

Add a new subsection to Section 17.13.060:

- H. Certain accessory dwelling units are exempt pursuant to Section 17.14.070.

Amend the title of Chapter 17.14:

Chapter 17.14 Financing of, and Exemptions from, Systems Development Charges

Amend Section 17.14.010:

17.14.010 Purpose.

The purposes of this Chapter ~~is~~are to authorize financing agreements that provide for payments deferrals and installment payments of City system development charges and to provide exemptions from such charges. This Chapter fulfills the following mandates:~~of~~

- A. The requirement of Chapter 722 Oregon Laws of 1977 (ORS 223.207 and 223.208) by providing that the rights and duties accorded the City and property owners by the laws relating to assessments and financing of local improvement districts shall also apply to assessments and financing of those charges imposed by the City that are defined by Subsections 1 (a) and (b) of Section 2, Chapter 722 Oregon Laws of 1977 (ORS 223.208 (1) (a) and (b)); and
- B. The decisions of City Council to establish certain exemptions from the assessment of system development charges.

Add a new section to Chapter 17.14:

17.14.070 System Development Charge Exemptions.

- A. Affordable housing developments are exempt from all system development charges as provided by Section 30.01.095 of this Code.
- B. Certain developments and uses are exempt from parks and recreation system development charges as provided by Section 17.13.060 of this Code.
- C. Certain developments and uses are exempt from transportation system development charges as provided by Section 17.15.050 of this Code.
- D. Temporary uses are exempt from sanitary sewer system development charges as provided by Section 17.36.040 of this Code.
- E. Certain developments and uses are exempt from water service system development charges as provided by Section 21.16.170 of this Code.

- F. An accessory dwelling unit, as that term is defined in Chapter 33.910 of this Code, is exempt from all system development charges under the following conditions:
1. The building permit application for the accessory dwelling unit must have an intake date of August 1, 2018 or later.
 2. Prior to issuance of a building permit for the accessory dwelling unit, the applicant must submit a recorded covenant on a form provided by the Revenue Division of the Bureau of Revenue and Financial Services. The covenant will prohibit the use of the accessory dwelling unit or any other structure on the property as an accessory short-term rental, as that term is defined in Chapter 33.207 of this Code, for a period of 10 years from the date of permit final inspection. The covenant must be recorded in the deed records for the property before the City will issue the building permit.
 3. The Revenue Division will enforce the requirements of this Section and may:
 - a. Adopt, amend, and repeal administrative rules, establish procedures, and prepare forms for the implementation, administration, and enforcement thereof;
 - b. In the event of a violation, use any reasonable means to collect debt, including but not limited to private collection agencies, liens, or lawsuits;
 - c. Delegate functions under this Section as deemed appropriate by the Revenue Division;
 - d. Impose a civil penalty of up to \$500 for failure to pay an application fee within 60 days of the approval of an SDC fee waiver;
 - e. Impose a civil penalty of up to \$500 per violation for failure to provide requested information to the Division; and
 - f. Waive or reduce for good cause any civil penalty assessed under this Section.
 4. If an applicant for an exemption under this section or a successor-in-interest thereof violates the covenant for an accessory dwelling unit or any requirement of this section, or if the covenant is terminated according to its terms:
 - a. The exemption will be terminated and all previously exempt portions of system development charges will become immediately

due and payable by the then-owner of the property. The amount owing will be 150 percent of the rates in effect at the time the violation is identified or the covenant is terminated, whichever is later.

- b. For the purpose of applying any previous use credits, SDC Bureaus will use the timeframe of the ADU building permit intake date. If credits are applicable, SDC Bureaus will apply credits using the rates in effect at the time the violation is identified, or the covenant terminated, whichever is later.
- c. A processing fee of \$400 per waiver application shall apply from August 1, 2018 through June 30, 2019. Thereafter the Revenue Division Director shall publish a fee schedule based on cost recovery.
- d. 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 of this Code.

Add a new subsection to Section 17.15.050:

- J. Certain accessory dwelling units are exempt pursuant to Section 17.14.070.

Add a new subsection to Section 17.36.040:

- I. Exemptions for Certain Accessory Dwelling Units. An accessory dwelling unit may be eligible for a waiver of sanitary and stormwater SDCs pursuant to Section 17.14.070.

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 certain accessory dwelling units (See City Code Section 17.14.070).