

# System Development Charges (SDC) and Affordability

Michelle Healy and Lindsey Lombard  
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# Overview

- SDC primer
- History of park SDCs
- District finances
- Park SDC fees and other SDC fees
- 2019 park SDC update
- Affordable Housing park SDC waiver
- Next steps



*Deschutes River Trail*

# What are SDCs?

Types

One-time fee

Regulated by State Law

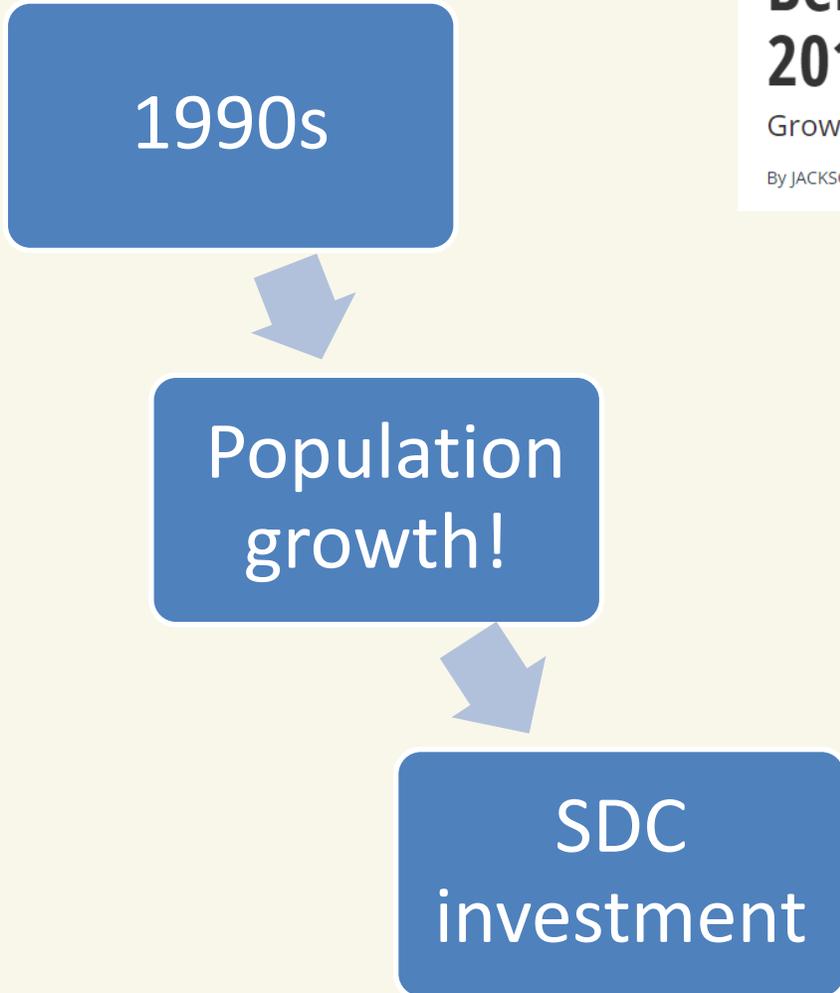
- Only for capacity improvements
- Limited to capital improvements only
- Documented plans required
- Methodology and public notice
- Annual tracking and reporting



