

SYSTEM DEVELOPMENT CHARGES FOR ACCESSORY DWELLING UNITS

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

NAME (print)	ADDRESS AND ZIP CODE	Email
✓ Jordan Palmeri	811 SW 6th Ave PDX 97204	palmeri.jordan@deg.state.or.us
✓ Sharon Nelson	2235 N.E. Emerson PDX 97211	
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✓ DAVID DAVIS		
✓ JOE ROBERTSON	1973 SEDUNGAN DR. HILLSBORO	JOE@SITEFOR-SOLUTIONS.NET
✓ Janice Thompson	CUB	
✓ Eli Spevak	4757 NE Ging St. Parklnd OR 97218	eli@aracnet.com
✓ Charles Johnson		



COMMISSIONER LORETTA SMITH
Multnomah County, District 2

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Wednesday, April 13, 2016

Att.: Mayor Charlie Hales; Commissioners Dan Saltzman, Amanda Fritz, Steve Novick, and Nick Fish

Subject: Testimony in Support of Resolution Suspending System Development Charges

Good morning, Mayor Hales and Portland City Council Commissioners:

For the record, my name is Loretta Smith, and I currently serve as the District 2 Multnomah County Commissioner representing North and Northeast Portland. I am here today to share my support for Commissioner Saltzman's and Mayor Hales' efforts to highlight how accessory dwelling units (ADUs) play a role in the ways we can take up and address issues concerning housing affordability in Portland.

While there is a common perception that ADUs are for those people with higher incomes and means, in the Portland area, these alternative housing options offer a solution for building neighborhood density.

Portland and the surrounding Multnomah County's identity is woven into the fabric of its neighborhoods. And as long-time resident, whose family's roots date back to my grandfather working in the Kaiser Shipyards, I have seen firsthand how this place has developed over time — and how the identity of North and Northeast Portland, including historically Black neighborhoods, have changed. As a County Commissioner, I am all too aware of how in these same neighborhoods, building ADUs is difficult due to the high costs and impact on homeowners.

ADUs are an important part of the conversation about neighborhood identity. They represent a way to accommodate community members, their caregivers, and family members. They also benefit homeowners and renters alike; and research has indicated ADUs offer real potential for comparable, affordable rents and living arrangements.¹

And this resolution being brought forth today — extending the sunset on system development charges on ADUs until 2019 — alleviates the high costs for the construction and development of ADUs.

At a time when the Cities of Portland, Gresham, Troutdale, Beaverton, and Milwaukie, Oregon, and other regional cities, wrestle with issues of housing affordability and availability, and seek to offer ways residents can afford adequate living spaces, it is clear we must promote strategies that offer a means to an end.

¹ [Opportunities and challenges for equitable housing](http://www.oregonmetro.gov/sites/default/files/EquitableHousingReport-20160122.pdf), Metro Report, January 2016, <http://www.oregonmetro.gov/sites/default/files/EquitableHousingReport-20160122.pdf>; "Do ADUs provide affordable housing?" AccessoryDwellings.org online series, <https://accessorydwellings.org/2014/08/07/do-adus-provide-affordable-housing/>; "ADUs and Don'ts," Sightline Institute, March 15, 2013, <http://www.sightline.org/2013/03/15/adus-and-donts>

The use of ADUs, although not the only answer, presents us with a simple yet effective means to create living units for people who are unable to afford the skyrocketing prices associated with homeownership *and* renting. ADUs can provide a “win-win” situation: homeowners can offer living units with reasonable costs for development; while the region gets increased density without bumping up against urban growth boundaries.

I realize this is just one part of a larger narrative about housing access, availability, and affordability. And I know many of us, both in this room and beyond, are confronting just how we look at residential security for the people we represent. But I hope efforts like these, which lessen the costs and ultimately benefit homeowners and renters, can keep fueling this dialogue. I hope we can keep collaborating on this as we remember housing is more than just appropriate dwellings; it is also about enabling people to say where they are call home. It is going to take creative solutions and ideas for us to make sure we are helping everyone.

