



Accessory Dwelling Units (ADUs) in Oregon City



**OREGON
CITY**

Community Development - Planning

698 Warner Parrott Rd. | Oregon City, OR 97045

Ph (503) 722-3789 | www.orcity.org/planning



What is an Accessory Dwelling Unit?

Accessory Dwelling Units (ADUs) are small, self-contained homes located on the same property as a principal home. They have their own kitchen, bathroom(s) and sleeping area, and must be smaller than the main home. ADUs can be attached or detached, can be converted from existing structures or new construction, and are typically located discreetly on the lot in order to preserve a single-dwelling appearance from the street. Although often referred to as ADUs in zoning codes, they are more commonly known by other names that reflect their various potential uses, including “granny flats”, “in-law units”, “studio apartments”, and “secondary dwellings”.

In 2019, Oregon City updated its rules for ADUs as part of its Equitable Housing Project and to comply with a new state law that requires cities in Oregon with over 2,500 residents to allow “at least one accessory dwelling unit for each detached single-family dwelling, subject to reasonable local regulations relating to siting and design.” The recent changes are intended to go beyond the legal minimum, simplifying regulations to make this housing option more broadly available in our community.

Since every city regulates ADUs a little differently, it’s important to review specific rules for ADUs where you live. Detailed information for Oregon City homeowners can be found at <https://www.orcity.org/planning/accessory-dwelling-unit-adu>

How long have ADUs been around?

ADUs are a traditional American form of housing. While the term “accessory dwelling unit” may be new, the structure type is certainly not. Older examples, including alley apartments and carriage or coach houses, date back several centuries. Sometimes settlers would first build a small home, then live in it while constructing their larger primary house. In other instances, such structures provided housing for butlers, ‘help’, or extended family.

ADUs and tiny homes: What’s the difference?

ADUs are self-contained dwellings complete with kitchens, bathrooms, living space, permanent utility connections, and attached to a foundation as required by building code. Although also intended for residential use, tiny homes are typically much smaller (often just 100 to 200 square feet) and less likely to be self-sufficient than ADUs. Functionally, they’re more akin to RVs or travel trailers than to permanent dwellings. They often rely on temporary utility connections and/or access to another building for bathing and cooking facilities. If on wheels, tiny homes are technically ‘vehicles’ rather than ‘buildings’ – which affects how they’re regulated. Since they come in a wide variety of forms and often don’t fit nicely into standard regulatory categories, it’s worth checking first with the planning department if you’re thinking of putting one on your property. It may be possible to add a tiny home to your property as an ADU, but depends on many variables. A tiny home can be an ADU but not all ADUs are tiny homes.

What are the benefits of ADUs?

In Oregon, across the US and in Canada, ADUs are taking off as a popular new/old housing type. Some reasons for this emerging trend include:

Affordable Housing

ADUs have a role in addressing the challenge of housing affordability. About 20% of ADUs are lived in for free or rented for far below market value. Although market rent for an ADU tends to be slightly higher than a similar sized apartment, they often represent the only affordable rental choice in single-dwelling zones, which may have no apartments at all. ADUs can generate rental income to help homeowners cover mortgage payments, allowing them to stay in their homes – especially for those living on fixed incomes. Finally, smaller homes have lower ongoing utility bills and maintenance costs.

Versatility

The combination of a primary house and ADU on the same lot can work well for various types of households, income levels, and stages of life. Furthermore, the uses of ADUs can evolve over time in response to changing needs.

Market Demand

The small size of ADUs matches well with demographic trends towards smaller households, and they typically house more people per square foot of living area than single-family homes.¹

Housing Needs at Any Age

Housing needs change over time, and ADUs are flexible for different stages of life. They offer young individuals and couples an entry level housing choice, families a way to expand beyond their primary dwelling, and empty nesters and seniors the chance to age in place without having to leave their neighborhood.

Climate

Oregon's Department of Environmental Quality has determined that the most significant ways to decrease climate impacts from new homes is to build them smaller and/or attached to one another. Depending on their type, ADUs achieve one or both of these goals – which yield substantial reductions in climate gases over the life of the building.

Fitting in

Without contributing to sprawl, ADUs offer a way to tuck smaller, relatively affordable homes discreetly into established communities with minimal visual impact to the existing neighborhood fabric. They also offer a more dispersed alternative to replacing existing homes with higher density development.

¹ Brown, Martin. Accessory Dwelling Units in Portland, OR: Evaluation and interpretation of a survey of ADU owners, Oregon Department of Environmental Quality, June 2014 (see <http://accessorydwellings.org/2014/07/09/are-adus-green-housing/>)

What issues should you consider before taking on an ADU project?

Creating an ADU is a major project, not to be taken lightly. Before plunging in, here are a few topics worth thinking through:

Fees

To avoid surprises, take some time to prepare a complete project budget. In addition to design and construction costs, this should include system development charges (SDCs) and building permit fees. Oregon City posts a comprehensive list of fees on-line at <https://www.orcity.org/building/updated-building-fees> and <https://www.orcity.org/publicworks/residential-sdc-fees>. Not all fees apply to ADU projects, so it may be worth visiting with a planner for assistance on estimating total review and permitting costs.

