

# SAY ADIEU TO FEES FOR ADUS

*Springfield encourages construction of missing middle housing*

**T**he city of Springfield has temporarily waived certain fees it typically charges for the construction of accessory dwelling units (ADUs), which are also known as secondary dwelling units and in-law flats.

These small dwellings are considered by many to be a key solution to the local housing shortage, as they can provide missing middle housing — small, affordable housing ideal for young families and retirees alike — in desirable neighborhoods.

The goal of the program is to create more housing options for the citizens of Springfield, according to Springfield's comprehensive planning manager Sandy Belson. "The rental housing companies have said the vacancy rate is around 1 percent, which is very low," Belson says. "A healthy rate is 5 percent."

The lack of available housing throughout the Willamette Valley has led to an affordable housing crisis. With rents rising and low vacancy rates, many in the community are just one paycheck away from living on the streets.

ADUs are small dwellings added to the same property as a single-family home, often as a separate backyard cottage, a refurbished garage or an upstairs apartment.

"We hope that they will provide an increase in small affordable housing units that are available for rent," Belson says. "They would provide these additional housing units without using up our limited supply of undeveloped land. ADUs could provide the property owners with an additional form of revenue in the form of rent."

Rent increases in an area, caused by the lack of housing supply, is often to blame when families are pushed out of stable housing and into the streets.

Though Lane County point-in-time counts don't specify the number of homeless in Springfield, Belson points out that 480 students in the Springfield school district were counted as homeless in the 2015-2016 school year, or 4.35 percent of enrolled students.

Springfield instituted the two-year fee waiver on July 1, and Belson says they haven't received any applications since then. She says that's likely because it takes time to put an application together.

The waiver could save homeowners \$5,000 to \$6,000 in fees if they decide to make use of it. In the past eight years, Belson says the city only received two applications for ADUs, and she hopes the current waiver will increase that number.

## COSTS AND PERMITS

Keith Schneider, owner of Bohemian Cottages, says the fee waiver is a great gesture on the part of the city. Though his business builds backyard cottages for homeowners, he says the vast majority of ADUs are built by the do-it-yourself (DIY) community.

"There's a lot of DIYers who don't go down the permitting path because it's so intimidating," Schneider says.

He says he suspects there are many ADUs that the city doesn't know about. These dwellings may be constructed without permits, or could be constructed with accessory structure permits.

"Accessory structure permits are probably \$1,000 to \$1,500" Schneider says, while the fees for ADUs can be ten times that. "It doesn't allow you to legally use it as a dwelling unit but a lot of people will do that anyway."

Schneider adds, "If you looked at all these kinds of builds, probably 1 percent are actually permitted at any level at all."

These cottages aren't particularly cheap to build, re-



AN ADU DESIGNED AND BUILT BY BOHEMIAN COTTAGES

gardless of permitting. Schneider says tiny houses have "all the expensive parts of a house with less of the inexpensive parts. The inexpensive parts are the spaces between the walls," adding that "these projects are like \$75,000-\$100,000."

Even DIYers are spending upwards of \$30,000 for materials and engineering costs alone, Schneider says. The fee waiver is a significant reduction, however. He says permitting "can easily be close to 10 percent of the budget, and that's pretty significant to people."

These constructions may be worth the expense for many homeowners, however. Eliza Kashinsky of the Walkable Eugene Citizens Advisory Network says she plans to build a cottage in her back yard in Eugene in the next year or so. Her construction in Eugene won't have the benefit of the fee waiver, but she applauds Springfield for its efforts.

Kashinsky points out that there are more difficulties than just the cost when it comes to building ADUs. "The complexities and limitations in the code are making it very complex," she says. She expects to spend \$60,000 to \$80,000 on her project — "we're looking at about 600 square feet."

Fees are one thing, but Kashinsky says code restrictions are her biggest obstacle. "I wish they would look at the code restrictions they have put into place regarding secondary dwelling units and really examine how that's adding complexity for people who want to add housing for other members of the community."

She adds that getting a loan can be a big impediment to homeowners hoping to start such a project.

## FUTURE OF IN-LAW FLATS

Terri Harding, Eugene's principal planner for metropolitan and community planning, says Eugene is considering a few proposals that would also make ADUs easier to build (they're called secondary dwelling units, or SDUs in Eugene). Eugene may adopt a proposal to cut transportation system development charges in half.

"It would be a \$600 reduction," Harding says. "I think with regards to this larger conversation about housing and missing middle housing, there is more and more interest on the part of our council to see what we can do to support small housing."

She adds that requests for SDU permits in Eugene

dropped off in recent years "after the council passed some amendments to our zoning code in 2013" that accidentally made such housing more difficult to build, but that council is interested in bringing more small housing to Eugene.

There were ten applications in 2014 before the code changes were implemented, but just three in 2015 and 2016 combined.

"We can look at reducing or removing code barriers, we can look at incentive programs, pilot projects that housing developers — especially affordable housing developers — might want to build, and partnering with them to demonstrate what kind of things can be done," Harding says.

Springfield is ahead of the game when it comes to supporting the construction of ADUs, but a bill that recently passed the Legislature, Senate Bill 1051, will require that all cities in Oregon with populations greater than 2,500 "shall allow in areas zoned for detached single-family dwellings the development of at least one accessory dwelling input for each detached single family dwelling, subject to reasonable local regulations."

This means that municipalities will need to create "reasonable local regulations" that allow the vast majority of lots to contain more than one residence, which could greatly increase urban density.

The law will become operative on July 1, 2018. Harding says Eugene is already looking at making changes to city codes to comply with the law.

Belson says "we were already expanding the options for ADUs before the Legislature passed SB 1051," and adds that the city is reviewing potential code amendments.

Kashinsky says she is excited about her cottage project and what it could provide for her community. "Our hope is to rent it out," she says. "We really would like to provide housing to someone who is either trying to downsize their current living situation, for example a retiree, or to be someone's first home, like a young person moving out of home for the first time," Kashinsky says.

She says she plans to rent the new unit out for \$800 to \$900 a month.

"Our motivation with this is less about making money and more because we're comparatively fortunate," Kashinsky says. "We own a home with a large backyard that we hardly use. We have the ability to do this, so we want to help someone else have a home. And have our backyard be useful space as opposed to not useful space." ■