



TO: Rep. Maxine Dexter, Chair, House Committee on Housing & Homelessness
FROM: Sandy Belson, Comprehensive Planning Manager, City of Springfield
RE: HB 2984
DATE: March 2, 2023

The City of Springfield appreciates the opportunity to share our concerns with HB 2894, specifically Section 7 (b) of the original bill and lines 27-28 of the -1 Amendment.

System Development Charges (SDCs) are impact fees collected to fund a portion of the construction of public infrastructure systems to support the increase in use from development or redevelopment in Springfield city limits or the urban growth boundary. The public infrastructure systems include: transportation, stormwater and wastewater collection systems, park and recreation facilities, and water utilities. The City of Springfield is responsible for local wastewater collection, transportation, and stormwater systems. The Metropolitan Wastewater Management System (MWC) is responsible for the treatment of wastewater on a regional basis. The Springfield Utility Board is responsible for water service. The Willamalane Park and Recreation District provides park and recreation facilities. All of these public infrastructure systems are required and needed to maintain the livability, health and safety standards of the Springfield community.

Assumptions made by the City of Springfield in determining SDCs include:

- Calculations are based on the level of service currently provided to existing users of the service.
- Costs used in the SDC fees reflect the City's current costs for constructing capital improvements.
- Fees reflect a new developments' equitable share or use of the particular system for which the fee is set.
- Credit will be given for certain improvements that reduce a development's impact on the system capacity that would otherwise have to be constructed at the City's expense.

In assessing SDCs for changes of use, i.e. commercial to residential, the City of Springfield gives credit for the SDCs already paid. The new use only has to pay the difference if there is increased demand such as creating additional trips, adding plumbing fixture units, or increasing impervious surface that impacts stormwater, or new demands on the park and recreation system. Depending on the previous commercial use, a residential use could have a major impact on certain infrastructure components such as wastewater (e.g. large furniture store converting to apartments). We would also like to note that Willamalane Park & Recreation District does not collect SDCs for commercial development, and would have to forgo any support for the increased demand on its parks and recreational facilities created by housing constructed under this bill.

Importantly, local governments already utilize tools available to them in assessing SDCs to align local priorities with available funding in support of the infrastructure needed for our growing communities. For example, the City of Springfield uses some of the available tools to encourage residential development in mixed-use areas. Within Springfield's two urban renewal districts – Downtown and Glenwood – the Urban Renewal Agency will pay the city-assessed SDCs to the City to compensate for the impacts to infrastructure from projects meeting the objectives of the Urban Renewal District, which includes adding housing.

One of the best ways to provide the opportunity for additional housing is to ensure that there is adequate infrastructure available. Collecting SDCs is the primary way local governments fund infrastructure projects to secure the capacity needed to serve new housing. If SDCs are not collected, the City will not have sufficient funds to serve new development, resulting in either lack of needed infrastructure or shifting the cost of that infrastructure to ratepayers. Additionally, if the City is forced to collect payment of SDCs at the end of a certain time-period, we aren't given the luxury of waiting to provide the infrastructure and must pull funds from other areas of the City's budget that are already over prescribed. It also isn't clear to us what tools we would have to collect if there is non-payment by the property owner at the end of the period. Will cities be expected to evict tenants?

The City of Springfield cannot underscore the important role that SDCs play in funding infrastructure needed to support growth. Thank you for the opportunity to share our concerns with HB 2984.