



# COMMUNITY DEVELOPMENT

**SUBJECT: MULTI-FAMILY SDC DEFERRAL PROGRAM**

**FROM: GINA DAHL, PROGRAM MANAGER**

**DATE: OCTOBER 21, 2016 (REVISED 12-18-18)**

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A 1<sup>st</sup> reading to adopt an ordinance that allows the City to defer payment of System Development Charges (SDCs) for multi-family residential developments (the Multi-Family SDC Deferral Program) took place Sept. 7<sup>th</sup> 2016. In addition, a resolution to amend the fee schedule to include a new agreement processing fee for this new program was approved Sept. 7, 2016 to take effect Sept. 8, 2016. The 2<sup>nd</sup> reading of this ordinance took place Sept. 21<sup>st</sup> and was approved. The program became effective Oct. 21<sup>st</sup>, 2016. The ordinance number is NS-2278.

## **Program details**

During the recession the City of Bend had two SDC deferral programs. Both programs were designed to incentivize housing development during the months when there was very little residential building. Both programs had a sunset provision. Both programs were sunset during the summer of 2015.

The business community through the Bend Economic Development Advisory Board (BEDAB) expressed an interest in developing a program that will defer the costs of SDCs to allow for more housing units to be built in Bend. The BEDAB Advocacy subcommittee met for several months in late fall of 2015 and early 2016 to devise a program that would address the need for more housing units. Working with the Community Development and Finance departments, the committee proposed a multi-family SDC deferral program.

The purpose of the multi-family SDC deferral program is to move the upfront cost of SDCs, typically due before a builder can obtain building permits, to a later date when the Certificate of Occupancy is approved, without compromising the city's capital infrastructure funds. The goal is to encourage the development of more rental units and more multi-family units in the City of Bend.

As part of the ordinance to allow deferral of payment of the City's System Development Charges (SDCs) from building permit to prior to issuance of Certificate of Occupancy (CO), the developer would be required to enter into an agreement with the City that clearly identifies the process and requirements. As with most agreements, the City charges an appropriate fee to cover staff costs to prepare and process and release the agreement. The fees, which include recording and release fees, are outlined in the fee schedule and is based on the existing fee structure for similar type agreements.

The program and ordinance allows payment of SDC's at issuance of Certificate of Occupancy. **The required payment will be the total amount of SDCs due at issuance of certificate of occupancy regardless of the SDC rates at time of building permit application and issuance.** The customer also has the option to pay SDCs at any time during construction, in which case fees would be assessed based on SDC rates at the time fees are paid.