

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 2020 Eugene-Springfield Consolidated Plan, there are more than 21,500 low-income renter households and 7,390 low-income owner-occupied households in Eugene. Local service agencies reported the greatest barrier to finding and maintaining housing was rental costs and finding vacant units. They noted that creating additional affordable housing is the greatest housing need for the community.

Creating more housing affordable for lower and moderate-income renters and homeowners is critical to meeting Eugene's housing need and is reflected in the five-year goals of the 2020 Eugene-Springfield Consolidated Plan.

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. 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 include:

Commons on MLK (Homes for Good) - a 51-unit Housing First complex developed to house and support people in the community that have been homeless the longest

Emerald Village (Square One) - an affordable tiny home community that includes 22 homes, a Community Clubhouse, community kitchen, laundry, restrooms, and storage

Iris Place (St. Vincent DePaul) – a new housing development with 53 affordable, quality one-, two- and three-bedroom apartments including five units that are set aside to provide safe, permanent housing for survivors of domestic and sexual violence