*Eagle Park 2018*



# Bend's Park SDC Story



FEATURED

## Bend population tops 100,000 residents in 2019, U.S. Census estimates

Growth makes Bend the state's sixth-largest city

By JACKSON HOGAN The Bulletin May 21, 2020 Updated May 21, 2020 1

NEWS » LOCAL NEWS

August 10, 2016

## Bend's Growth Rate: Scary Or Sustainable?

Experts weigh in on how much is too much, too little, and just right

BY CHRISTIAN TREJBAL

## New population estimates put Bend among nation's fastest-growing cities

Updated Jan 09, 2019; Posted May 25, 2017

## Study says Bend is the third fastest-growing city in the U.S.

by KATU News | Monday, October 14th 2019



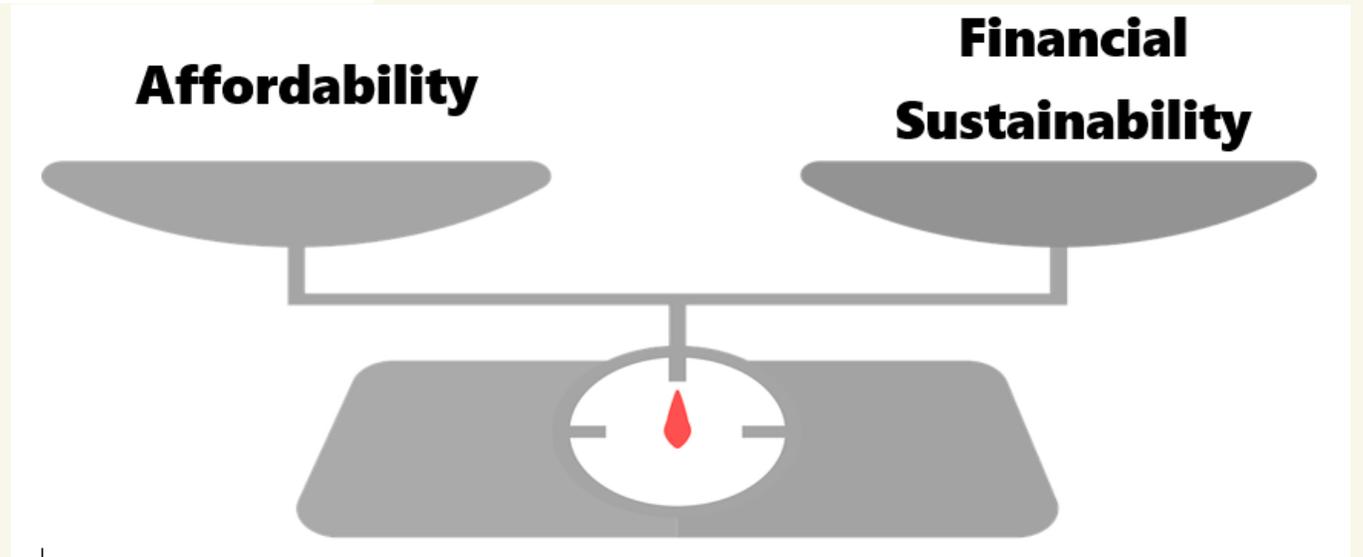
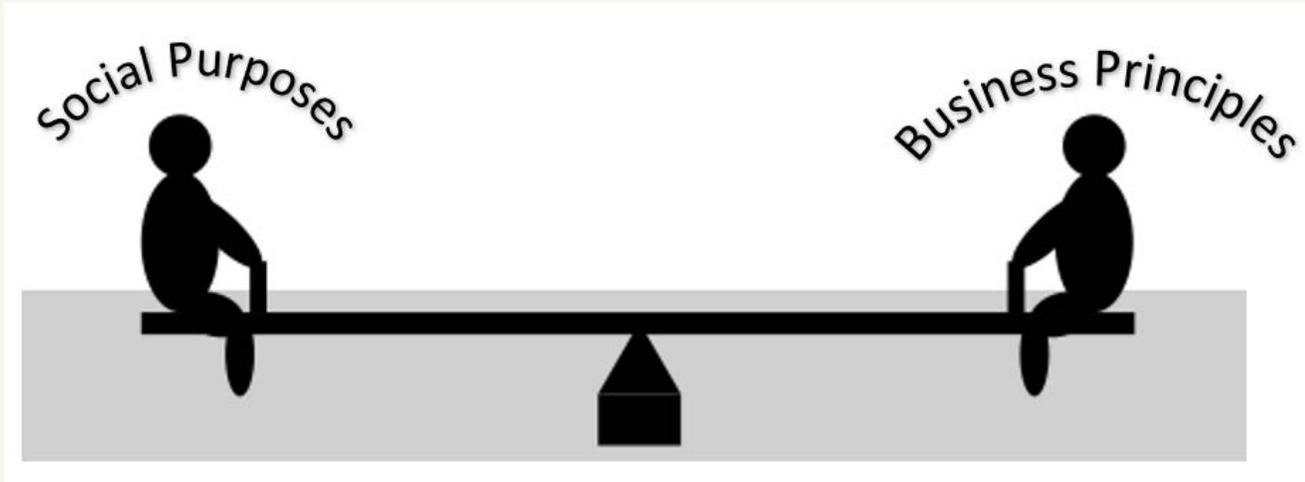
# *Park SDC investments in response to growth*

