees but does not include school impact fees, water and sewer fees, State fees, and others. See the [waiver](#) for details.

Photo: Blokable



# Permitting Fees, cont.

**TRAFFIC FAIRSHARE\* AND TRANSPORTATION CORRIDOR FEES** are paid directly to the City to support transportation services. These impact fees are charged for 750+ square foot ADUs and are usually several thousands of dollars.

These fees are calculated as follows, using rates on the [Planning Fee Schedule](#):

**Traffic Fairshare Fee\* =**

(ADU square footage / primary unit SF) x Res-Medium (SFA) rate

Ex.: (900 SF ADU / 1,900 SF primary unit) x \$2,177 = \$1,031

**San Joaquin Hills Transportation Corridor Agency Fee =** (ADU SF / primary unit SF) x ZONE A OR B (MFR) rate

Ex.: (900 SF ADU / 1,900 SF primary unit) x \$4,814 = \$2,280

**COASTAL DEVELOPMENT PERMIT FEES** are paid directly to the City if your project requires a Coastal Development Permit (CDP) and are due when you submit your CDP application. These fees increase annually - in 2022, the application review fee was \$2,407 and the public notice cost was \$518.

**SCHOOL DISTRICT IMPACT FEES** are paid to the City (and routed to the school districts) to support the schools in your area and are charged for ADUs larger than 500 square feet. Fee amounts are different depending on which school district you live in (the [Newport Mesa School District](#) or the [Santa Ana School District](#)) - you can find yours using the [Address Lookup Tool](#). In 2022, Newport Mesa School District fees were \$1.84 per square foot, or roughly \$920-\$1,840 for a moderately sized ADU. Santa Ana School District fees were \$4.79 per square foot, or roughly \$2,395-\$4,790.

**OTHER DEPARTMENT FEES** (including state fees) are paid directly to the City and vary by project. Staff will let you know if any apply to your ADU during the application process.

**UTILITY FEES** include costs to establish service connections and ongoing service and are paid directly to the agencies. These vary by the size and location of your ADU, so contact utility agencies early on to plan a budget for both initial set up and ongoing maintenance. Contact information for all utility service providers is included in the Directory on the final page.



Photo: Valley Home Development



# Cost Examples

Here are some examples of construction valuations (not actual construction costs) and fees from some ADU permits issued 2019-2022, all adjusted for 2022 dollars. Fees include building permit, plan check, inspection, waste management, and other typical fees invoiced by the City, plus school district fees for ADUs over 500 square feet.



## 376 SF GARAGE CONVERSION JADU

\$5,433.44 fees **WOULD BE \$2.00 WITH WAIVER\***  
\$30,000 construction valuation



## 430 SF DETACHED ADU

\$8,109.78 fees **WOULD BE \$15.45 WITH WAIVER\***  
\$88,180 construction valuation



## 663 SF ATTACHED ADU BUILT WITH NEW HOME

\$14,251.65 fees **(NO WAIVER BECAUSE NEW HOME)**  
\$136,272 construction valuation



## 769 SF ABOVE GARAGE ADU

\$8,109.78 fees **WOULD BE \$1,502.17 WITH WAIVER\***  
\$197,764 construction valuation



## 1,000 SF DETACHED ADU

\$10,735.00 fees **WOULD BE \$2,060.75 WITH WAIVER\***  
\$225,231 construction valuation

Photo: Newport Beach ADU

\* Current temporary City fee waiver (see previous pages)





## SECTION 6

# CONSTRUCTION



HIRE YOUR CONTRACTOR



MONITOR CONSTRUCTION



GET INSPECTIONS

### TIMELINE FOR BUILDING AN ADU



PLANNING



1-3 mos.



DESIGN



1-6 mos.



PERMITTING



1-6 mos.



CONSTRUCTION



6-12 mos.

Photo: Lacey Wood Photography





# Hire Your Contractor

HOW DO I FIND A CONTRACTOR?

## CONTRACTOR RESOURCES

The California Department of Consumer Affairs can help you find a contractor. They have resources on hiring, checking the license status, negotiating a clear contract, and resolving disputes. Visit [their website](#).

