



PAYING FOR GROWTH

SYSTEM DEVELOPMENT CHARGES

Testimony on HB 3040 with -1 amendments

HOUSE ECONOMIC RECOVERY AND PROSPERITY
MARCH 16, 2021



SDCs account for a small portion of the overall costs of a development.

SDCs recover fair costs for public infrastructure capacity to serve new growth.

Local governments are already very transparent, as existing statues already require broad transparency on SDCs.

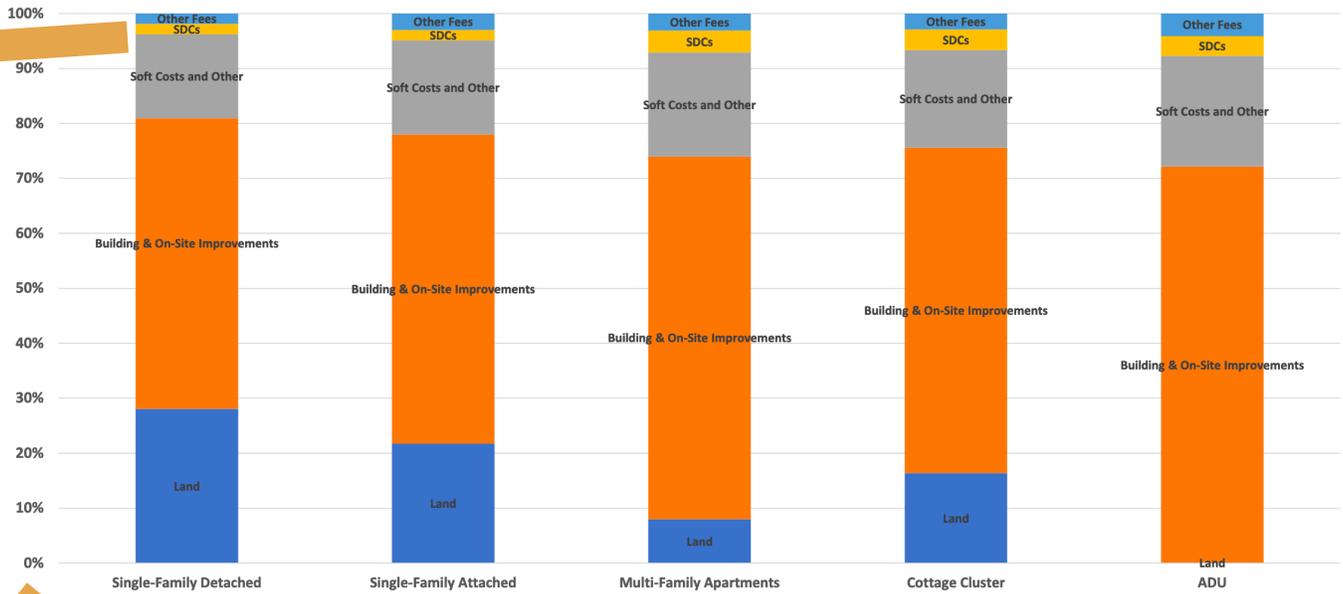
Jurisdictions can and often do offer incentives that reduce developer costs for affordable housing.

Changing the collection date, results in small savings on interest for the developers and added costs to local governments that will need to be collected in future SDCs.

Applying multifamily housing SDC methodology to manufactured homes will increase SDC costs for manufactured homes in some jurisdictions.

We support the idea of a study to look at SDCs but it must include other potential cost-drivers of housing and infrastructure to provide a full picture of development costs.

Development Costs



Sources: RS Means, 2018; Similar pro formas; City of Eugene, 2018; Strategic Economics, 2018.

SDCs are a fraction of the cost for a development project

Interest savings from delaying a SDC payment are minimal

Oregon Street Townhomes

Year: 2018

Location: Sherwood

Multifamily project: 17 units

Permits issued & projects completed:

Within 11 months

Avg. Assessed Value

per Unit: \$310,000

Water: \$58,342

Stormwater: \$1,542

Sanitary Sewer: \$95,675

Transportation: \$72,240

Parks: \$48,191

TOTAL: \$275,991*

Interest at 4.5% for 11 months is approximately \$6,030 or \$354 per unit**

That's 00.1% of the assessed value

There is no guarantee developers will pass along their savings to reduce housing prices.

Contact: Tess Milio Phone: 626-484-8387 Email: tessm@cfmpdx.com

*SDCs for the 3 buildings

**Calculated mimicking ratio used in powerpoint on 550 MLK project