

ORDINANCE NO. NS - 2247

AN ORDINANCE AMENDING BEND CODE CHAPTER 12.10 SYSTEM DEVELOPMENT CHARGES BY ADDING AN EXEMPTION FOR QUALIFIED AFFORDABLE HOUSING PROJECTS

Findings

- A. The high demand and limited supply for housing in Bend has led to an increase in the cost of housing for both owner-occupied and rental units. Most new housing being developed is affordable only for those with above-median income.
- B. The cost to develop housing includes not only the cost of land and construction, but also the cost of associated permits and fees, including System Development Charges (SDCs). Transportation SDCs are \$4,928.00, Sewer SDCs are \$3,058.00 and Water SDCs are \$4,868.00 for single-family homes. City SDC charges total \$12,854.00 per single family home.
- C. A City Council Goal is to incentivize economic health and diversity, with a major objective to "continue to explore affordable and work force housing strategies." To further this objective, Council wishes to exempt qualified affordable housing projects from payment of certain SDCs.

Based on these findings,

THE CITY OF BEND ORDAINS AS FOLLOWS:

Section 1. Bend Code Section 12.10.040(B) is amended to read as follows:

B. Unless exempted in Section 12.10.120, SDCs for water, wastewater, stormwater, and transportation are imposed on all development within the City, on all development outside the City that connects to the water and/or sewer facilities of the City, and on all other development that increases the usage of the water and/or sewer system or that contributes to the need for additional or enlarged capital improvements. This includes new construction and the alteration, expansion or replacement of a building or development if the alteration, expansion or replacement results in a change in any of the components of the formula for determining the amount of SDCs to be paid.

Section 2. Bend Code 12.10.120 is amended by adding new Subsections C through F to read as follows:

C. Development of affordable housing that receives local, state, or federal funds for affordable housing, are within any of the categories in this section, and are approved through the process set forth in Subsections D and E are exempt from 100% of water and sewer SDCs and 75% of transportation SDCs:

1. Rental housing that is affordable for households with an income at or below 60% of the area median income ("AMI") as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development.

2. Owner-occupied or lease-to-purchase housing for households with an income at or below 80% of the AMI as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development.

3. Homeless shelter developments.

D. Exemption applications shall be submitted and considered annually through a Request for Proposal process. If the total requested exemptions in a fiscal biennium are \$1 million or less, exemptions shall be granted for all projects that meet the criteria in Subsection C. If the total requested exemptions exceed \$1 million for the fiscal biennium, exemptions to the amount available shall be granted based on the following priorities:

1. Projects that maximize utilization of outside funds and services.

2. Projects that utilize partnerships with other organizations and agencies.

3. Projects that can demonstrate that they have the staff capability and capacity to successfully and efficiently implement the proposed project.

4. Projects that are clearly defined and realistic in scope, location, need, budget, and goals.

5. Projects that demonstrate a clear plan for evaluating project progress toward addressing the identified need.

6. Projects that utilize an effective strategy to improve conditions and solve problems.

7. Projects that can be readily implemented in a timely manner once SDC exemptions are awarded.

8. Projects that can provide sufficient evidence illustrating neighborhood and community support.

9. Projects that will have a sustainable long-term impact, evidenced by secured deed restrictions, land trusts, or other mechanisms.

10. Projects that do not result in the permanent displacement or relocation of current occupants of the project site.

11. Projects that are constructed adjacent to transit corridors and have provisions to increase public transit and other alternative commuter options.

E. The proposals shall be evaluated by the Affordable Housing

Advisory Committee, which shall make a recommendation to the City Council regarding the requested exemptions, and the City Council shall decide whether to allow the requested exemptions according to the standards set forth in this section. If the total number of exemptions requested exceed the maximum exemptions allowed for the year, the City Council may reduce the exemption to any or all of the applicants to a percentage of the total exemption that would otherwise be provided.


F. The City shall record documentation of the exemption with the Deschutes County Clerk's office at the time the project receives a certificate of occupancy or final inspection. In the event the property for which an exemption is granted ceases to qualify for the exemption or is sold or transferred for use other than affordable housing within five years from the date the project is completed, the person or entity to whom the exemption was granted shall be required to pay the City the amount of the exempted SDCs, plus interest at the statutory rate for interest on a judgment from the date the exemption was recorded. A transfer from an owner to whom an exemption was granted to the initial lessee under a lease to purchase agreement shall not be deemed a transfer of ownership for purposes of this subsection.

Section 3. All other provisions of BC 12.10 remain in effect.

First reading: July 15, 2015

Second reading and adoption by roll call vote: August 5, 2015

Yes:	Jim Clinton, Mayor	No: None
	Doug Knight	
	Sally Russell	
	Nathan Boddie	
	Casey Roats	
	Barb Campbell	



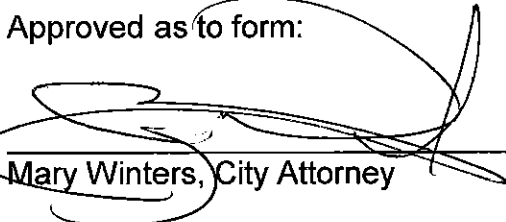
Jim Clinton, Mayor

Attest:



Robyn Christie, City Recorder

Approved as to form:



Mary Winters, City Attorney