Property Taxes

As with any home addition, an ADU will likely trigger an increase in property taxes. You can contact Clackamas County's Assessment and Taxation (<https://www.clackamas.us/at>) for more details. Also, Multnomah County has provided a nice summary of property tax implications for ADUs here: <https://multco.us/assessment-taxation/accessory-dwelling-units>

Neighbor Relations

Similar to the construction of new homes and home additions, ADUs can be created in Oregon City without requiring a public permit review process and involving input from neighbors. That said, it's nice to let neighbors know of your ADU plans so they're not surprised. They may even have constructive suggestions to offer, if given the chance. Talking with neighbors early on about the design and location of an ADU can help identify and avoid potential conflicts related to privacy, parking, and noise.

Are you ready to be a landlord?

Renting out an ADU can offer steady income and provide a new opportunity for someone to live in your neighborhood. But it also represents a learning curve if you haven't done it before. If you're planning to rent out the ADU once completed – or move into it while renting out the main house – it's worth thinking through the practical implications of becoming a landlord. This will involve screening tenants, complying with anti-discrimination laws, preparing rental agreements, tracking income and expenses, maintaining the ADU in habitable condition, respecting tenant privacy, and generally adhering to state law. Some helpful on-line resources are linked to via Clackamas County's Housing Authority website here: <https://www.clackamas.us/housingauthority/landlords.html>

Private Property Restrictions

If you live in a residential community with a homeowners association, be sure to check your HOA rules and the code, covenants and restrictions (CC&Rs) for your community to identify any additional regulations that affect ADUs. Some CC&Rs prohibit ADUs outright or impose additional design restrictions. City planning staff are not able to review or enforce private CC&Rs, so it's best to do your own research and obtain any necessary HOA approvals before starting the City permitting process. If you find that your community's CC&Rs restrict ADUs, consider working with your neighbors and the HOA to amend the CC&Rs to remove obstacles to ADUs.

Short-Term Rental Regulations

Using an ADU or a house for short-term rentals of less than 30 days - such as Airbnb rentals - requires an additional conditional use permit.

Can I build an ADU on my property?

ADUs are permitted with almost all existing homes. To find out for sure, answer these questions:

Is there room?

ADUs can be created as part of the existing house, either by converting a portion of the existing home such as the basement or by constructing an addition (an “attached ADU”). “Detached ADUs” can be created in a separate structure from the existing house, either by converting an existing garage or by building a new structure. One off-street parking space is required for an ADU; existing spaces in a garage, carport, or driveway may be counted because there is no minimum parking requirement for the existing house itself. Attached ADUs must comply with minimum setbacks, although stairs and ramps can sometimes be located within minimum setbacks. Detached ADUs must comply with setbacks and maximum lot coverage requirements.

Check your zoning.

ADUs are allowed with single-family homes in low and medium density zones (R-10, R-8, R-6, R-5 and R-3.5) and with pre-existing single-family homes in the high density zone (R-2). They are not allowed in commercial, industrial, employment or mixed-use districts, except the HC district. To find your zoning, check your address at <https://www.orcity.org/maps/what-zone-am-i>

Height and size limits; design compatibility; location on property; total lot coverage.

A few additional rules apply to ADUs, summarized in the table to the right. For full regulations, please consult Oregon City’s zoning code section 17.20.010, at https://library.municode.com/or/oregon_city/codes/code_of_ordinances

Quick-Reference ADU Code Table	
Eligible Zones	R-10 R-8 R-6 R-5 R-3.5 HC (R-2)
Number Allowed	One attached ADU or detached ADU permitted per single-family detached home No ADUs allowed in conjunction with cottage cluster homes.
Size	Lesser of 800 square feet or 60% of the gross floor area of the primary dwelling. Basement conversions are exempt.
Height	Detached ADUs: Greater of 20 feet or height of primary dwelling. Attached ADUs: Must fit within the height limit of the primary house, per the base zone.
Design Compatibility	ADUs must be constructed with similar building materials or an acceptable substitute approved by the Community Development Director.
Location on Property	Detached ADUs must be behind the primary dwelling or at least 40 feet back from the street.
Setbacks	Same as base zone requirements.
Lot Coverage	The total lot coverage with the primary dwelling and ADU is capped at: <ul style="list-style-type: none"> • R-10, R-8, R-6: 45% • R-5: 60% • R-3.5: 65% • R-2: 85%

Who builds ADUs and how are they financed?

Although ADUs are occasionally integrated by professional builders into newly built homes, they are more often created by individual homeowners and financed through some combination of savings, second mortgages, home equity lines of credit, and/or funds from family members (sometimes a relative who will end up living in the ADU).

Why are people building ADUs - and for whom?

Motivations for creating ADUs vary widely and include:

- Housing for elderly parents or young-adult children
- Rental income to help cover a mortgage
- Empty nesters moving into an ADU and renting out the main house or making it available for family or friends
- Home office or short-term rental, often as a bridge between other uses

Examples of how ADUs can be created in Oregon City

- Converting existing living area, attic, basement, or garage
- Adding floor area to an existing home
- Building a detached structure on the same lot as an existing home
- Building a new primary dwelling on the same lot as an existing (small) home, such that the existing home becomes an ADU
- Building a new home with an attached or detached ADU

How much do ADUs cost?

