

Exhibit A

Add Section:

30.01.096 Partial and Full Exemptions of System Development Charges for Mass Shelters and Short-Term Housing.

- A. The purpose of this Section is to reduce the costs of developing permanent transitional housing in the form of mass shelters and short-term housing by exempting system development charges for qualified developments. This section advances a Council-recognized public policy goal of providing a continuum of safe and affordable housing opportunities including transitional housing, emergency shelters, and campgrounds/rest areas to meet the needs of Portland residents.
- B. The City will exempt qualified mass shelter and short-term housing developments from paying all or part of system development charges required by Code. The applicant must apply for exemptions under this Section prior to the date the City issues the permit on the new development. Where new development consists of only part of one or more of the uses described in this Section, only that portion of the development that qualifies under this Section is eligible for an exemption. The balance of the new development that does not qualify for any exemption under this Section is subject to system development charges to the full extent authorized by Code or general ordinance. The applicant has the burden to prove entitlement to exemptions so requested.
- C. The City shall calculate exemptions in the manner authorized for calculating system development charges. Exemptions are applicable to the portions of mass shelter and short-term housing projects that are directly used in providing shelter and services for their residents such as on-site manager facilities and shared space including but not limited to restrooms, kitchens, community rooms, social service facilities, and laundry facilities.
- D. To obtain the exemption, the applicant must present to the City, at the time of application, documentation from the Joint Office of Homeless Services, or other designated agency, that the development qualifies for the exemption pursuant to this Chapter.
- E. The applicant must provide permit drawings that clearly note the exemption, if granted, in order to ensure compliance. Alternatively, the drawings must provide remedies for failure to comply that are acceptable to the City. Permit drawings must state the following, "This project received SDC exemptions for mass shelters or short-term housing. The exemptions only apply to the mass shelter or short-term housing development and associated facilities including social services. If a future tenant improvement or change of occupancy creates a use that is not a mass shelter or short-term housing or associated service, system development charges will be assessed for the new use. It is the permittee's responsibility to maintain proper documentation of the continued mass shelter or short-term housing use."

Exhibit B**30.01.095 Partial and Full Exemptions of System Development Charges for Affordable Housing Developments.**

- A.** The purpose of this Section is to reduce the costs of developing permanent affordable housing by exempting system development charges for qualified affordable housing developments. This section advances a Council-recognized public policy goal to provide for a diversity of housing types to meet the needs of the citizens of the City.
- B.** The City will exempt qualified affordable housing developments from paying all or part of system development charges required by Code. The Applicant must apply for exemptions under this Section prior to the date the City issues the permit on the new development. Where new development consists of only part of one or more of the uses described in this Section, only that portion of the development that qualifies under this Section is eligible for an exemption. The balance of the new development that does not qualify for any exemption under this Section is subject to system development charges to the full extent authorized by Code or general ordinance. The Applicant has the burden to prove entitlement to exemptions so requested.
- C.** The City shall calculate exemptions in the manner authorized for calculating system development charges for rented and owner-occupied residential properties. Non-residential properties or the non-residential portion of mixed-use developments are not eligible for exemptions provided by this Section. Exemptions are applicable to the portions of residential properties that are directly used in providing housing for its low-income residents such as on-site manager units and shared space including but not limited to restrooms, community rooms and laundry facilities.
- D.** To obtain the exemption, the applicant must present to the City, at the time of Application, documentation from PHB that the development qualifies for the exemption pursuant to this Chapter. Applicant must also pay an administration fee per unit on rental and/or owner-occupied units as determined by PHB.
- E.** The City shall require the recording of real property covenants in the deed records for properties receiving exemptions under this Section in order to ensure compliance, or to provide remedies for failure to restrict units, or both. Deed restrictions may be used by PHB in order to restrict sale prices and rents charged for exempt units, or to provide remedies for failure to restrict units, or both.
- F.** Applicants shall meet the following affordable housing qualifications to be exempt from paying all or a portion of system development charges based on the type of housing provided:

1. Rental Units.

- a. For purposes of this Section, "affordable" for rental housing means that the rent and expenses associated with occupancy such as utilities or fees, does not exceed 30 percent of the gross household income at the level of the rent restrictions.
- b. The units receiving an exemption shall be affordable to households earning 60 percent or less of MFI at time of occupancy and shall be leased, rented or made available on a continuous basis to persons or households whose incomes are 60 percent or less of MFI, as adjusted by household size and as determined by HUD for the Portland Metropolitan Area, except as provided for below. Such units shall remain affordable for a period of 60 years.
- c. Effective July 1, 2014, developments of new buildings in Old Town/Chinatown shall be eligible for exemption subject to the following conditions:
 - (1) Units must be located in the Old Town/Chinatown Action Plan Focus Area;
 - (2) Financial need must be verified through project pro forma underwriting conducted by the PDC;
 - (3) All units shall remain affordable for a period of not less than 10 years, to persons or households whose incomes are 100 percent or less of MFI, as adjusted by household size and as determined by HUD for the Portland Metropolitan Area, and for not less than 5 years thereafter shall continue to remain affordable to persons or households whose incomes are 120 percent or less of MFI, as so described; and
 - (4) The exemption granted by this Subsection shall not be available to developments for which a building permit application is filed on or after July 1, 2019, or after permit applications have been filed for development of 500 qualifying units, in the aggregate, whichever occurs first.

