

ACCESSORY DWELLING UNITS SDC

IF YOU WISH TO SPEAK TO CITY COUNCIL, PRINT YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)	ADDRESS AND ZIP CODE	Email
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March 3, 2010

Portland City Council  
1221 SW 4th Ave.  
Portland, OR 97204

Re: **City Council proposal to waive SDCs on Accessory Dwelling Units**

Mayor Adams and Commissioners Fritz, Fish, Leonard and Saltzman,

As building professionals committed to smart, green, in-fill development, we would like to express our strong support for the proposal to waive Systems Development Charges on Accessory Dwelling Units put forth by Mayor Adams and Commissioners Fish and Leonard.

This action will remove a major obstacle to the development of these small, energy-efficient homes and enable more people to build them – legally.

Enthusiastic about the potential ADUs could play in Portland, a spin-off group from the EcoBuilding Guild convened a few months ago to identify and try to remove obstacles to the development of ADUs.

Accessory Dwelling Units (ADUs) have the potential to meet many of Portland's housing policy objectives including:

- Small, energy-efficient homes with low carbon footprints
- Neighborhood-friendly infill development that makes efficient use of existing housing stock and infrastructure
- Affordable housing choices for a variety of household configurations
- Opportunities for innovation with small home design and green building

Unfortunately, the ADU program continues to be underutilized. The number of ADUs built each year was never very high and has been steadily dropping over the past decade.

- At its peak, in the late 90's, 83 ADUs were built in a two year period.
- From 2005 - 2006, the number of permitted ADUs dropped to 56, of which only 38 were actually built.
- In 2007, 16 ADUs were completed and in 2008, just 13 ADUs were completed.

Finally, a growing number of homeowners are circumventing the ADU process by either building 'detached accessory structures' to house more people on their property or by using garages or portions of their homes as separate dwellings without permitting them for that purpose. Recent research based on RMLS and building permit data for the past 3 years reveals that for every permitted ADU, there approximately 3 to 4 unpermitted ones that are being used (and marketed through the RMLS) illegally as independent dwellings.

Based on personal experiences and conversations with numerous friends, clients, and fellow professionals, we have identified the following obstacles to the development of ADUs and some small changes that could be made to remove them.

### **Obstacle 1: Maximum ADU size**

Currently, the zoning code caps ADUs at 33% of the size of the primary structure or 800sf, whichever is less. In practice, this means that if the existing house is already small (ie. Under 1,500sf), there's little chance of building an ADU without first obtaining a zoning adjustment.

Universal Screening Schedule--Winter  
17 KAT Members

<b>P. 1</b> <b>9:15-10:05</b> <b>(50 mins.)</b> <b>Library</b>	<b>P. 2</b> <b>10:10-11:00</b> <b>(50 mins.)</b> <b>Library</b>	<b>P.3</b> <b>11:05-11:55</b> <b>(50 mins.)</b> <b>Library</b>	<b>P.4</b> <b>1<sup>st</sup> Lunch:</b> <b>12:00-12:30</b> <b>Class:</b> <b>12:35-1:25</b> <b>(50 mins.)</b> <b>Library</b>	<b>P. 4</b> <b>Class:</b> <b>12:00-12:50</b> <b>2<sup>nd</sup> Lunch</b> <b>12:55-1:25</b>  <b>Library</b>	<b>P.5</b> <b>1:30-2:20</b> <b>(50 mins.)</b> <b>Library</b>	<b>P.6</b> <b>2:25-3:15</b> <b>(50 mins.)</b> <b>Library</b>
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L! O'Leary/22	O'Leary	7 LA Petersen/34	7 LA Petersen/31		8 LA Markealli/33	
L! Yahnke/22	Yahnke				L! Yahnke/22	
L! Lacock/13	Lacock					
8LA Markealli/34	7 LA Neuber/28					
7 LA Neuber/27	7 LA Sheldon, L/34					
147 students to test	62 students to test—not including the the rollover L! classes from P1	69 students to test	31 students to test—not including the rollover L! classes from P3	54 students to test	113 students to test	62 students test

**Proposal**

Change the zoning code to increase the size cap on ADUs.

