

HB 3406 STAFF MEASURE SUMMARY

House Committee On Human Services and Housing

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 4/15

WHAT THE MEASURE DOES:

Requires Oregon Housing and Community Services Department (OHCS) and Oregon Housing Stability Council to develop and implement the Rural System Development Charges Program. Outlines criteria for a housing project to receive funds from the program, including that it be for affordable multifamily housing. Allows OHCS, with consent of the Council, to adopt additional preferential criteria. Defines "affordable housing" and "rural government." Establishes the Rural System Development Charges Fund within the state Treasury. Appropriates \$750,000 from the General Fund, for deposit into the Rural System Development Charges Fund, for the biennium beginning July 1, 2019. Sunsets June 30, 2027.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

System Development Charges (SDCs) are one-time fees charged on new development, and certain types of redevelopment, to help pay for existing and planned infrastructure to serve the development. SDCs are one means of financing growth available to local governments. State law authorizes local governments (cities, counties and special districts) to assess SDCs and specifies how, when, and for what improvements they can be imposed, and also provides guidelines on the calculation and modification of SDCs. Depending on the project, SDCs may increase a project's budget substantially. Under ORS 223.297 to 223.314, SDCs may be used for capital improvements for:

- Water supply, treatment and distribution
- Waste water collection, transmission, treatment and disposal
- Drainage and flood control
- Transportation
- Parks and recreation