**Beware of unrealistically low bids!** An unreputable contractor might give a low bid to get the work and then demand more money for “unforeseen circumstances.”

If you are not using a design/build firm, you will need hire a contractor for the construction phase of your ADU. They will not only complete skilled construction work, but also manage the construction process – hiring subcontractors, coordinating construction and inspections, troubleshooting delays and changes, etc.

## BEING YOUR OWN GENERAL CONTRACTOR

Often, people who are their own general contractors have a difficult time. Building an ADU is more like building an entire home than a renovation – there are many opportunities to make costly or time-consuming mistakes. Having an expert manage contract negotiation, payment schedules, quality checks, project timing, and working with the Newport Beach Planning Division and other agencies can be incredibly valuable. While it may cost more up front, it’s very possible you’ll save significant money by reducing delays and change orders, and you may be able to start getting rental income more quickly.

## GETTING BIDS

Start with getting bids from your construction drawings. Ask your design team and community for recommendations of good local professionals and make a list of candidates. It’s great if the options have ADU experience, but it’s not necessary.

Be specific about what is and is not included in the bid. Also ask for license, insurance information, references, work examples, and a proposed schedule.

You’ll want at least three bids for comparison. Make sure you understand all the details of the bids and ask all necessary clarifying questions. Your design team may be able to help you compare bids and select your contractor.

Generally there is a trade-off between experience and cost; less expensive contractors will have less experience, while those with more experience may charge more. Check their references and ask to see photographs of past projects. Also consider their communication style, if you think you’ll work well together, and whether they understand your goals.

## DUE DILIGENCE

Before you hire your contractor, make sure to check their license and insurance. You can verify their license by calling the Contractors' State License Board at 800-321-2752 or checking their [website](#). You can verify insurance by requesting a certification of insurance or by calling their insurance agent. Make sure workers' compensation, property damage, and liability are included.

## THE CONTRACT

Your contractor will most likely present you with a contract to formalize your agreement. Review the entire agreement carefully to make sure you understand it and are okay with everything. Also, make sure you understand how contingencies and added work will be handled. The contract should address the following:

- Contractor's license number, name, and address
- Total project cost and payment schedule
- Start date and timeline
- List of work to be accomplished and materials to be used
- Work to be subcontracted (if any)
- Specific terms about what constitutes substantial completion of work

- Special requests (saving scrap lumber, bricks, or homeowner "sweat equity")
- The terms of warranties
- Whether there is a cancellation penalty
- A provision requiring the contractor to obtain lien releases from all suppliers/subcontractors (protecting you if a subcontractor claims they weren't paid)
- Plan for cleanup and removal of material and debris
- Requirements for protecting property and landscaping
- Storage areas for materials
- Instructions regarding children or pets
- Costs that are not covered

The payment schedule should be a dated plan that shows when you will make payments based on construction completion milestones. For example, you might pay 20% after the building enclosure is complete, 25% once the exterior finish carpentry is complete, etc. California limits the up front payment to 10% or \$1,000, whichever is less – if a contractor asks for more, that's a red flag. It's also generally a good practice to withhold 10% of the total project cost until all work and inspections are completed.

**Do not sign the contract until you fully understand and agree with all the terms.**

## EXAMPLE BUILDER PAYMENT SCHEDULE







# Monitor Construction



Once your contract is signed, your contractor will start work according to the schedule you agreed upon.

Your contractor will lead the construction process, you will have the following responsibilities:

**COMMUNICATE** Keep in touch with your contractor and schedule regular check-ins.

**MONITOR** Regularly walk through the construction area to monitor the quality of the work and make sure the work is progressing the way you expect.

**DECIDE** Be prepared to make decisions about the details—light fixtures, appliances, and other materials—in a timely manner so your contractor can stay on schedule.

**ADJUST** Follow the contract you agreed to, including any changes as described specifically in a change order form.

**INSPECT** Although your contractor will usually arrange the required City or utility inspections, it is your responsibility as the property owner to make sure that the inspections are conducted as required at each stage of the construction process.