**Status**

This concern has been addressed as part of the RICAP 5 process and a zoning change should go into effect shortly that allows ADUs to be up to 75% of the size of the primary house, but still capped at 800sf.

**Obstacle 2: System Development Charges**

By definition, ADUs are small with limited occupancy. Yet as currently charged, SDCs for ADUs can reach \$12,000. SDCs for new, single family home of any size are just a few thousand dollars more than this.

**Proposal**

Reduce or remove SDC fees on ADUs

**Status**

This would be addressed through this resolution. Hurray!

**Obstacle 3: Design Constraints**

ADUs are required to match design features of the existing primary dwelling. If the existing house has undesirable architectural features, the ADU must mimic them (or successfully appeal this requirement). These requirements also make it impossible to use a standard ADU design at multiple properties to achieve efficiencies of scale.

**Proposal**

Fund staff time at the Office of Planning and Sustainability to revise ADU design requirements to increase flexibility while ensuring that they will continue to fit in well with existing neighborhoods.

**Status**

Eric Engstrom and Michael Armstrong at BPS have proposed to do this as part of a small code change package for 2010, but funding has not yet been identified to do the work.

**Obstacle 4: Rectifying ADU and Accessory Structure Code and Fees**

Zoning code restrictions and fees for ADUs are significantly more burdensome than they are for Accessory Structures. As a result, there is a strong incentive for homeowners to permit new small buildings as Accessory Structures (for their greater design flexibility and to save money on permitting costs) rather than as ADUs, even if they know that over time the ultimate use will likely be as an accessory dwelling. This disparity in codes and fees may be one reason why so many structures currently used as ADUs were not permitted as such.

**Proposal**

Fund staff time at the Office of Planning and Sustainability to adjust zoning codes and fees on ADUs and Accessory Structures so that homeowners are more likely to permit structures appropriately for their real, intended use.

**Status**

This issue is touched upon in the proposal to address the design constraint issues as part of the code change package for 2010, but we are not aware of discussion within BPS to address this larger issue.

**Obstacle 5: Financing**

Although ADU construction was already slowing down before the housing bubble burst, the contraction of credit and conservative trends in residential appraising have made it quite difficult for people to obtain

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financing to build ADUs. In addition, the lack of consistency in valuation methods for ADUs introduces a scary element of unpredictability for anyone thinking about building one.

### **Proposal**

Work with the appraisal industry to provide guidelines for the valuation of ADUs and consider working with local lenders and/or public entities to create mortgage products that help with the financing of ADU construction/conversion.

### **Status**

Our group will soon perform some quantitative research to better understand the contributory value of ADUs and try to boil down this information into guidance for appraisers on how to value them.

## **Obstacle 6: Public Awareness and Education**

Since ADUs are usually tucked away in back yards, attics and basements, many people aren't aware that they can be legally built (or converted) at all.

### **Proposal**

Work with building professionals and other interested parties to bring attention to the ADUs being built. Collaborate with others to provide tours and design contests featuring ADUs. Provide some website support to specifically address Frequently Asked Questions, Resources, and recent code and fee changes.

### **Status**

Recently a Portland Chapter of the Tiny Home Society, was formed made up of various building professionals (developers, builders, designers, real estate agents and appraisers) and interested homeowners. This group is actively pursuing ways to make ADUs a more viable housing option in Portland and has been talking to a variety of city officials about these issues. We are available to assist with publicity and other strategies toward this end.

## **Conclusion**

Until the rules for ADUs are revised, we suspect that ADU construction will continue to languish. Furthermore, people who want to create separate living spaces on their property will tend to build 'accessory structures' (with no special size, design, height or SDC fee requirements) instead and use them (illegally) as ADUs.

Our hope is that by making a few changes to the ADU program, more ADUs will be built legally and, as a consequence, the city's policy objectives in creating ADUs in the first place will be better met.