From: moontrout@gmail.com on behalf of Mark Lakeman <trout@communitecture.net>
Sent: Tuesday, April 12, 2016 2:19 PM
To: Parsons, Susan; Moore-Love, Karla; Hales, Mayor; Commissioner Fish; Commissioner Fritz; Commissioner Novick; Commissioner Saltzman
Subject: ADUs - city council reviewing fee waiver extension WEDS 4/12

Dear Esteemed Members of the Portland City Council,

We at communitecture strongly encourage you to provide another extension of the waiver of SDC's for building ADU's in Portland. Results from our previous efforts to incentivize this more accessible form of urban infill, which can be helpful in providing more affordable long term housing, clearly demonstrate a significant increase in ADU design and construction. The benefits in helping our city and region to achieve established goals are undeniable.

Please consider extending the waiver of SDC's for ADU projects.

Thanks very much,
Mark Lakeman

Mark Lakeman, Principal & Design Lead
840 SE Alder St | Portland, OR 97214 | t: 503.230.1293
c: 503.381.5885 | trout@communitecture.net

Mark Lakeman, Co-Founder
c: 503.381.5885 | www.cityrepair.org



City Repair

On Tue, Apr 12, 2016 at 1:23 PM, Patrick Donaldson <patrick@harkahq.com> wrote:
Hello clients, colleagues, and friends...

Tomorrow, Wednesday 4/12, the Portland City Council is discussing whether to extend the current suspension of SDC fees for permitting ADUs through July 2019. See [agenda item #361](#); detailed breakdown is attached.

If you feel strongly about this issue, we encourage you to send an email to all council members regarding this City Council agenda item.

Email List:

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37201

Council Clerk, Karla Moore-Love -- karla.moore-love@portlandoregon.gov
Asst. Council Clerk, Susan Parsons -- susan.parsons@portlandoregon.gov
Mayor Charlie Hales -- mayorhales@portlandoregon.gov
Nick Fish -- nick@portlandoregon.gov
Amanda Fritz -- amanda@portlandoregon.gov
Steve Novick -- novick@portlandoregon.gov
Dan Saltzman -- dan@portlandoregon.gov

For reference and inspiration, we have included **the letter which we emailed** in advance of tomorrow's meeting:

Harka is an architecture firm focused on sustainable and community-oriented development, and ADUs play an important role in the small-scale infill which we encourage.

The current SDC fee waiver has had a very positive impact in influencing clients to build ADUs, and we strongly urge you to extend the current suspension of SDC charges to continue promoting ADU projects. These are just some of the values provided by ADUs and the fee waiver:

- ADUs are a fantastic avenue for promoting neighborhood-scale infill, especially when demo-and-rebuild (much larger) is becoming an increasing common practice in many Portland areas.*
- Increased neighborhood density within the existing fabric not only maintains the same scale & character of our Portland neighborhoods, but increased residents also benefit the diversity and financial viability of local business within each neighborhood.*
- A small-scale construction project has proportionally high per-square-foot costs, with the permitting and development fees representing a high and sometimes prohibitive portion of the project budget. The waiver is an excellent means of offsetting this financial burden and encouraging continued ADU projects.*
- As Portland experiences an increasingly limited rental market, ADUs offer an expanded rental market, which also introduces residential rentals at the scale for individuals or smaller families.*
- We have noticed that the recently revealed property tax implications - including dramatic tax increases to property owners who build new, detached ADUs - are causing many property owners to put their ADU design discussion on hold while they re-evaluate how these tax revelations will affect their overall project budget. An extension of the current SDC fee waiver would greatly affect the likelihood of these property owners pursuing this neighborhood-scale infill to offset the larger long-term costs anticipated with a new ADU.*

Cheers,

Patrick Donaldson, LEED AP, CEM, CPHC

Principal Architect

Patrick@HarkaHQ.com | c: [503.975.9471](tel:503.975.9471)

107 SE Washington St, Ste 740 | Portland, OR 97214

HarkaHQ.com



Parsons, Susan

From: Lydia Swagerty <lydiaswagerty@gmail.com>
Sent: Wednesday, April 13, 2016 11:21 AM
To: Parsons, Susan
Subject: Extending suspension of SDC fees for ADUs

Dear Susan-

I am writing as a Portland citizen, to give my strong encouragement to extend the current suspension of SDC fees for ADUs.

