

IMPACT STATEMENT

Legislation title: Implement the temporary suspension of system development charges for the construction or conversion of structures to accessory dwelling units (Ordinance; amend Code Section 17.15.050)

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Purpose of proposed legislation and background information:

On March 3, 2010, Council adopted Resolution No. 36766, directing the amendment of City regulations to provide that any newly permitted and constructed ADU conforming to the Title 33 definition of an ADU be entitled to a waiver of the SDC fees until June 30, 2013.

The Council further directed that the waivers should apply to all complete building permit submittals for ADU's between the date this resolution is implemented and June 30, 2013, provided that the new ADU receiving a waiver obtains an occupancy permit no later than June 30, 2014.

The Resolution contained the following Council findings in support of the suspension:

1. System development charges (SDCs) on accessory dwelling units (ADUs) can cost between \$8,000 and \$13,000 on each unit, which is a high proportion of the cost of construction of ADUs.
2. ADUs are integral to the achievement of the City's affordable housing and density goals.
3. The high relative cost of SDCs on ADUs is a substantial barrier to the willingness of homeowners and builders to construct them.
4. Promoting the construction of ADUs will provide smaller scale construction projects that are easier to finance for homeowners and the struggling construction industry.
5. The suspension of system development charges will make the overall cost of constructing ADUs more attainable for homeowners and builders.
6. The zoning code (Title 33.205) currently addresses what constitutes an accessory dwelling unit (ADU), its purpose, where it can be constructed, and applicable design parameters.
7. An ADU may be added to a house, attached house, or manufactured home in a Residential zone, except for certain exceptions outlined in Title 33.

On December 5, 2012 Council adopted Resolution No. 36980 to extend the current suspension of systems development charges for Parks and Recreation, Environmental Services, Transportation, and Water for the construction of accessory dwelling units or the conversion of structures to accessory dwelling units until July 31, 2016.

Further, on April 13, 2016 Council adopted Resolution No. 37201 to extend the current suspension of systems development charges for Parks and Recreation, Environmental Services, Transportation, and Water for the construction of accessory dwelling units or the conversion of structures to accessory dwelling units until July 31, 2018.

Financial and budgetary impacts:

This ordinance will reduce income from Transportation’s system development charges.

During the first three years of this exemption; Transportation exempted approximately \$375,000 in system development charges. During the first extension (2013-2016) of this exemption; Transportation exempted approximately \$1,000,000 in system development charges.

The extension of this exemption will reduce Transportation income by as much as \$450,000 per fiscal year.

Community impacts and community involvement:

Not Applicable. The proposed ordinance will implement the directives of a Resolution No. 37201 adopted by Council on April 13, 2016. This proposed ordinance brings forwarded the code changes necessary to implement that resolution.

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

KK 5-6-16