

What's currently allowed in residential zones

What's proposed to be allowed in residential zones

WE ARE HERE

Residential Infill Project: www.portlandoregon.gov/bps/infill

RESOLUTION No. 37261

Request system development charges for Public and Recreation, Environmental Services, Transportation, and Water for the construction of accessory dwelling units for the convenience of residents to accessory dwelling units until July 31, 2018 (Resolution)

WHEREAS, system development charges (SDC) on accessory dwelling units (ADUs) are not between \$8,000 and \$13,000 on each unit, which is a high proportion of the cost of construction of ADUs; and

WHEREAS, ADUs are integral to the advancement of the City's affordable housing and housing density goals; and

WHEREAS, the high relative cost of ADUs as ADUs is a substantial barrier to the widespread development and habitation of accessory units; and

WHEREAS, providing the construction of ADUs will provide multiple public convenience services that are valued by residents and the emerging construction industry; and

WHEREAS, the suspension of SDC on ADUs makes the small-scale construction of ADUs more affordable for homeowners and tenants; and

WHEREAS, the existing code (Title 21.20) currently addresses what constitutes an ADU, the process where it can be constructed, and applicable design parameters; and

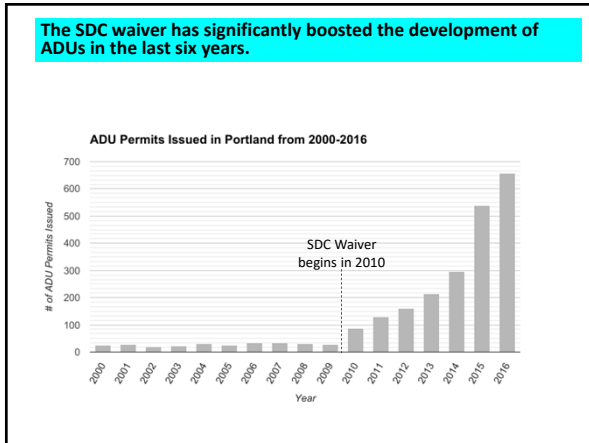
WHEREAS, an ADU may be added to a primary, attached house, or manufactured home in a residential zone, except for certain conditions outlined in Title 21;

NOTY: THE CITY OF PORTLAND shall not be held liable for any damages or costs incurred by the owner of an ADU, whether or not such damages or costs are covered by the SDC, from through July 31, 2018, provided that the ADU meeting the above criteria is built, occupied and certified in accordance with Title 21.20, and

WE FURTHER REQUEST that the Council direct all affected persons (City, Public, ADU and ADU) to meet in City Council with the code, use ordinance, and policy change necessary to implement this resolution by May 15, 2018.

- System Development Charges are expensive (\$8-12K)
- City wants more density and affordable housing in Portland
- ADUs will add construction jobs
- We want more ADUs built and they will be more affordable if we waive SDC charges
- ADU's may be added by-right
- SDCs for ADUs are waived till 7/31/2018.

Note: SDCs could be much more expensive by July, 2018: possibly ~\$17-20k



Permitted vs non-permitted ADUs.

It's estimated that 3/4's of what look and function like ADUs, are in fact, not-permitted ADUs.

Pros of Permitting

- Appraisal value (...and loans)
- Legally rent it--less stress
- Insurance
- Quality assurance

