

## **IMPACT STATEMENT**

### **Legislation title:**

Amend Sewer User Charges Code to support updates to system development charges (Ordinance; amend Code Chapter 17.36)

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### **Purpose of proposed legislation and background information:**

Update City Code Chapter 17.36 to support updates to system development charges (SDC) to conform with code and rule updates taking effect on August 1, 2021 adopted as part of the Residential Infill Project (RIP) and Shelter to Housing Continuum (S2HC) projects. More specifically these changes are:

1. Updating terms used to describe residential housing types to align with zoning changes adopted under the RIP. Proposed changes include:
  - a. Remove the use of the word “family” as in “single-family” and change to use the term “dwelling unit”.
  - b. More explicitly address accessory dwelling units and multi-dwelling developments allowed under RIP.
2. Adding language to accommodate congregate housing facilities, which is a new development type defined by the S2HC project.
  - a. Congregate housing facilities are a housing type with separate bedrooms and shared kitchens. This new type replaces and encompasses existing housing types including group living, foster care, dormitories, and microunits.
  - b. Congregate housing facilities will be charged SDCs based on a conversion from drainage fixture units (DFU) to equivalent dwelling unit (EDUs). This is the same methodology used for commercial developments.
3. Update other language to improve consistency between codes and rules.
  - a. Remove 17.36.040.C.4.b and collapse the remaining language into 17.36.040.C.4. The provision in 17.36.040.C.4.b which is being removed is a provision for credits payment of sanitary sewer user charges that was previously removed from the associated administrative rule, ENB-4.05. It was removed because implementation was infrequent, not clear and ultimately inconsistent. The associated rule revision was vetted by internal and external stakeholders, per BES’s standard rule making authority. The SDC credit for existing uses in 17.36.040.C.4.a was retained based on input from the Development Review Advisory Committee. This proposed Code revision will make code consistent with rule and practice.
  - b. Remove 17.36.040.F.1 and 2 to eliminate redundant language repeated in administrative rule ENB 4.27 Nonconforming Sewer Conversion Program. Retain the reference to administrative rule to maintain clear authority.

### **Financial and budgetary impacts:**

No budget changes or additional costs are expected to result from this Ordinance. In addition, the Code changes will not require additional time of existing employees to be implemented. This Ordinance does not propose new substantive requirements for the bureau to implement.

### **Community impacts and community involvement:**

These changes are being made in response to RIP and S2HC to bring BES's code into alignment with new terminology and classifications that will be established through implementation of those two initiatives. There was broad public engagement for both RIP and S2HC and while that work did not address BES SDC items directly the new housing types and zoning allowances that are the focus of this update were reviewed through that process. BES provided information about these changes to the Development Review Advisory Committee, the Portland Utility Board and the Citizen's Utility Board.

**Residential development:** There are no impacts anticipated for residential development including single-dwelling unit and multi-dwelling unit developments. The proposed changes in terminology do not change how BES charges specific development configurations; they better align BES code with new terms the City is adopting. Single-dwelling developments will continue to be charged one EDU, and multi-dwelling developments will continue to be charged 0.8 EDU per unit.

**Congregate living facilities:** This is a new housing type and it is necessary to define how SDCs will be charged for these developments. The proposed language will charge by drainage fixture unit, or DFU, (e.g. the number of sinks, toilets, etc.) which is the same methodology currently used for commercial properties. This is the most direct way to estimate the anticipated impact of a development on the City's system. Currently, some development types that will be reclassified as congregate housing facilities are charged 0.6 EDU per bedroom. Changing to DFU will likely reduce the SDC costs for these development types depending on the ratios of bedrooms to bathrooms, kitchens, and other sewage generating uses.

The changes in the code are being completed in parallel with complementary updates in the administrative rule ENB-4.05 System Development Charges. The public comment period for ENB-4.05 updates began on May 14, 2021 and lasted for 30 days. Since the rules describe calculation methodologies that impact implementation, BES will be able to address public concerns through that process.

BES does not expect anyone to testify on the Ordinance at Council.

### **Budgetary Impact Worksheet**

#### **Does this action change appropriations?**

☐ **YES:** Please complete the information below.

☒ **NO:** Skip this section

<b>Fund</b>	<b>Fund Center</b>	<b>Commitment Item</b>	<b>Functional Area</b>	<b>Funded Program</b>	<b>Grant</b>	<b>Sponsored Program</b>	<b>Amount</b>