

IMPACT STATEMENT

Legislation title: Extend the temporary suspension of system development charges for the construction or conversion of structures to accessory dwelling units (Ordinance; amend Ordinance No. 186036).

Contact name: Trang Lam

Contact phone: 503-823-5229

Presenters' names: Trang Lam

Purpose of proposed legislation and background information: The proposed ordinance implements Council directives set forth in Resolution No. 37201, dated April 13, 2016. The Council's intent is to eliminate obstacles to the City of achievement of density and affordable housing goals that finds that the cumulative impact of system development charges are disproportional to the improvement values of accessible dwelling units, rendering such housing uneconomical to develop. The extension of the temporary suspension of system development charges will provide an incentive for property owners and developers to advance the construction of an important housing type in the City of Portland.

Financial and budgetary impacts: This ordinance will reduce revenue coming into the Parks and Recreation's system development charge program and will impact service delivery. At least \$2 million dollars in Parks SDC fees were waived during the first 3 years of the ADU waiver. However, because Resolution No. 37201 waived all SDC fees for ADUs, there was also a dramatic increase in ADU permit applications, as many new applicants stepped up to take advantage of the savings in fees. It can be assumed that at least 85% of these permits would not have been submitted had the full SDC fees been in place during this time period, based on prior year ADU applications. It can be assumed that the lost revenue will be similar during the next 2 years of ADU fee suspensions.

Implementation of this ordinance is limited to the time and expense in taking the ordinance to Council, drafting and processing administrative rules, and educating staff on new procedures. This expense can be funded by the Parks SDC administration and compliance budget. No staff positions are anticipated to be affected by this legislation.

Community impacts and community involvement: The Parks SDC program has been in place since 1998, and the community will continue to see benefits from the SDC funds spent on park developments and land acquisition; however the financial impact outline above will mean Parks will generate less SDC revenues in the next couple of year.

Public testimony was given at passage of Resolution No. 36980.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES: Please complete the information below.
- NO: Skip this section



Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

Portland Parks & Recreation Finance Manager