Projects fully or partially funded by SDCs (since 2003):

- 27 neighborhood parks
- 15 community parks
- Riley Ranch Nature Reserve and Shevlin Park
- Miles of trails – e.g., DRT, Coyner, Larkspur, COHCT

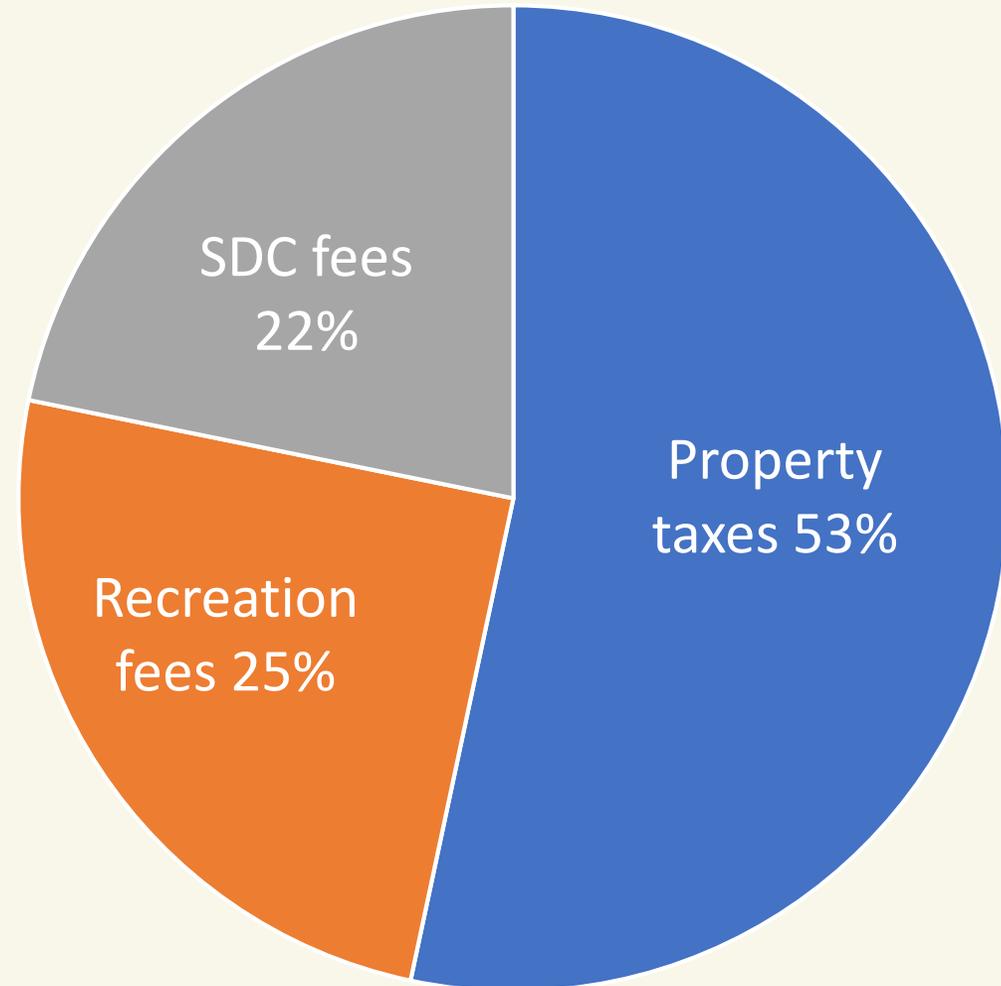
*People  and use their park and trail system in Bend!*