The costs of ADUs range enormously, depending on size, type and level of finish. ADUs tend to cost more on a per-square-foot basis than a new home due to inefficiencies of scale and the fact that ADUs have higher percentages of floor area allocated to the expensive parts of construction (e.g. kitchens and bathrooms) than a full-sized home.

The least expensive ADUs tend to be garage conversions or interior conversions. These tend to be in the \$50,000 - \$100,000 range, often involving some amount of “sweat equity” by the owner. The more expensive ones tend to be new detached structures or basement replacement house lifts. Simple and fairly small (~450 square foot) detached ADUs can get built in the low \$100,000s. Larger and more customized ones tend to be in the \$180,000+ range.

Although the bulk of these costs are for hard construction costs, they also include some other ‘soft’ costs that go into the creation of ADUs:

- Design
- Building permits and system development charges
- Financing (i.e. lender fees, interest payments)
- Other professionals-based specific needs of your project (i.e. surveyor, structural engineer, environmental assessment/clean-up, project manager)

Where can I learn more about creating an ADU?

- Oregon City ADU info: <https://www.orcity.org/planning/accessory-dwelling-unit-adu>

- www.accessorydwellings.org

- Permit office – 503-722-3789

698 Warner Parrott Road, Oregon City, OR, 97045

Hours: Mon-Fri 8:30 am to 3:30 pm

ADU Examples

ADU #1 - The Screen – A Sustainable ADU

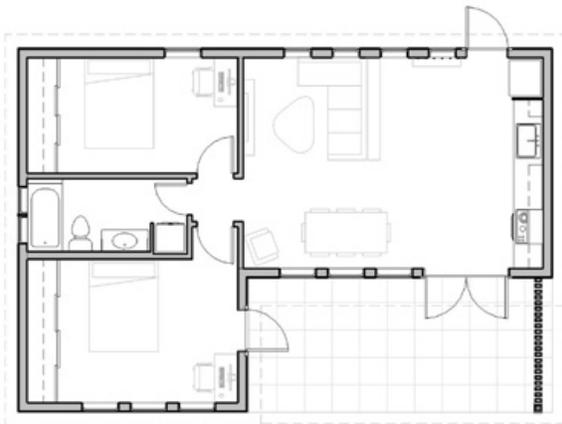


Image credit: Propel Studio

Square Footage	721 SF
Year Built	2017
Architect/Designer	Propel Studio - https://www.propelstudio.com/
Builder	JLTB Construction - http://www.jltbconstruction.com/
Type of ADU	Detached new construction
Current Use	Owner's primary residence
Ballpark Cost	\$185,000 including design & permits

ADU #2 - Applewood Corner

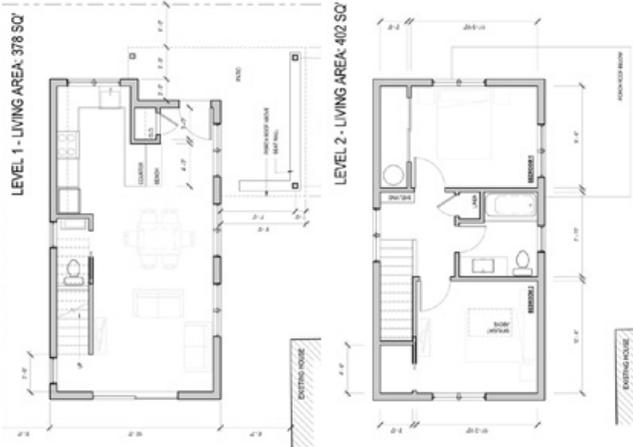


Image credit: Polyphon Architecture & Design

Square Footage	780 SF
Year Built	2016
Architect/Designer	Polyphon Architecture & Design - http://polyphon.com/
Builder	Orange Splot LLC - http://www.orangesplot.net/
Type of ADU	Detached new construction
Current Use	Owner's primary residence
Ballpark Cost	\$175,000 including design & permits

Read more about this historic home at:

http://www.oregonlive.com/front-porch/index.ssf/2018/04/hoyt_pdx_craftsman_1904_arbore.html

ADU #3 - Arbor Guesthouse



Image credit: Strongwork Architecture

Square Footage	515 SF
Year Built	2016
Architect/Designer	Strongwork Architecture - http://www.strongworkarchitecture.com/
Builder	Shelter Solutions - https://www.shelter-solutions.net/
Type of ADU	Detached new construction
Current Use	For friends & family to visit, mixed with short-term rental
Ballpark Cost	\$155,000 including design, permits, & construction

ADU #4 - Madison Street ADU



Image credit: Greenbox Architecture, LLC

Square Footage	288 SF
Year Built	2010
Architect/Designer	Greenbox Architecture, LLC - http://www.greenboxarchitecture.com/
Builder	Owner Built
Type of ADU	Renovation of historic detached carriage house
Current Use	Rental
Ballpark Cost	\$16,000 including design & permits + sweat equity