Traditional construction will take 6-12 months, though this varies heavily.

Stages of construction include:

- Site preparation 1-2 months
- Foundation 1 month
- Walls, roof, doors 1-2 months
- Plumbing & electrical 1-2 months
- Insulation & drywall 1/2-1 month
- Fixtures & finishes 1-2 months
- Final touches 1/2-2 month

Any changes to the original agreement should be reflected in a change order form that is signed by both you and the contractor and that describes the specific change and any corresponding adjustment to the price or timeline. Beware that some changes (size, height) require City review.

It's a good idea to have your designer involved as construction begins. Your contractor may have questions and can also suggest construction cost savings related to the design. Your designer may also (for an extra fee) stay on board to consult on last-minute substitutions that might arise.

Photo: Lacey Wood Photography



# Get Inspections

During construction, your ADU will be inspected multiple times to ensure it is being built according to the permitted plans (typical inspections include foundations/footings, framing, electrical/plumbing, exterior finishes, etc.). It is your and your contractor's responsibility to schedule all required inspections, which can be requested online through the Newport Beach [CiViC Portal](#). From the main website page select "Scheduling an Inspection Guide" for detailed instructions.

**After your final inspection is approved, the inspector will provide final sign-off on your Building Permit and then your ADU is ready for move-in!**

