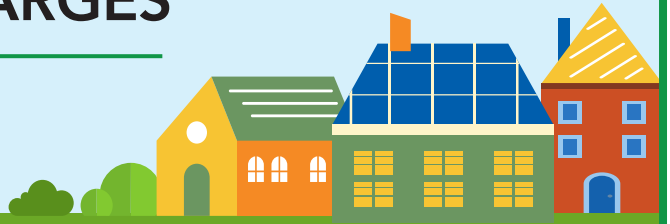


SYSTEM DEVELOPMENT CHARGES

Frequently Asked Questions



What are System Development Charges (SDCs)?

SDCs are a one-time fee charged on NEW construction such as housing, additions, and other developments. These one-time fees help local governments, like the park district, fund the services needed to accommodate the population growth that comes with new development. The concept behind the one-time charge, often thought of as a hook-up or connection charge, is that existing users - people who already live in an area - have paid taxes that developed the infrastructure necessary for public amenities we all share. For example, people who live in existing homes paid taxes that helped secure land for parks and paid for buildings such as our recreation and aquatic centers. However, when new homes are built, new residents gain access to publicly financed amenities as soon as they move in. Therefore, it makes sense that residents moving into newly built homes pay a one-time fee to “connect” to the infrastructure. This fee helps offset the impact new residents have on existing systems. For THPRD, this means as new homes are built, adding people to the park system, we need to grow our infrastructure to accommodate new people. As we grow, we need more parks, more facilities, more amenities, etc. to serve the larger population. By paying an SDC when people move into a newly constructed home or building space, new residents are helping to fund the necessary growth in infrastructure needed to accommodate their use of the park system and are helping ensure that everyone continues to have access to high-quality parks, facilities, trails, and amenities. Other local governments rely on SDC’s to extend water and sewer systems and to expand transportation systems such as roads. At THPRD, we use SDCs as one of our funding strategies to pay for land acquisition for parks and trails and to fund capital improvements – developing new or adding capacity – to parks, trails, natural areas, and recreation facilities. Some examples of how SDCs are used include Bethany Creek Park and Ulrich Gerber Park in North Bethany and the new parks and trails in the South Cooper Mountain area.



Why are SDCs important?

SDCs are important because the parks, trails, natural areas, and recreation facilities they pay for ensure that new residents have access to parks and recreation amenities near where they live and work. Additionally, SDCs help us ensure that well-loved parks, trails, natural areas, and recreation facilities do not become overcrowded by increasing the number people our parks and recreation amenities can accommodate. SDCs are vital to THPRD’s ability to improve parks, trails, natural areas, and recreation facilities.



Who pays SDC fees?

SDCs are paid by developers applying to build new housing, additions, and other developments within in THPRD’s service area. Fees are typically collected by the city or county when a new building permit is issued. In select situations, developers may be able to receive exemptions and/or credits reducing or eliminating their SDC fees. For more information on applying for SDC exemptions and/or credits, please review sections six and seven of the Parks and Recreation System Development Charge Administrative Procedures Guide and contact THPRD’s Planning Department to learn about how THPRD collaborates with developers.

Frequently Asked Questions



How does THPRD spend SDC funds?

According to Oregon law, THPRD may only spend SDC funds on “capacity increasing capital improvements,” meaning on things that increase THPRD’s ability to accommodate the district’s growing population. This includes things like buying new land, developing new parks, trails, natural areas, and recreational facilities, or expanding existing ones. That said, not all improvements can be funded with SDCs because some are not considered “capacity increasing.” For example, while features like shade structures enhance the experience of being at a park, they cannot be paid for with SDCs because they do not specifically allow the park to accommodate more people like adding another playground would. For more examples of how THPRD is accommodating the district’s growing population, please visit our Parks in Progress webpage; please note that not all the projects on the Parks in Progress page are funded by SDCs.



How will THPRD pay to maintain these new parks?

Parks, trails, natural areas, and recreational facilities paid for with SDC fees are maintained and updated with funds from THPRD’s General Fund. The General Fund is primarily made of revenue from property taxes, state and local shared revenues, and user fees. Parks, trails, natural areas, and recreational facilities can also be improved with other funds, such as bond measure or grants funds, when available.



Why are SDC fees different for certain sizes and types of development?

Different types of development have different impacts on parks, trails, natural areas, and recreational facilities. These differing impacts determine how much THPRD charges in SDC fees. For example, smaller homes typically house fewer people making their impact on parks and trails smaller, so their fees are smaller. Larger homes typically house more people making their impact on parks and trails larger, so their fees are larger.



Are SDCs fees collected on affordable housing?

THPRD seeks to be a community partner to help address our region’s affordable housing shortage by increasing access to affordable housing for all district residents. THPRD collaborated with housing advocates and affordable housing developers to eliminate SDC fees on affordable housing units where households make 30% or less of the metro-area Median Family Income. Additionally, housing developments with households making 30-60% the Median Family Income receive a 50% discount on their SDC fees. Townhomes, duplexes, triplexes, fourplexes, and Accessory Dwelling Units (ADUs) also pay reduced SDC fees because they are considered more affordable and lower occupancy than detached single-family homes. This effort acknowledges that access to quality housing in desirable locations is part of the solution.



What is the current SDC fee schedule?

Adopted as Resolution 2023-06, please find the SDC Fee Schedule for Fiscal Year 2023-24 at www.thprd.org/pdfs2/document5354.pdf