

RESOLUTION NO. 3147

A RESOLUTION OF THE CITY OF WILSONVILLE ESTABLISHING A SYSTEMS DEVELOPMENT CHARGES DEFERRAL PROGRAM FOR AFFORDABLE HOUSING PROJECTS ON CITY-OWNED PROPERTY.

WHEREAS, Wilsonville Code 11.080(6) allows the City Council to establish, by resolution, a deferral program for systems development charges (SDCs) “consistent with good business practices, Oregon law, and the goal of promoting economic development;” and

WHEREAS, the 2020 Equitable Housing Strategic Plan (EHSP) identified Item 2C to “explore tactics to reduce the impact of systems development charges on affordable housing,” which included examining whether to delay collection of SDCs; and

WHEREAS, deferring the collection of SDCs to a later date, such as certificate of occupancy, results in cost savings by not requiring an affordable housing developer to pay the carrying costs for financing SDCs during the construction period; and

WHEREAS, deferring the collection of SDCs does result in lower collection amounts because SDCs are adjusted annually to account for infrastructure cost increases and may also delay the implementation of capital improvement projects; and

WHEREAS, a narrowly tailored program to defer SDCs for certain affordable housing projects, limited to those involving City-owned property, allows the City to offer a deferral program to help incentivize affordable housing project while exploring the viability of a deferral program for affordable housing more generally.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

Section 1. **Findings.** The City Council adopts the above recitals and the staff report accompanying this resolution as if fully set forth herein.

Section 2. **Deferral Program.** The City Council hereby establishes a systems development charges deferral program for affordable housing projects involving City-owned property, as follows:

SDC DEFERRAL PROGRAM FOR AFFORDABLE HOUSING PROJECTS
INVOLVING CITY-OWNED PROPERTY

1. Definitions.

1.1. "Affordable Housing" means residential property in which: (A) each unit on the property is made available to own or rent to families with incomes of 80 percent or less of the area median income as determined by the Oregon Housing Stability Council based on information from the United States Department of Housing and Urban Development; or (B) The average of all units on the property is made available to families with incomes of 60 percent or less of the area median income; and whose affordability is enforceable through deed restriction(s) or other mechanisms, as determined appropriate by the City in its sole discretion.

1.2. "City" means the City of Wilsonville, Oregon.

1.3. "City-Owned Property" means real property owned by the City of Wilsonville, Oregon or the Urban Renewal Agency of the City of Wilsonville, Oregon.

1.4. "SDCs" are systems development charges assessed by the City in accordance with ORS 223.297 *et seq.* and Wilsonville Code Chapter 11, namely, transportation, water, sewer, stormwater, and parks systems development charges.

2. Requirements for SDC Deferral.

2.1. Generally. Developers of Affordable Housing involving City-Owned Property may request the City defer SDCs for the portion of the project that is Affordable Housing and related uses accessory to residential developments intended for use of the residents and not the general public. The developer of an Affordable Housing project involving City-Owned Property must enter into a SDC deferral agreement in a form acceptable to the City prior to receiving a deferral of SDCs. Deferred SDCs must be

paid prior to issuance of final certificate of occupancy or other date determined by the City, not later than final certificate of occupancy.

2.2. Rental Units. For Affordable Housing intended to be offered for rental for terms of at least 30 days or owner occupancy, a deed restriction stating that in the event the property for which an exemption is granted ceases to qualify for the exemption or is sold or transferred for use other than affordable housing within 60 years from the date the project is completed, the amount of the exempted SDCs must be repaid, plus interest of nine percent per annum from the date the exemption was provided. Upon satisfaction of the covenant for the full duration, continued residential use will be considered an “existing use” for purposes of calculating credits against future SDCs due.

2.3. Other Developments. All other Affordable Housing projects that cannot record a 60-year restriction, as determined by the City, will have a deed restriction to preserve the affordability of the project for a length of time, determined in the City’s sole discretion, which may include, but is not limited to, deed restrictions prescribing a formula for subsequent sales prices of residences; establishing eligibility requirement(s) of subsequent buyers based on a percentage of area median income; and/or requiring an owner-occupied unit to serve as the primary residence and to maintain the residence to certain habitability standards. Continued residential use will be considered an “existing use” for purposes of calculating credits against future SDCs due.

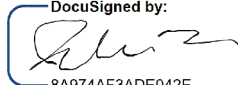
2.4. Partial Uses. Where development consists only partially of Affordable Housing, only the portion of the development that qualifies for a deferral will be deferred from payment of SDCs. The balance of the development that does not qualify for any deferral under this section is subject to payment of the remaining SDC at issuance of building permit or other permit, consistent with Wilsonville Code Chapter 11. This section

applies to mixed-use developments that include standalone uses, and does not apply to uses accessory to residential developments intended for use of the residents and not the general public (i.e., laundry, pet care, etc.).

3. Default. In addition to not issuing certificate(s) of occupancy and any other remedies available under law, the City may assess a fine, in accordance with Wilsonville Code Chapter 1, for violation of this Deferral Program, and impose a default interest rate of twelve percent (12%) per annum from the date of the default.

Section 3. **Effective Date**. This Resolution is effective upon adoption.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this 20th day of May, 2024, and filed with the Wilsonville City Recorder this date.

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JULIE FITZGERALD, MAYOR

ATTEST:

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Kimberly Veliz, City Recorder

SUMMARY OF VOTES:

Mayor Fitzgerald	Yes
Council President Akervall	Yes
Councilor Linville	Abstain
Councilor Berry	Yes
Councilor Dunwell	Excused