Sincerely,

Eli Spevak  
Orange Splot LLC

In cooperation with:

*Beth Meredith and Eric Storm, Living Spaces*  
*Sam Hagerman, Hammer and Hand*  
*Ben Shook, Ben Shook Studios*

*Stephen Aiguier, Green Hammer*  
*David Todd and Kria Lacher, Meadows Group Realty*  
*Shawn Busse and Martin Brown*

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**Moore-Love, Karla**

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**From:** Ruiz, Amy  
**Sent:** Tuesday, March 02, 2010 4:01 PM  
**To:** Moore-Love, Karla  
**Subject:** FW: Eliminating SDCs for Accessory Dwelling Units  
**Attachments:** ADU\_testimony.pdf; ATT00001..htm  
**Completed:** 0  
**GettingThingsDone:** 0

Testimony re Accessory Dwelling Units item tomorrow - first item on regular agenda.

.....  
**Amy Ruiz**

Planning and Sustainability Policy Advisor  
 Office of Mayor Sam Adams  
 City of Portland  
 1221 SW Fourth Avenue, Suite 340  
 Portland, OR 97204  
 Phone: 503-823-3578  
 Email: [amy.ruiz@portlandoregon.gov](mailto:amy.ruiz@portlandoregon.gov)\*\*  
 Web: [mayorsamadams.com](http://mayorsamadams.com)  
 Twitter: @amyjrui

\*\*Please note new email address.

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**From:** Aaron Blake [mailto:[reworks@cascadeaccess.com](mailto:reworks@cascadeaccess.com)]  
**Sent:** Saturday, February 20, 2010 7:47 PM  
**To:** Ruiz, Amy  
**Subject:** Re: Eliminating SDCs for Accessory Dwelling Units

Amy-

Thank you for keeping me posted regarding the ADU policy modifications. I understand that another email went out that specified the date of the hearing (I didn't get that one). Please keep me on your email list for this and related topics, as I have a strong professional interest in the subject. I will be away for the hearing on March 3rd, however, I have attached a letter addressed to the Council for consideration at the hearing. I have emailed it to the Mayor as well. Thank you for the opportunity to comment, and I look forward to participating in any way I can down the road.

Be well~

Best Regards-

Aaron Blake  
 Reworks, Inc.

3/2/2010



(503) 695-3426 voice  
(503) 695-6726 fax  
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February 20, 2010

TO: Portland City Council

RE: The case for an ADU SDC waiver

As a local developer and builder of infill projects in the City of Portland, I am writing to voice my support for Mayor Adams' and Commissioner Leonard's resolution to eliminate SDC fees for accessory dwelling units (ADU's). This action is consistent with the recommendations made in the "ADU Monitoring Project, Report to Commission," dated July 2003, as well as with public opinion and professional recommendations made by local housing advocates, builders, architects, planners, and real estate professionals. The idea is sound, popular, and will help further the City's goals for affordable housing and increased density in the urban core.

As detailed in Title 33, the purpose of ADU's are to offer homeowners an option to expand the living arrangements on their property to meet familial or rental income needs. The progressive nature of this provision has been stymied by burdensome regulations and fees. This council made the first step in correcting this situation with the passage of the ADU size modification as part of the RICAP 5 package, and now has the opportunity again to promote affordable, innovative housing options with the passage of this resolution. But the work shouldn't end here. In order to successfully promote the creation of ADU's throughout the City, modifications to the claustrophobic design guidelines and height restrictions must follow on the heels of this resolution. By fine-tuning the mechanics of the Code, Portland has an opportunity to invigorate a long-standing policy goal of promoting innovative, affordable, community-based housing.

Sincerely,



Aaron Blake  
 President  
 Reworks, Inc.

Christina Davis	Voice: 503-695-3426	christinad@cascadeaccess.com
ccb# 155190	Fax: 503-695-6726	P.O. box 454 • Corbett, OR 97019