



Oregon

Tina Kotek, Governor

HPAC Work Group Recommendation Template

Work Group

- Availability of land
- Land development permit applications
- Codes and design
- Workforce shortages
- Financing

Recommendation

Expand BCD's "Ready Build" plan program to include 4 market-driven housing types of varying densities suitable for typical +/- 5,000sf lot size and configurations across the State.

Related Work Plan Topics

- Develop permit-ready plans for smaller scale, fee-simple "starter homes" and partner w. jurisdictions to adopt and incentivize.
- Remove barriers and make it less complex to build smaller, more affordable homes.
- Explore additional by right zoning options.

Method of Adoption

Consensus

Co-chairs Guidance: Standards for Analysis

1. Clearly describe the housing production issue that the recommended action(s) will address.

Due to up-front expense and risk, the current land use and permitting process excludes many people from participating in the development process and is a barrier to supply. The current land use planning and permitting process requires an applicant to hire architects and engineers at significant cost to plan and permit a structure. This recommendation will eliminate this cost and minimize the risk as the plans will be available from BCD pre-permitted. BCD would then be the permitting authority charged w. inspecting the construction and signing off on final occupancy.

2. Provide a quantitative, if possible, and qualitative overview of the housing production issue.

Architecture & engineering (A&E) fees run between 5% and 10% of construction costs. For a smaller structure, such as a starter home, the cost of A&E is approx. \$25,000 and as much as \$200,000 for a larger structure such as a 12-plex.

This recommendation will likely remove 6-12 months from the process. This represents a reduction of the timeline of approximately 50%.

3. To assess the issue and potential action(s), include subject matter experts representing all sides of the issue in work group meetings, including major government, industry, and stakeholder associations.

- The City of Eugene has piloted their own ready build plan program for ADUs. Annie Loe from the City of Eugene was consulted.
- City of Bend has adopted parts of that program. Kerry Bell from the City of Bend was consulted and advocated for State leadership and expansion of such a program. Ms. Bell noted that engineering departments need to be prescribed criteria for public improvements as often they are requiring more than for a SFD home lot which kills infill development.
- Matt Roselle from City of Portland advocated and consulted.
- Tracey Morgan from City of Portland provided testimony as to why the City's narrow lot development program was not widely used.
- Alana from BCD noted that the plans will need to be updated every code cycle.
- Follow prescriptive path – no engineering required.
- Eunice Kim, City of Salem, provided input and advocacy for a “library of plans” for use across State jurisdictions.
- Testimony clarified that this program must package engineering, land use, and structural approval (via prescriptive path).
- League of Oregon Cities provided testimony in support.

4. Provide a quantitative, if possible, and qualitative overview of the outcome of the recommended action(s).

Considering that 10% represents a typical profit margin, this recommendation is expected to attract many people daunted by the costly and sometimes complicated building process to build. Local jurisdictions, housing authorities, and independent builders are all potential users of this program.

The State's Ready Build program is currently limited to simple structures such as decks and pole barns and is not widely used.

This recommendation is expected, if designed properly, to materially increase housing production on standard lot sizes across the State and especially in infill sites (standard 5,000sf home lot).

5. Provide an estimate of the time frame (*immediate, short, medium, long-term*), feasibility (*low, medium, high*), and cost (*low, medium, high*) for implementation of the recommended action(s).

Time Frame: Medium. Existing program would be expanded and architects and engineers hired by BCD to develop the plan for the various unit types. This process would take approximately 1 year.

Feasibility: High – provided the plans are market-driven.

Cost: Medium. Program offered at **NO COST** to applicant. State (BCD) would pay for the up-front design work for each of the unit types and allocate the staff time to review. Once the program is up and running, BCD would likely need more inspectors and supervision to oversee the more robust "builder ready" program.

6. Provide a general overview of implementation, the who and how for the recommended action(s).

BCD issues RFP for design the following for a roughly 5,000sf home lot in a residential zone. Actual lot size may vary. These plans are being limited to 4 to test adoption and limit cost/complexity to assure adoption and learn/adapt as the program gains momentum:

- 2 Bedroom single family detached home (suitable for wildfire/natural disaster rebuilding);
- 3 Bedroom single family detached home (suitable for wildfire/natural disaster rebuilding);
- Duplex (for rent or for sale); and,
- 4 Plex apartment building.

Program will include funding for plan development, marketing and education for local jurisdictions.

7. Outline the data and information needed for reporting to track the impact and implementation of the recommended action(s).

Local jurisdictions will permit foundations and report to BCD on permits issued.

8. Identify any major unknowns, tradeoffs, or potential unintended consequences.

- Implementation critical – if plans are not market-driven, or program requires fees or a process then likely ineffective. Focus needs to be on quality designs that are widely applicable to the typical lot sizes.
- Program must be developed in consideration of variations in snow load, site conditions, seismic zones etc.

Please include any relevant reports, data analyses, presentations, or other documents that would be informative and useful for the full HPAC as the recommendation is discussed and considered.