# Striving for Balance



# *BPRD Main Funding Sources*

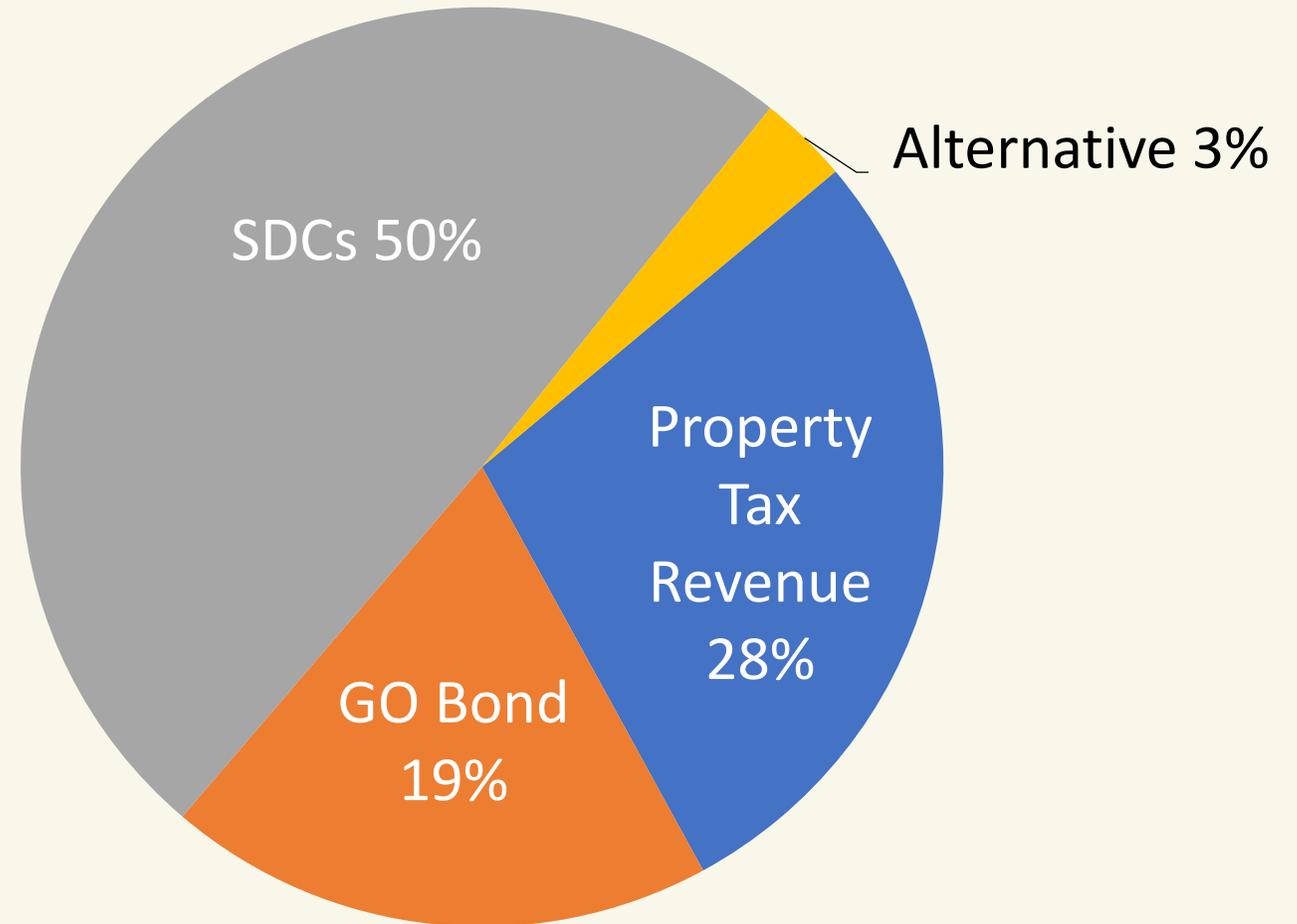
- SDC fee revenues
- Property tax revenue
- Recreation fee revenues