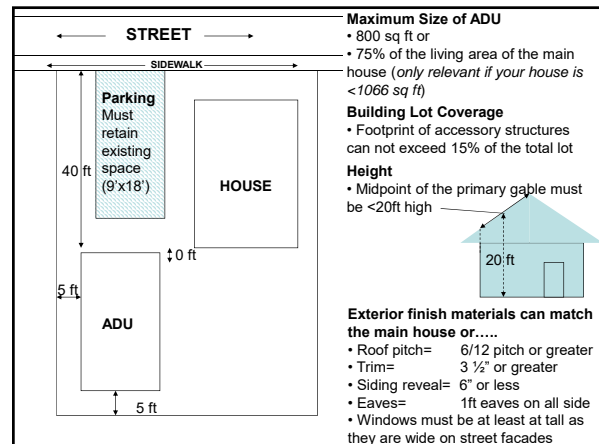
Cons of permitting

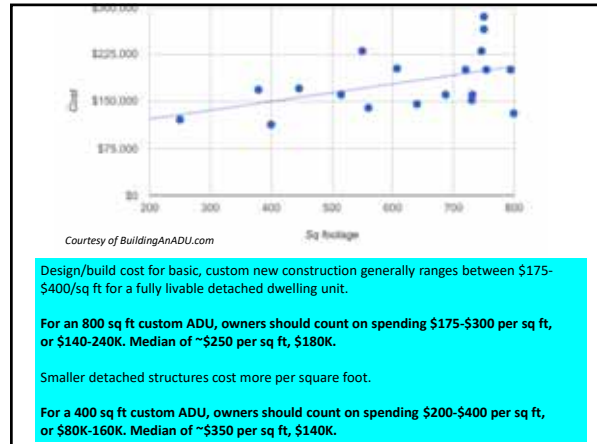
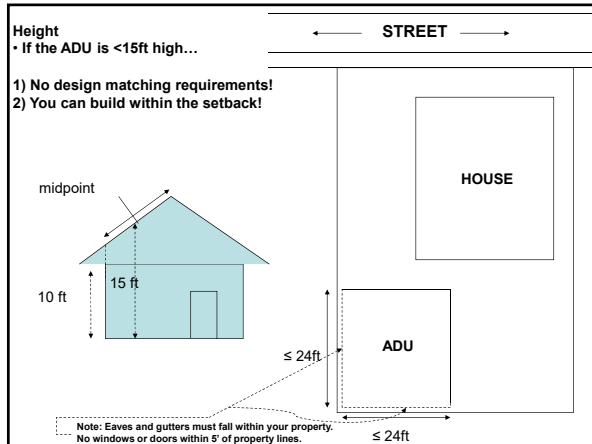
- Must go through lengthy, bureaucratic process
- More expensive to comply with code than not to
- Staircases are often difficult to design well in ADUs

Planning/Zoning Regulations Overview

Portland Bureau of Development Services

- Planning Department deals with the outside of the ADU (ie. how the ADU will look from the street)
- Building Department deals with building interior (ie. whether it's safe for human habitation: fire detectors, ceiling heights, ventilation, egress)
- Building Inspectors- site visits throughout construction process. Must get their sign off to proceed.
- Adjustment from existing planning/zoning code- ~\$2,000 and 10 weeks. Opportunity for neighbors within 200' to submit comment. Adjustments are commonly approved.
- BDS In-Person visits for Q+A : Mon-Friday, 8am-3pm except Thursdays
- Take advantage of BDS call-backs on questions
Planning/Zoning (503) 823-7526 Building (503) 823-1456





Payback Period for ADU Development

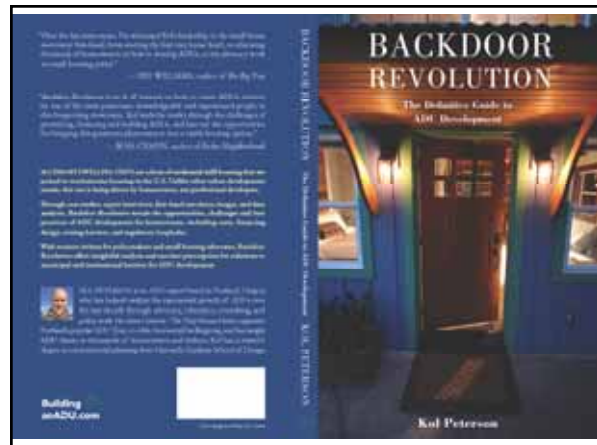
Here's a simple method for calculating Payback Periods for ADUs: *How long will it take to pay for the cost of the ADU construction via the property's rental income?*

Example A: For an 800 sq ft ADU, Joe spends \$160K.
Joe lives in the house and rents out the ADU for \$1,500/month for \$18K/year.
\$18K/year x 8.9 years = \$160K

Example B: For an 800 sq ft ADU, Joe spends \$160K.
Joe lives in the ADU and rents out the house for \$2,500/month for \$30K/year.
\$30K/year x 5.3 years = \$160K

Example C: For an 800 sq ft ADU, Joe spends \$160K.
Joe rents out the ADU and the house for \$4,000/month for \$48K/year.
\$48K/year x 3.3 years = \$160K

	Ex. A) Lives in the house and rents out the ADU	Ex. B) Lives in the ADU and rents out the house	Ex. C) Rents out the ADU and the house
ADU construction cost	\$160K	\$160K	\$160K
Rental income	\$1,500/month	\$2,500/month	\$4,000/month
Payback period	8.9 years	5.3 years	3.3 years



Considering building an ADU but not sure where to start?

The **Building an ADU web course** is a step-by-step guide to planning, designing & building accessory dwelling units. Taught by one of the nation's leading ADU experts, this course is designed to help homeowners navigate the ADU development process.

Web Course Includes:

- 22 modules covering zoning, financing, design, permitting, and construction
- 40+ expert quick tips on construction and design
- Home and money saving advice
- Maps and interviews with ADU homeowners
- Videos with extensive behind-the-scenes for inspiration and ideas

Register online at BuildinganADU.com

Upcoming ADU Events

- ADU class for Homeowners- 7 hour class
 - March 10th in Bend, Oregon
 - April 21st in Portland, Oregon
- All About ADUs Class for Realtors on Feb 21st - 4 hour class
- On-site one-on-one fee consultations

Learn more: AccessoryDwellings.org and pdxadu.blogspot.com and AccessoryDwellingStrategies.com