

Affordable Housing Strategies – Systems Development Charge Fee Exemptions

Affordable Housing Need

Access to safe, decent and affordable housing is a critical factor in creating stability and opportunity for Eugene’s lower-income families and individuals. As documented in the 2015 Eugene-Springfield Consolidated Plan, there are a total of 31,055 low-income renter households and 6,830 low-income owner occupied households in Eugene.

More stock of affordable housing is necessary to meet community need. To this end, one of the five year goals of the 2015 Eugene-Springfield Consolidated Plan is to increase the supply of affordable housing through development incentives for affordable housing.

Strategy: Systems Development Charge Fee Exemptions (E.C. 7.725)

The State of Oregon enabled local governments to exempt affordable housing developments from paying Systems Development Charges (SDCs) during the building permitting process. The City of Eugene sets aside non-federal funds to cover the SDCs for qualifying developments. All local SDCs are exempted through the program, except regional wastewater fees. For a single family home, the SDC exemption may be worth approximately \$9,000. For a 50-unit multi-family housing development, the SDC exemption may be worth nearly \$300,000. The SDC exemption can also be counted toward the required local match for state and federal funds provided to a development. The SDC exemptions can be used for rental housing targeted to households earning 60% of the area median income (AMI) or below; or for homeownership housing targeted to households earning 80% AMI or below.

SDC Exemption Activity

The City of Eugene has provided SDC exemptions to homeownership developments such as Habitat for Humanity houses, and Oregon BILDS, an award-winning design-build class at University of Oregon. Recent multi-family rental developments receiving SDC exemptions were Commons on MLK (Homes for Good), Market District Commons (Homes for Good), Emerald Village (Square One), and Jeffrey Commons (Sponsors, Inc.).



Bascom Village Phase I multi-family affordable housing



Oregon BILDS received SDC Exemptions for homeownership houses on Hope Loop