Portland has such a huge shortage on affordable housing, as well as a lack of available housing in general, that I think it would be prudent to encourage community residents to make use of whatever available space they have and build more accommodations. ADUs are a big investment for homeowners already, so what ever incentives that can be provided, should be.

Many of the homeowners that I have talked to who are thinking of adding an ADU are reaching retirement age and are looking for ways that they can afford to stay in the communities where they already live. ADUs offer that sense of a more secure future for them, as well as a sense of contributing to their community.

Thank you for taking my comments into consideration-

Lydia Swagerty
1206 NE 78th Ave.
Portland, OR 97213
(831) 421-2916

Parsons, Susan

From: Washington, Mustafa
Sent: Wednesday, April 13, 2016 10:43 AM
To: John Schuberg
Cc: Council Clerk – Testimony
Subject: RE: Extension of SDC waivers for ADUs

Dear John,

On behalf of Mayor Charlie Hales, thank you for contacting the Mayor's office. The Mayor has heard your concerns and appreciates your feedback. Please know your suggestions and feedback have been noted and shared with our staff.

Again, thank you for contacting the Mayor's office.

Sincerely,

Mustafa Washington
Constituent Services Specialist
mustafa.washington@portlandoregon.gov

From: John Schuberg [mailto:johns@classic-foods.com]
Sent: Tuesday, April 12, 2016 10:18 PM
To: Hales, Mayor <mayorcharliehales@portlandoregon.gov>; Commissioner Fish <nick@portlandoregon.gov>; Commissioner Novick <novick@portlandoregon.gov>; Commissioner Fritz <amanda@portlandoregon.gov>; Commissioner Saltzman <dan@portlandoregon.gov>
Subject: Extension of SDC waivers for ADUs

Dear Mayor and Commissioners Fritz, Fish, Novick and Saltzman –

I am writing to thank you for discussing the proposed extension of SDC waivers for new Accessory Dwelling Units constructed in Portland. We are in the process of converting an old garage on our property in SE Portland into a 450 sq ft ADU. The motivation behind this is to provide us with the possibility of aging in place. We do not have children or younger relatives who live in the area. By creating modest additional living space within our property, we have the option of living in the unit ourselves (it is designed specifically without stairs, with open access via pocket doors and with a walk/roll in shower) and offering our home to care-givers, or vice versa.

Long-term health care insurance is prohibitively expensive and the ADU provides us with an economically feasible way to age in place and receive care as needed. In the short term, the unit will give us the opportunity to care for our 90-year old Dad who currently manages remarkably well on his own, but may not be able to so indefinitely.

I am a 64 year-old native Portlander and I would like to be able to call Portland my home for 'the duration'. Despite being a two-person, two-income household, we could not afford to purchase our home, nor even rent it. We have a long-time commitment to affordable housing through engagement and support of Community Land Trusts and our own experiences with housing gives us the motivation to provide others with housing that remains affordable. We own a rental property on Rosa Parks Way that we have always offered at well-below market rate; this home is designated as a gift to Proud Ground in our estate. When not needed by us or our family, the ADU will be available as a long-term rental at below market rate; the dozens of similarly-sized new units in our neighborhood currently rent for \$1500 or more per month.

I hope that you will all support extending the SDC waiver. Without this important tool, new and re-development in our communities will be dominated by over- sized homes on small lots with large price tags well out of reach of Portlanders of modest means. For us personally, the waiver helps make securing a plan for our future pencil out.

