



Meeting minutes

Meeting: Build Small Coalition
Date/time: Tuesday, May 16, 2017 from 8 to 10 a.m.
Place: Metro Regional Center – 600 NE Grand Avenue, Portland, OR – Room 401

Attendees

Beth Gilden (ISS - Portland State University); Kol Peterson (ADU consultant); Lina Menard (Niche Consulting); Eli Spevak (Orange Splot, LLC); Suzanne Zuniga (Portland Housing Bureau); Kaitlin Torney (Home Builders Association); Dan Rutzick (City of Hillsboro); Elizabeth Decker (JET Consulting); Robert Liberty (ISS – Portland State University); Vahid Brown (Clackamas County and Village Coalition); Ira Bailey (Portland Housing Bureau); Joan Grimm (Portland Alternative Dwellings); Emily Lieb (Metro); Frankie Lewington (Metro); Megan Gibb (Metro); Ernest Hayes (Metro); Amaanjit Singh (Metro)

Welcome, Introductions of New Members and Updates

- Ira Bailey is currently working on the ADU home retention program for the Portland Housing Bureau.
- Kol indicated that ADU models for the ADU Tour had been selected for the September 9-10, 2017 event. Kol also mentioned that he had been working on a website that would provide general information on ADUs.
- Eli noted that Portland was updating how it administered its transportation system development charges (SDC's). There would be minimal scaling based off of home size.

Frankie provided a brief overview of the meeting agenda; he noted that results from the opportunities survey would be shared later in the meeting.

2017 Build Small, Live Large Summit Update

Joan Grimm provided a brief update on the Build Small, Live Large summit. Highlights of the update are below:

- There group continues to discuss logistics and content of the summit; several individuals had signed up to coordinate sessions during different days..
- Joan acknowledged that sponsorship from ISS and Metro are vital to secure national attention along with bringing in distinguished speakers that are involved with small housing.
- The summit will last three days, beginning with a symposium. The following days will include a tour of ADUs and creative development via visual representation of small housing types. The last major event for the summit will include a workshop for those interested in building tiny homes on wheels.
- Joan is planning on sending out RSVPs during mid to late June. She indicated that the registration will be flexible in order to allow interested parties to attend different days and events during the summit.

Opportunities Survey Results and Discussion

Background

- Frankie recalled that under DEQ leadership, the Space Efficient Housing workgroup (predecessor of the current workgroup) developed a list of opportunities in spring 2016 to focus on in the next year. A survey was developed using that list, along with conversations amongst several members of the coalition. After the initial survey was put out, further input was collected at the first Build Small coalition meeting in April 2017. The modified survey was sent out again to gather more feedback (which will be discussed today).
- Emily requested that the group focus on four to five major ideas to work on during the next few years. Before sharing the survey results, Frankie showcased a project proposal sheet meant to further vet the opportunities and better understand the components of each idea. Elizabeth Decker requested adding a question to reflect how existing resources could be used for developing projects.

Policy Research

Analysis of the affordability and equity benefits of small housing types (e.g. studying the potential of ADUs to offset homeowners' costs, build wealth, and increase rental supply)

- Beth wanted more research on small housing in order to understand the role it plays for market rate and affordable housing in the metropolitan area; she indicated that a range of housing types that can accommodate lower-income populations would be important in analyzing market vulnerability. She mentioned that ISS was working with the NW Economic Research Center to focus on how SDC waivers impact ADU development.
- Robert was interested in an in-depth survey of ADU owners and residents in order to investigate the usage characteristics of ADUs along with analyzing the minimum intervention needed to reach low income community targets. He proposed research on the relationship between overall supply of small housing and affordability in order to make small housing effective, along with compensating for factors that may alter volume.
- Kol highlighted information from graduate research done in Edmonton, Alberta, Canada that used information gathered from 123 ADU owners/residents. Some of the report outcomes are noted below:
 - ADUs perform as low rent housing for young and or single individuals
 - ADUs perform as low rent housing for seniors and the handicap
 - Individuals in low income bracket will not benefit from ADUs without government intervention; this relates to effective regulation of policy related to ADUs.
- Elizabeth wanted to clarify the scope of Metro's equitable housing initiative in order to understand its relationship (if any) with small housing; would there be a safety net for those who are struggling to finance or develop ADUs?
- Suzanne mentioned regulation of ADUs may increase financial commitments for homeowners or potential residents. Thus, understanding proposed policies affecting market regulation of ADUs would be critical in maintaining a strong volume of ADUs and protection for homeowners and residents of ADUs.
- Robert wanted to focus on an area or general zone that would generate the most effective small housing development or ADUs. He emphasized the importance of structuring the development of small housing in order to provide accessibility to jobs and school for low income families/individuals.

Analysis of potential of ADUs to meet the region's projected housing needs (incorporate ADUs into regional Metroscope growth forecasting model)

- Frankie and Emily were working with Metro's Data Resource Center and growth management staff to further analyze the potential of ADUs to meet the projected housing needs of the region. Emily briefly mentioned that ADUs used to be included in Metro's housing forecasts.