# SDC Fees

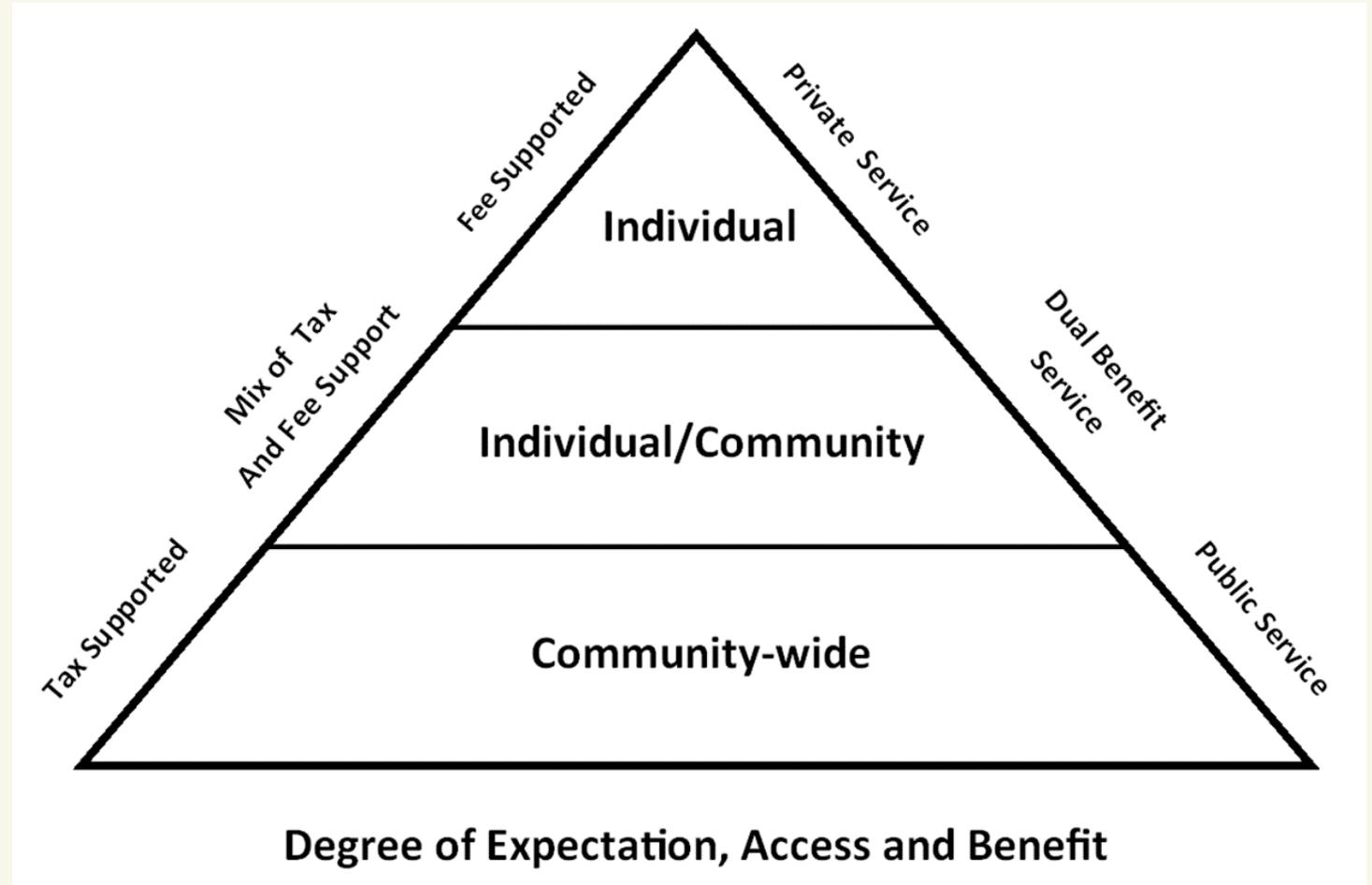
- Only to acquire and develop park and recreation facilities
- Primary CIP funding source

Historical CIP by Funding Source



# Recreation Fee Revenues

- Cover direct costs
- Based on cost recovery model
- Subsidized with property taxes



# *Property Taxes*

- General operations
- Maintain, repair, renovate, replace
- Non-SDC funded facilities
- Debt service
- PERS unfunded liability
- Reserves
- Support affordable living



*Miller's Landing Park 2014*



# *Supporting Affordable Living*

Funded with property tax revenue

- Needs-based assistance
- Targeted outreach, programs, events
- Inclusion services
- Therapeutic recreation
- Subsidized recreation activities
- Operations of parks and trails open to all