2. Owner-Occupied Units.

- a. For the purposes of this Section, "Affordable" means that ownership units are sold to persons or households whose incomes are at or below 100 percent of MFI for a family of four as determined annually for the Portland Metropolitan Area by HUD, which income may be adjusted upward for households with more than four persons; and

- b. The ownership units sell at or below the price limit as provided by Subsection 3.102.090 D.

~~3. Mass Shelters.~~

- ~~a. For the purposes of this Section, "affordable" means that shelter is provided on a daily basis without a fee.~~
- ~~b. A mass shelter is a structure that contains one or more open sleeping areas, or is divided only by non-permanent partitions, furnished with cots, floor mats, or bunks. Individual sleeping rooms are not provided. The shelter may or may not have food preparation or shower facilities. The shelter is managed by a public or non-profit agency to provide shelter. The number of beds is determined by the maximum number of people who can be given overnight accommodations at one time on the site.~~
- ~~c. Mass shelters shall provide shelter for a minimum of 10 years.~~

- G. Pursuant to Section 30.01.040, the PHB is responsible for enforcing property covenants and other agreements with applicants that are conditions of receiving exemptions provided by this Section. PHB may adopt, amend and appeal administrative rules, establish procedures, and prepare forms for implementation, administration and compliance monitoring consistent with the provisions of this Section.

In the event that an applicant violates the covenants, agreements or other requirements that were established by the City as a condition of approval of an exemption application, or the owner of the property wants to remove the affordability covenants of Subsection 30.01.095 F., the City shall terminate the exemption and make due and payable all previously exempt portions of system development charges based on rates in effect on the date of the submittal of a complete building permit application, plus accrued interest from the date of the issuance of the building permit to the date of the termination of the exemption calculated with the interim interest rate in effect on the date of the termination of the exemption as set by general ordinance pursuant to Section 17.12.140, and a processing fee of \$250 due to each City bureau exempting system development charges and to PHB as the administrator. The City may collect reinstated system development charges, processing fees, carrying charges and the actual costs of collections by recording a property lien pursuant to Title 22.

Exhibit C

**SDC Waiver for Mass Shelters and Short-term Housing
Other Code Changes Required**

Amend subsection 17.13.060.C:

- C. Alteration permits for commercial interior alteration work are fully exempt, including commercial alterations that change occupancy. This exemption does not apply to alterations that create additional Dwelling Units, nor does it apply to the particular development on a property that previously benefitted from an exemption for mass shelters or short-term housing under Subsection 17.13.060.I.

Add a new subsection to 17.13.060:

- I. Mass shelters and short-term housing as provided by Section 30.01.096 of this Code.

Add a new subsection to Section 17.14.070:

- G. Mass shelters and short-term housing are exempt from all system development charges as provided by Section 30.01.096 of this Code.

Amend subsection 17.15.050 J:

Mass shelters, short-term housing, and ~~C~~certain accessory dwelling units are exempt pursuant to Section 17.14.070.

Amend subsection Section 17.36.040 I:

Exemptions for Mass Shelters, Short-term Housing, and ~~C~~certain Accessory Dwelling Units. Mass shelters, short-term housing, and ~~A~~n accessory dwelling units may be eligible for a waiver of sanitary and stormwater SDCs pursuant to Section 17.14.070.

Add new subsections to Section 30.01.030:

- N. **“Mass shelter.”** A structure that contains one or more open sleeping areas or is divided only by non-permanent partitions and is furnished with cots, floor mats, or bunks. Individual sleeping rooms are not provided. The shelter may or may not have food preparation or shower facilities. The shelter is managed by a public or non-profit agency to provide shelter, with or without a fee, on a daily basis.
- Z. **“Short-term housing.”** One or more structures that each contains one or more individual sleeping rooms and for which tenancy of all rooms may be arranged for

periods of less than one month. A short-term housing facility may or may not have food preparation facilities, and shower or bath facilities may or may not be shared. The facility is managed by a public or non-profit agency that may or may not charge a fee. Examples include transitional housing and emergency shelters in which individual rooms are provided. Tenancy may be less than 30 days or more than 30 days.

Re-letter existing subsections N through X of Section 30.01.030 as O through Y.

Amend Section 21.16.170:

21.16.170 System Development Charge.

An applicant for a new water service connection or increase in the size of an old connection within the City limits shall pay a system development charge. The System Development Charge will be based upon calculations provided for in the annual water rate ordinance. New Water Service Connections solely for fire protection purposes and affordable housing pursuant to Section 30.01.095, shall be exempt from payment of the System Development Charge. A System Development Charge shall not be assessed for a temporary service (see Section 21.12.090 "Permit for Temporary Service") or for mass shelters, short-term housing, and certain accessory dwelling units (See City Code Section 17.14.070).

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