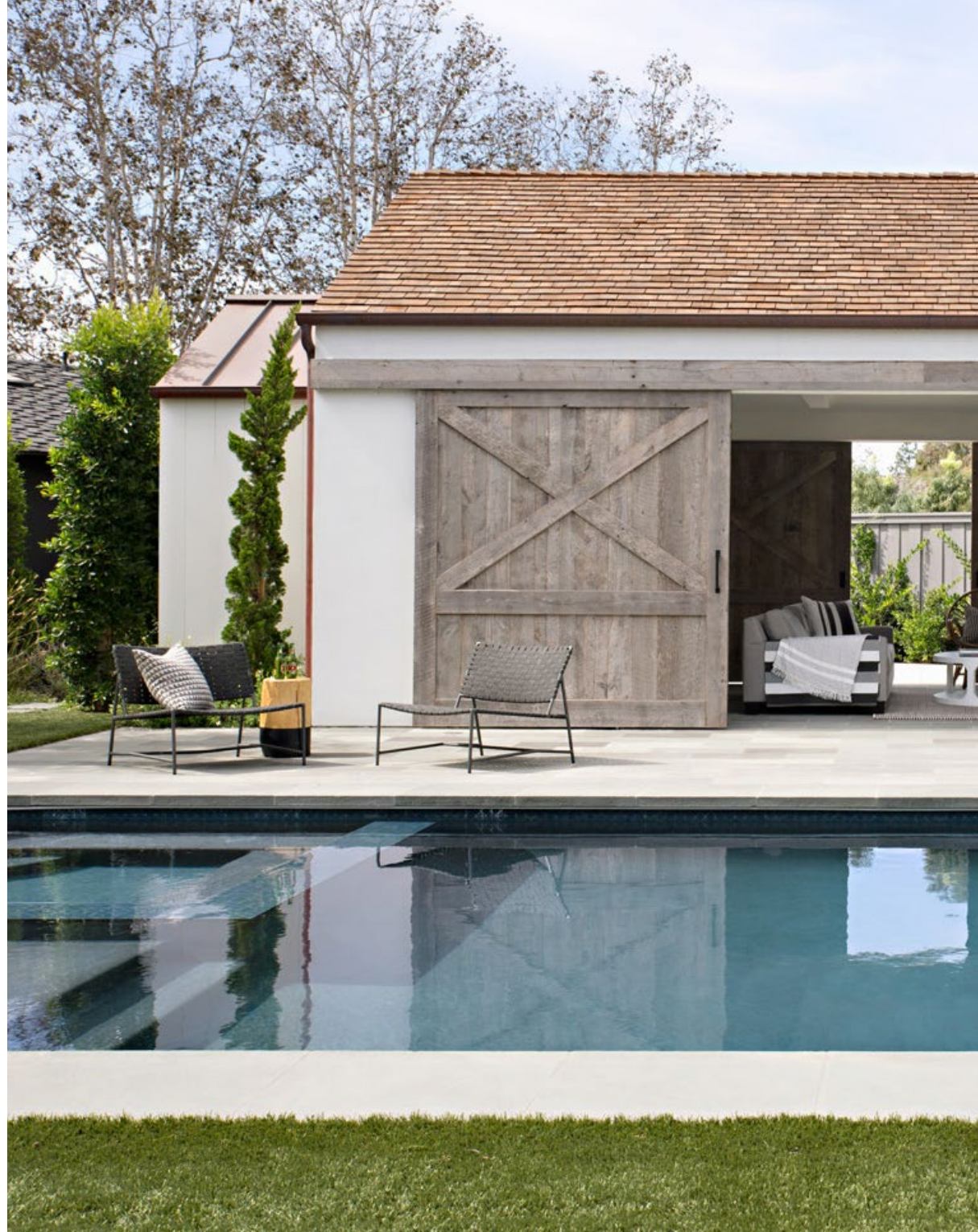


Photo: Eric Olson Design



# Building Costs

## COST COMPARISON BY ADU TYPE



ADU construction costs vary significantly depending on materials, site conditions, location, and other factors. The cost to build an ADU typically ranges from \$30,000 for a simple interior conversion JADU to \$400,000+ for a large detached ADU with high-end finishes on a hillside lot. Cost per square foot is a good way to estimate - but this can range from \$150-300 per square foot depending on your project. \$250 per square foot is a good estimate of construction costs for an average project.

Despite what many think, smaller ADUs may cost almost the same as larger ones. Many costs like foundation, kitchen, and bathroom work only increase slightly for larger ADUs. Kitchen costs will range from \$25,000-\$50,000 with each bathroom ranging from \$15,000-\$25,000. Placing all your plumbing (kitchen and bathroom pipes) in the same wall, especially on multiple floors, will save you money.

- **CONVERSIONS OF INTERIOR SPACE** (basement or otherwise) are often the cheapest, as long as there aren't complex codes or structural issues.

- **GARAGE CONVERSIONS** are not much cheaper than new construction (if at all) because they usually need significant work to meet code and the shell of a building (walls, foundation, roof) are not the most expensive parts of construction. Common expenses/challenges include: redoing the foundation, replacing the floor to add a vapor barrier, and replacing the windows and insulation.
- **NEW DETACHED AND ATTACHED ADUS** tend to be the most expensive.

There are many other factors that will impact costs, including:

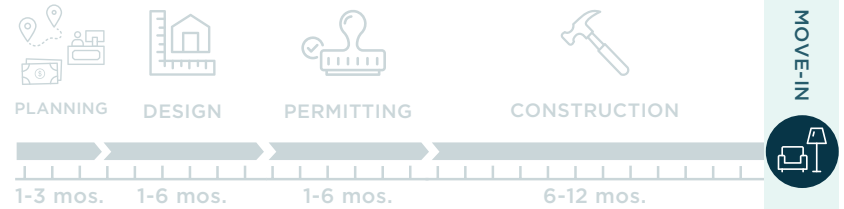
- Quality of interior finishes and amenities
- Architectural form and details
- Extent of required utility, structural, mechanical, electrical, and plumbing upgrades
- Required site upgrades (sidewalks, sewer, and water)
- Whether sprinklers are required
- Whether doors and windows meet emergency exit standards
- Lot complexity (slope, trees, fault lines, etc.)



## BONUS SECTION

# MOVE-IN & BEING A LANDLORD

### TIMELINE FOR BUILDING AN ADU



### WHAT IS INVOLVED IN BEING A LANDLORD?

Construction is complete, and now it's time for someone to move in. This could be you, a friend, a family member, or a tenant. There are both benefits and responsibilities to having someone else on the property - added security, extra income, shared tasks, but also understanding housing laws, managing the tenant, and properly maintaining the property. You'll need to approach both sides thoughtfully, especially understanding important laws about rent increases, evictions, and more.