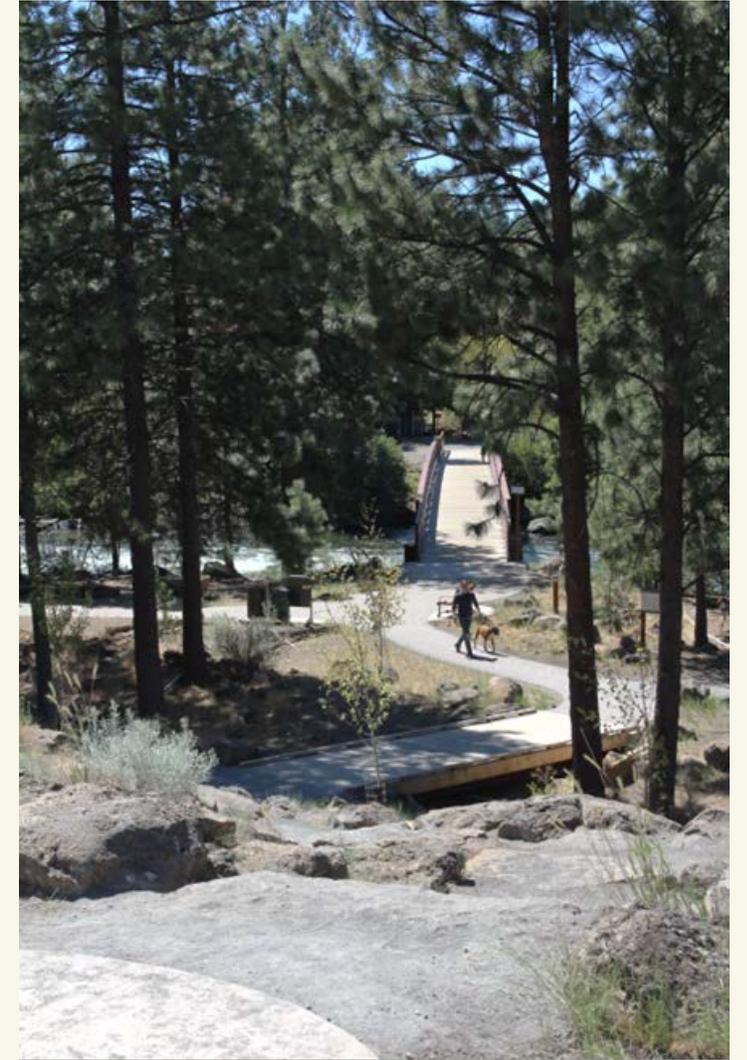


*Canal Row Park 2016*



# *BPRD “Fill-the-Gap” Options*

- Capital grants and donations
- General Obligation Bonds
- Reduce service levels
- Increase reliance on property taxes



*First Street Rapids Park 2015*

# *Cities and Counties “Fill-the-Gap” Options*

- Revenue bonds
- Transient room taxes
- Urban Renewal Agencies
- Charge other fees
- Require infrastructure
- No-cost dedicated land

*McKay Park 2016*



# *Park SDCs and other SDCs*

- Land – purchase vs. dedications
- Often only developer expense for parks
- Park SDCs pays for other infrastructure
- Park SDCs pay other SDCs, utility relocation and other development fees
- Not charged on non-residential