Regards –
John Schuberg, SE Portland

John Schuberg

CLASSIC FOODS

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E mail: johns@classic-foods.com

Parsons, Susan

From: Washington, Mustafa
Sent: Wednesday, April 13, 2016 10:10 AM
To: Council Clerk – Testimony
Subject: FW: ADU Fee Waiver Extension

Testimony

From: Diana Yee [mailto:Diana.Yee@standard.com]
Sent: Tuesday, April 12, 2016 1:40 PM
To: Hales, Mayor <mayorcharliehales@portlandoregon.gov>
Subject: ADU Fee Waiver Extension

Hello – I understand that a vote happens tomorrow to decide whether to extend waiver of ADU fees. I am registering my preference that the extension be granted. Without the waiver, I will not be able to build an ADU which I am planning to use to provide additional housing and also age in place.

Thank you,
Diana Yee
4035 SE 28th Place
Portland, OR 97202

Parsons, Susan

From: Shawn Busse <shawn@kinesisinc.com>
Sent: Tuesday, April 12, 2016 10:25 PM
To: Hales, Mayor; Commissioner Fish; Commissioner Fritz; Commissioner Novick; Commissioner Saltzman
Cc: Parsons, Susan; Moore-Love, Karla
Subject: ADU fees discussion on 4/13/16

Esteemed Council Members and Mayor Hales,

I'm writing to voice my support for the continued abatement of SDC fees for ADUs.

I built an ADU in 2009; between fees and SDCs, my bill to move the project forward was nearly \$17,000 (for a 720 sq ft ADU). These costs were nearly as high as building a completely new, full sized home, from scratch...despite the minimal impact on city services. If these fees are reinstated, few ADUs will be built, especially since there's such uncertainty around how Multnomah County assesses taxes (unfairly) with new ADU construction.

On the positive side, the project allowed me to rent my 1000sq ft home (to three tenants) while I live in the ADU. My ADU helped increase density on the property in a meaningful way, helping to fulfill city goals of more affordable, small housing.

As we all know, most new construction in single family lots is for large (expensive) homes. ADUs, in contrast, provide affordable, modestly-sized housing – exactly what Portland needs more of.

Thank you for your consideration and time. I'm happy to answer any questions you might have.

Shawn Busse
5936 NE Mason St.

Visit the Kinesis website at Kinesisinc.com »

SHAWN BUSSE
CEO

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Follow me on [LinkedIn](#) & [Twitter](#)! Check out the [Kinesis Blog](#)!

From: Jason Sajko <jdsajko@gmail.com>
Sent: Tuesday, April 12, 2016 1:53 PM
To: Parsons, Susan
Subject: SDC Charges

Dear Susan,

We strongly urge you to extend the current suspension of SDC fees for ADU projects. We have retained an architect to design an ADU for our home recently. If the suspension of SDC fees are to expire, we will NOT be moving forward with this ADU project. Between the recent change in Property Taxes and the potential loss of the SDC suspension, the combination of these two issues will make an ADU not financially feasible for us to complete later this year.

Please see the below pasted email from Harka Architecture. Thank you for your time.

Sincerely,
Jason Sajko

For reference and inspiration, we have included **the letter which we emailed** in advance of tomorrow's meeting:

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Cheers,

Patrick Donaldson, *LEED AP, CEM, CPHC*

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--

Jason D. Sajko

UP Portland, LLC

23 NW 5th Ave

Portland, Oregon 97209

503.913.8433

Parsons, Susan

From: Patrick Donaldson <patrick@harkahq.com>
Sent: Tuesday, April 12, 2016 1:25 PM
To: Moore-Love, Karla; Parsons, Susan; Hales, Mayor; Commissioner Fish; Commissioner Fritz; Commissioner Saltzman; Commissioner Novick
Cc: Tammy Straw-Dunn
Subject: 361 ADU SDC Waiver

Harka is an architecture firm focused on sustainable and community-oriented development, and ADUs play an important role in the small-scale infill which we encourage.

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