Analysis of barriers/opportunities for small housing to support aging in place and intergenerational housing (i.e. what older adults will need, income concerns, physical accessibility, location)

- Elizabeth wanted to learn more about subsidizing ADUs so that aging in place and intergenerational housing would be a possibility for low income families. She was also interested in developing strategies for proactive development of ADUs for those who are nearing retirement age or have dependents that are physically handicapped.

Regulatory and financial strategies

Zoning/code audit and/or survey of Metro jurisdictions to identify barriers to cottage clusters, ADUs and other small housing options

- Frankie noted that Jordan had put together a summary of ADU coding regulations in 2013. Kol said that the purpose of the audit would be to analyze the effectiveness of regulations and to potentially make changes to coding that is inhibiting development and accessibility to ADUs.
- Suzanne wanted to make sure that planners (or policy developers for housing) were aware of zoning codes that were impeding the development of ADUs and or small housing. She indicated that there may be provisions not related to the ADU regulations that could be impacting the growth and management of ADUs.
- Kaitlin noted that lot size and certain land use restrictions prevented the development of ADUs. She said that land use restrictions and other policies would depend upon respective jurisdictions; uniform ADU policy is the goal though unlikely depending upon the capabilities and existing policy of jurisdictions in the region.
- Dan wanted to spread more information about ADUs to developers since a regular home and an attached ADU could perform as two units; the market for small affordable housing would be increasing over time which should give more incentive for developers to seriously consider incorporating ADUs for future development.
- Eli wanted a clear model code for ADUs that would effectively outline the pros and cons of ADUs; he mentioned that existing codes were overcomplicated with restrictions and provisions and hindered the spread of ADUs.
- Emily wanted to know about minimum incentives (besides SDC waivers) that would encourage more development of ADUs in jurisdictions that have restrictions or a lack of small housing culture.

Compile and disseminate model codes for pocket neighborhoods, ADUs, and other small home options; and/or provide workshops to help local jurisdiction staff understand how they can adopt model codes and best practices, including those outlined in the DLCD/DEQ report "Character Compatible Space Efficient Housing Options for Single-Dwelling Neighborhoods"

- As a component of Metro's sponsorship of the Build Small, Live Large Summit, Megan noted that there would be availability of scholarships for mayors or planning directors to attend the summit. Additionally, staff also wants to explore providing code workshops for local jurisdictions.

Support local efforts to provide expedited permitting for small housing options (similar to Seattle's "Priority Green")

- Kaitlin shared that certain models of homes were eligible for "green" certification programs that would reduce regular permit processing time by 6-8 weeks. She noted that ADUs could be incorporated into the certification process to not only receive green certification, but also act as an incentive to developers for building more ADUs. This initiative would also encourage people planning on buying a new home to incorporate an ADU into their plans.

Policy Advocacy

Advocate for waiving or scaling SDCs based on home size in Portland and/or in other jurisdictions around the region

- Eli recalled that Jordan was researching Portland's implementation of SDC waivers. Suzanne asked what other jurisdictions were doing on either waiving or scaling SDC's; analyzing SDC treatment (waiver or scaling) would provide important information on the effectiveness of policy that is intended for ADU development.
- Dan noted that the Hillsboro City Council was working on housing affordability policy. He recounted that it was unlikely that the City Council would approve SDC waivers and acknowledged that scaling SDCs was a more feasible option because there is a loss of revenue associated with waiving SDCs.
- Kol proposed a deferred SDC payment plan (via a loan program) to a jurisdiction in order to make ADUs financially viable options.

Support advocacy efforts related to Portland's Residential Infill Project

- Eli noted that the City of Portland's Planning Commission will review the project in December 2017; City Council will review the infill project in spring 2018.

Finance and Market Research

Analysis of alternative ownership models for ADUs and other small housing types (including co-housing, condo-izing, limited/shared equity, etc.)

- Robert asked whether condo registration fees could be changed to accommodate an ADU. Dan wanted to use GIS to identify housing units that would have potential for ADUs.
- Robert indicated that ISS was working on analyzing the market to identify zones of potential small housing.
- Ernest mentioned the Institute for Metropolitan Studies was working on research on affordable housing that is closely related to the discussion of the coalition.
- Kol discussed the lack of concrete knowledge on how much value an ADU would add to a person's home/property.

Pilot projects and partnerships

- Due to time constraints, pilot projects and partnerships opportunities were not discussed.

Homeowner/Developer education

Create a one-page checklist for homeowners considering an ADU

- Frankie shared a document that provided a step-by-step process for designing and constructing an ADU. This document will be sent out with the minutes.

Develop new tools to help homeowners understand the potential of their property for ADU development (e.g. Portland's ADU compatibility app)

- Kol announced that there was an online tool being developed that would allow homeowners to enter information about their property (i.e. home size, proposed ADU size, property value, etc.) in order to get data on design and construction costs for an ADU.

Next steps

- Frankie will send out the project proposal document to the coalition and ask for folks to let him know which opportunities they would like to further vet. He also mentioned that staff would analyze opportunities Metro could potentially spearhead.
- Lastly, Frankie noted that he will collect all this information from the coalition and summarize it into a table to be discussed at the next meeting, which will occur on Monday, June 12, 2017.

Respectfully submitted,

Amaanjit Singh