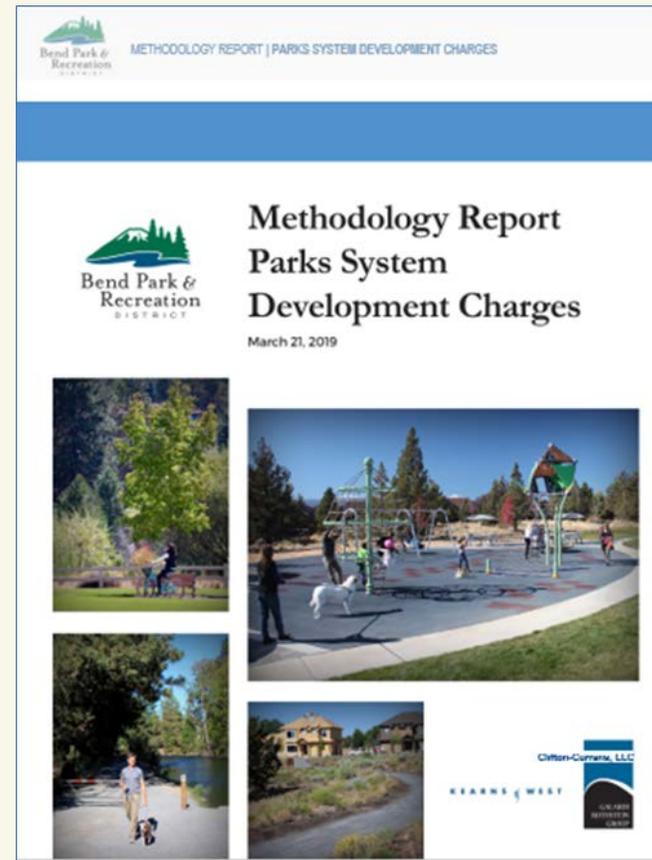
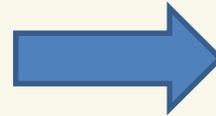
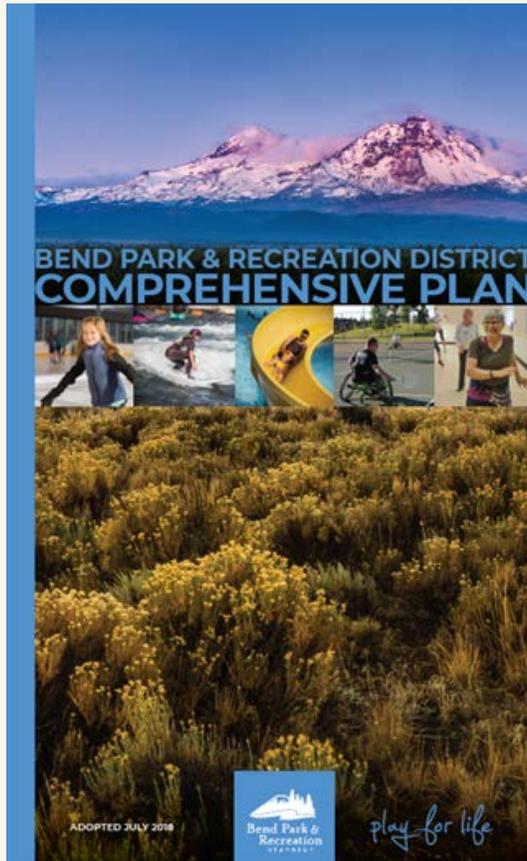


*Alpine Park trailhead 2015*



*Stone Creek Park 2017*

# 2019 BPRD Park SDC Update



# 2019 Methodology

Bend by 2028....

+23K 

Consider....



And.....



# *New Methodology Strikes a Balance*

- ✓ Project list reduced by **-\$17.6 million** = lower level of service
- ✓ Fees dropped **-25%** for all multi-family
- ✓ Fees dropped **-32%** for townhomes, duplexes, condos
- ✓ Deferral option for multi-family
- ✓ ADUs at lowest multi-family rate
- ✓ Overnight visitor accommodation increased to align with impact
- ✓ **Zero fee** for up to 400 units of Affordable Housing
- ✓ Approved option for tiered fees