**PRELIMINARY STEPS** Prepare to rent your unit by ensuring your homeowners insurance is set up adequately, setting up utilities, and developing a plan to handle the finances.

### EXERCISES



- Identifying What You Want in a Lease  
Plan important decisions about your lease terms.

 **EXERCISES PDF**

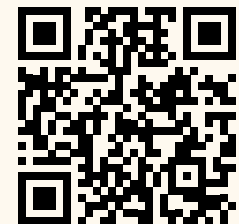


Photo: Napa Sonoma ADU Center



## WHAT'S AFFORDABLE?

A unit is considered affordable if a household is paying less than one third of their income on their housing costs; see current average incomes for Orange County and Newport Beach on the [City's website](#).



### THE LAW AND BEING A LANDLORD

You will need to understand all the laws related to being a landlord, especially with regards to discrimination. For an overview of California laws, review [California Tenants: A Guide to Residential Tenants' and Landlords' Rights and Responsibilities](#), published by the California Department of Consumer Affairs. Newport Beach works with the [Fair Housing Foundation](#) to provide fair housing resources for both property owners and tenants, including guidance on writing a lease agreement and managing disputes. Visit [their website](#) for more information, including details about their very helpful workshops and events.



### SETTING THE RENT

Maximizing rent increases your income, but setting it a bit under market rate can help you attract and keep good tenants. **Consider pricing your unit affordably for local workers and families** who may not be able to afford high rents but who serve essential roles in our community. If you financed with a loan, consider loan length, interest rate, and any reserve funds you have.



### RENTAL LEASES

Make sure your lease (or rental agreement if it is month-to-month) clearly identifies all the expectations for you and your tenant.



### FINDING A TENANT

Research how to successfully advertise your unit and select a good tenant. Typical methods for advertising rentals in Newport Beach include Craigslist and other online listings as well as posting a "for rent" sign on your property. Make sure to reference [local rules about real estate signs](#), which limits signs to one per property and certain size and appearance characteristics.



### TENANT MANAGEMENT

Think about a long-term plan for the care and upkeep of your ADU, how to split shared responsibilities, and how to address any issues that might occur with your tenant.



Photo: Newport Beach ADU

# Directory

## CITY OF NEWPORT BEACH

### PLANNING & BUILDING DIVISIONS

7:30 – 5:30 Mon-Thu, 7:30 – 4:30 Fri  
1st Floor Bay C, 100 Civic Center Drive

**BEST OPTION Planning and Zoning Info  
Phone Line 949-644-3204**

Main line: 949-644-3200  
Permit Counter: 949-718-1888

[Planning Division website](#)  
[Building Division website](#)  
[ADU Assist Form](#)

**INSPECTION REQUESTS** Online via the  
[CiViC Portal](#).

### ADDRESS LOOKUP TOOL

Use to look up key information about your property, including approximate lot size, some utility providers, and more.  
[Website](#)

### CITY VIRTUAL CONNECT (CIVIC) PORTAL

Use to schedule an inspection, check your Plan Check status, estimate local fees, and much more. [Website](#)



## ORANGE COUNTY ASSESSOR

Info about your property and tax valuation. 714-834-2727, [Website](#)

## SCHOOL DISTRICTS

Questions about school impact fees and payment should be directed to the Planning Division. Find your school district with the [Address Lookup Tool](#)

Use these websites for up-to-date information on fee calculation:  
[Newport Mesa School District](#)  
[Santa Ana School District](#)

## UTILITIES: ELECTRICITY & GAS

**SO. CAL. EDISON** Contact for electricity services. 1-800-655-4555, [Website](#)

**SO. CAL. GAS CO.** Contact for gas services. 1-877-238-0092, [Website](#)

## UTILITIES: WATER & SEWER NEWPORT BEACH UTILITIES DEPT.

Contact for water and sewer services, including an estimation of fees. 949-644-3011, [Website](#)

Based on your location, you may be directed to these water service providers:

**MESA WATER DISTRICT**  
949-631-1200, [Website](#)

**IRVINE RANCH WATER DISTRICT**  
949-453-5300, [Website](#)

## UTILITIES: TRASH & RECYCLING

**PUBLIC WORKS DEPT.** Info about trash collection. [Website](#)

**CR&R ENVIRONMENTAL SERVICES** Most Newport Beach properties are serviced by CR&R Environmental Services, the City's waste contractor. Contact CR&R for information on trash and recycling services. 949-667-4158, [Email](#)

## COSTA MESA SANITARY DISTRICT

Residential properties in Santa Ana Heights are serviced by CR&R under contract with the Costa Mesa Sanitary District (CMSD). Contact CMSD for information on trash and recycling services. 949-645-8400, [Email](#)

## FINDING CONTRACTORS AND DESIGNERS

**AMERICAN INSTITUTE OF ARCHITECTS, ORANGE COUNTY** For a directory of local architects. [Website](#)

**CALIFORNIA CONTRACTORS' STATE LICENSE BOARD** For information on finding a qualified contractor and verifying a contractor's license. 800-321-2752, [Website](#)



# Directory, cont.

## FINANCE RESOURCES

**CAL HFA ADU GRANT PROGRAM** ADU financing for low-income and moderate-income homeowners. [Website](#)

**CALIFORNIA ASSOCIATION OF MORTGAGE BROKERS** Info on finding a loan provider, including banks and mortgage brokers. [Website](#)

**CA DEPTS. OF REAL ESTATE AND CORPORATIONS** Tools for verifying mortgage broker licenses. [Website](#)

**ORANGE COUNTY ADU CALCULATOR** Online tool for estimating ADU costs and potential income. [Website](#)

## RESOURCES FOR NEW LANDLORDS

**FAIR HOUSING FOUNDATION** Resources for landlords and tenants, including drafting agreements, legal basics, and managing disputes. [Website](#), [Email](#), 800-446-FAIR(3247)

**CALIFORNIA TENANTS: A GUIDE TO RESIDENTIAL TENANTS' AND LANDLORDS' RIGHTS AND RESPONSIBILITIES** This [PDF guide](#) is provided by the State of California as a primer for both landlords and tenants.

## OVERALL ADU GUIDANCE

**CASITA COALITION** Resources, case studies, and more resources for small homes in California. [Website](#)



Photo: Newport Beach ADU

## PHOTO SOURCES

**ABODU** Prefab, [abodu.com](#), 866-936-5620, [hello@abodu.com](#)

**ADU MARIN** ADU resources, [adumarin.org](#)

**BLOKABLE** Prefab, [blokable.com](#)

**BUILDING AN ADU** ADU resources, [buildinganadu.com](#)

**CRAIG S. HAMPTON** Architect, [craigshampton.com](#), 949-209-8883

**ERIC OLSON DESIGN** Architect, [ericolsendesign.com](#), 949-887-8856

**HUMBOLDT ADU** ADU resources, [humboldtadu.org](#)

**LACEY WOOD PHOTOGRAPHY** Real estate photos, [laceywoodphoto.com](#)

**LANEFAB DESIGN/BUILD**, [lanefab.com](#), 604-558-1123, [info@lanefab.com](#)

**MCDUNN ADUS** ADU builder, [mcdunnadus.com](#)

**NAPA SONOMA ADU** ADU resources, [napasonomaadu.org](#), 707-804-8575, [info@napasonomaadu.org](#)

**SMALLWORKS DESIGN/BUILD**, [smallworks.ca](#), 604-264-8837, [info@smallworks.ca](#)

**TIMBRE ARCHITECTURE DESIGN**, [timbre-architecture.com](#), 415-200-8106, [info@timbrearch.com](#)

**VALLEY HOME DEVELOPMENT** Design/Build, [valleyhomedevlopment.com](#), 707-429-3300

**VILLA HOMES** Design/Build, [villahomes.com](#), 415-968-1626

**WILLIAM GUIDERO PLANNING & DESIGN** Architect, [guidero.houzzsite.com](#), 949-386-2241