# Tiered SDCs – 2019 Fees

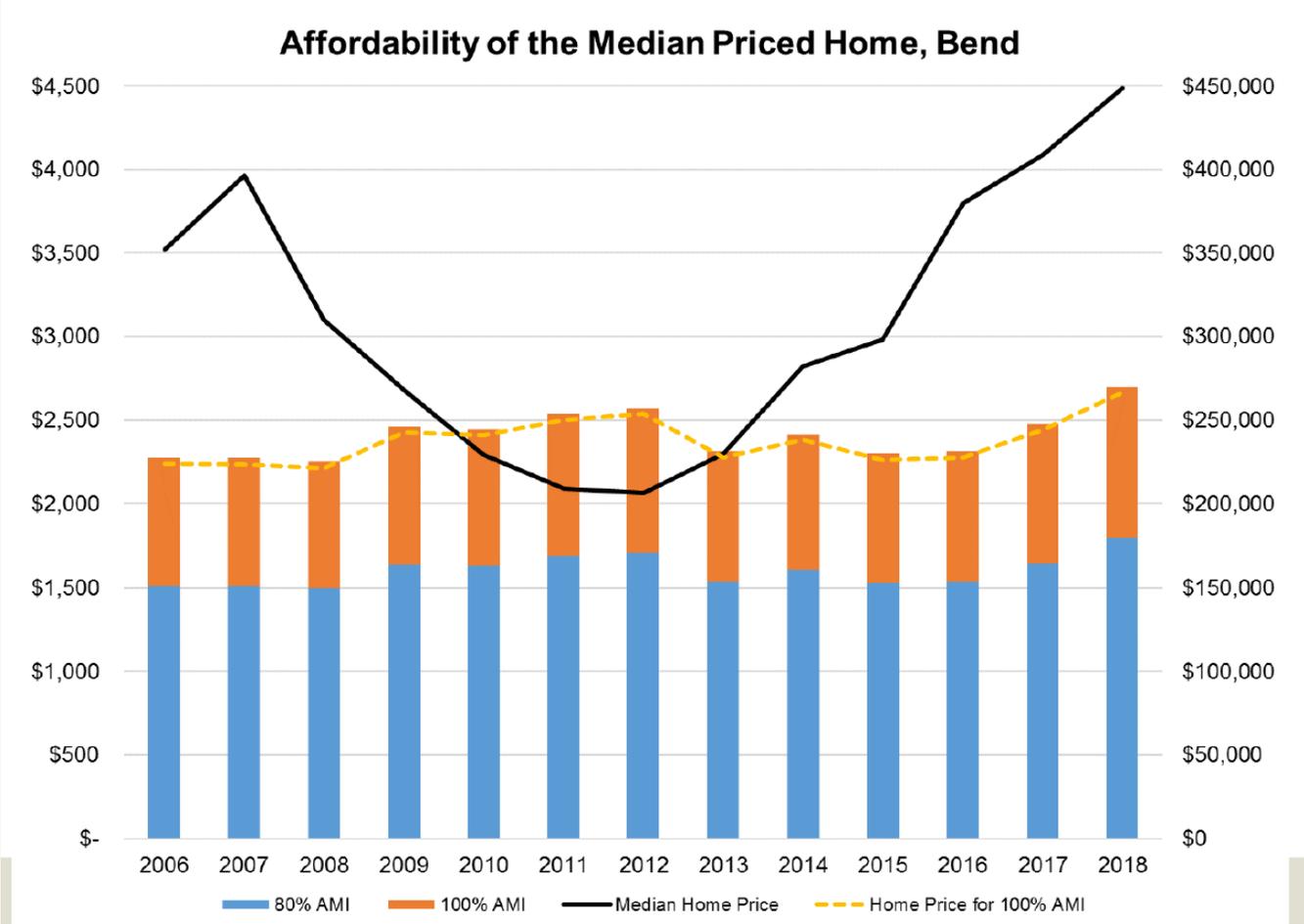
Development Type	Avg. People per Unit	SDC Charges*	% Diff (+/-)
Single-family Avg. (\$/dwelling unit)	2.5	\$8,300	
SQ FT Tiers (\$/dwelling unit)			
<1,000 SQ FT	1.86	\$6,175	<b>-26%</b>
1000-1600 SQ FT	2.16	\$7,171	<b>-14%</b>
1601-3000 SQ FT	2.45	\$8,134	<b>-2%</b>
>3,000 SQ FT	2.74	\$9,097	<b>+10%</b>
Multi-family Avg. (\$/dwelling unit)	<b>1.7</b>	\$5,644	
Bedroom Tiers (\$/dwelling unit)			
0 Bedrooms	1.08	\$3,586	<b>-36%</b>
1 Bedroom	1.19	\$3,951	<b>-30%</b>
2 Bedrooms	1.93	\$6,407	<b>+14%</b>
3+ Bedrooms	2.5	\$8,300	<b>+47%</b>

\*As of July 2019

# *Phased Implementation*

- ✓ July 1, 2019 – new SDC methodology adopted with average rates
- ? July 2020 (delayed) – multi-family tiers to be implemented in coordination with city
- ? TBD – single-family tiers to be implemented in coordination with city after city SDC evaluation

# Affordable Housing Waiver



# Affordable Housing Waiver

- Background
- Waiver requirements
- Ends Dec 31, 2022
- 380 of 400 waivers approved = **(\$2.2 million)**
- City request



*Rockridge Park 2018*



# *Next Steps*

- Presentation by City of Bend on affordable housing and status of tiered SDC implementation
- Board to consider options to address city affordable housing request



*Future Larkspur Community Center*



*Central Oregon Historic Canal Trail 2018*

# Questions?



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