

RESIDENTIAL SDC ASSESSMENT OPTIONS CITY COUNCIL WORK SESSION

MAY 9, 2022



BACKGROUND

PHASE 1 PROJECT SCOPE

- Review existing SDC methodologies
- Identify alternative structures to address housing affordability
- Evaluate scaled SDC structures
 - Data needs and availability
 - Potential impacts on SDCs paid by residential development
 - City SDC revenue collections
- Excludes: policies related to SDC exemptions and waivers (separate City discussion/process).

PHASE 2 PROJECT SCOPE

- Estimate relationship between house size and system* impact based on local data
 - Water – summer water use
 - Wastewater – winter water use
 - Transportation – trips per household
- Present options to Council

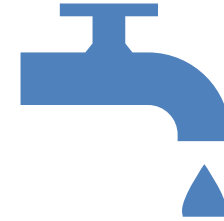
*Scope excludes parks and stormwater SDC evaluation

METHODOLOGICAL CONSIDERATIONS

- SDCs are charged before system use occurs.
- Methodology must rely on development characteristics (e.g., house size) to estimate future impact.
- Impact measures differ by system.
- Overall fee levels reflect system master plans (not included in current scope).



Parks SDC
\$/person



Water SDC
\$/gallon



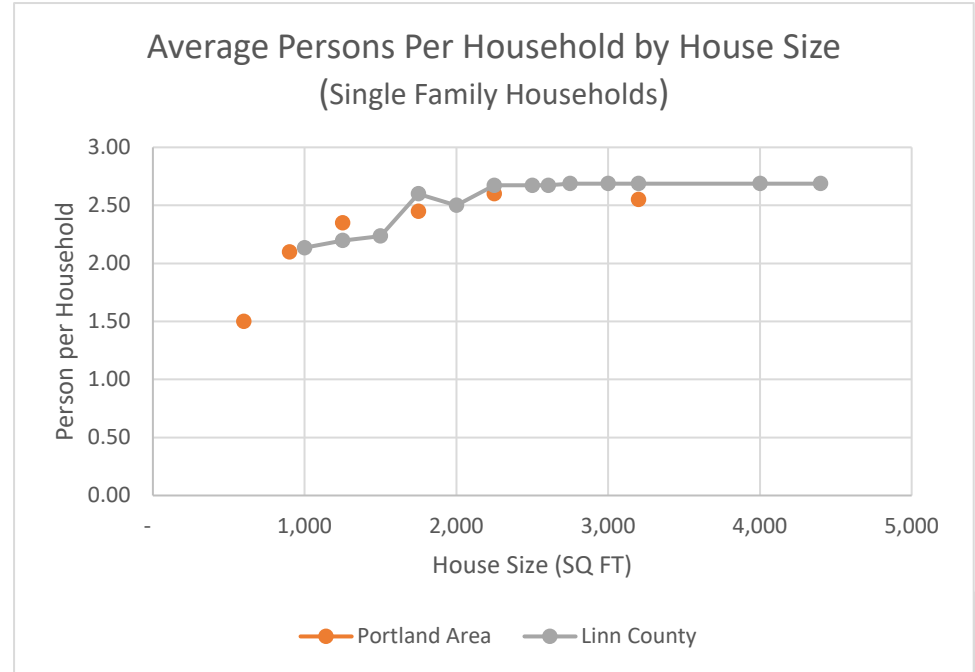
Sewer SDC
\$/gallon



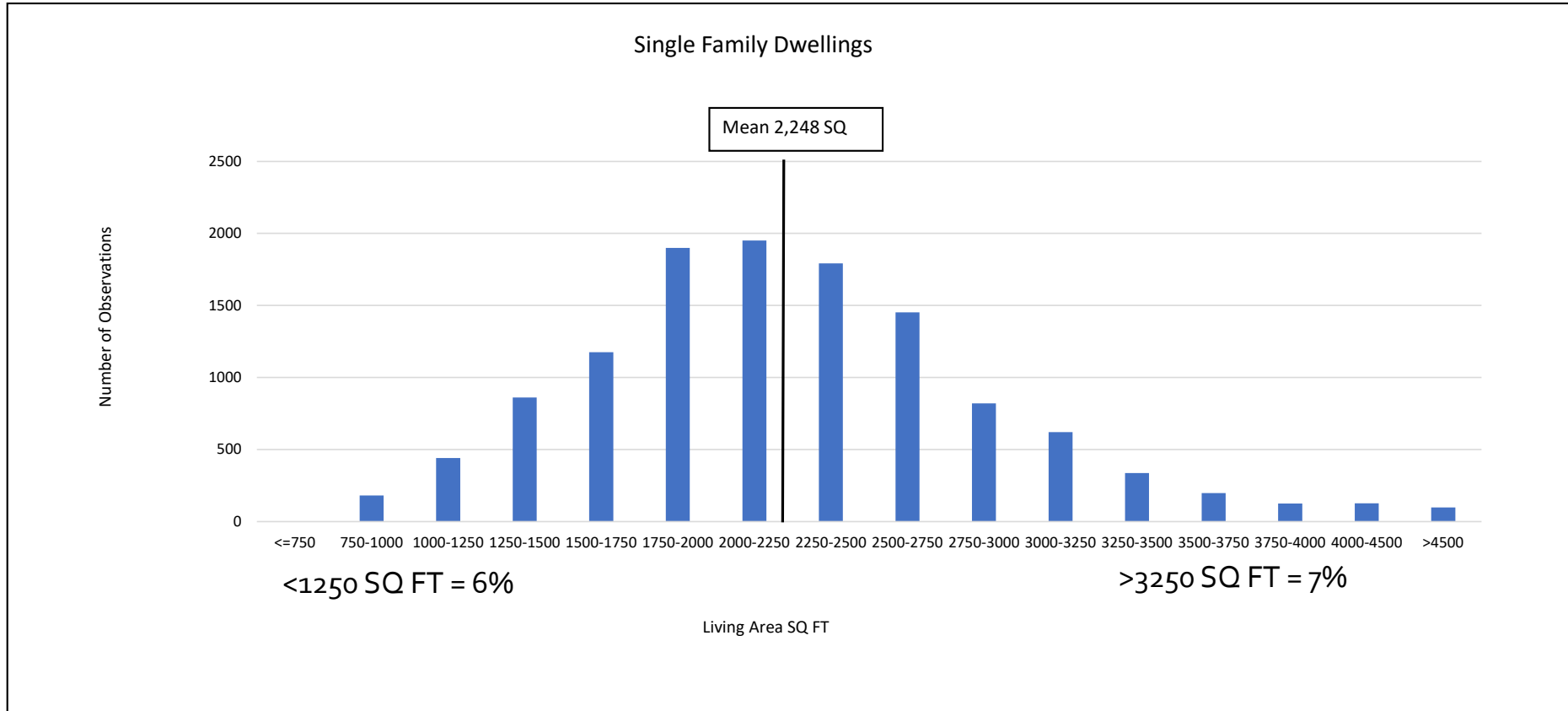
Transportation
SDC \$/trip

RESIDENTIAL SDC CONSIDERATIONS

- Average persons per household varies by both type and size of dwelling unit.
- The number of people in a unit impacts water/sewer use and trips generated.
- Scaling structures balance 'revenue neutral' approach with affordability



EXISTING HOUSE SIZES (SINGLE FAMILY)



PRELIMINARY SYSTEM FINDINGS AND OPTIONS

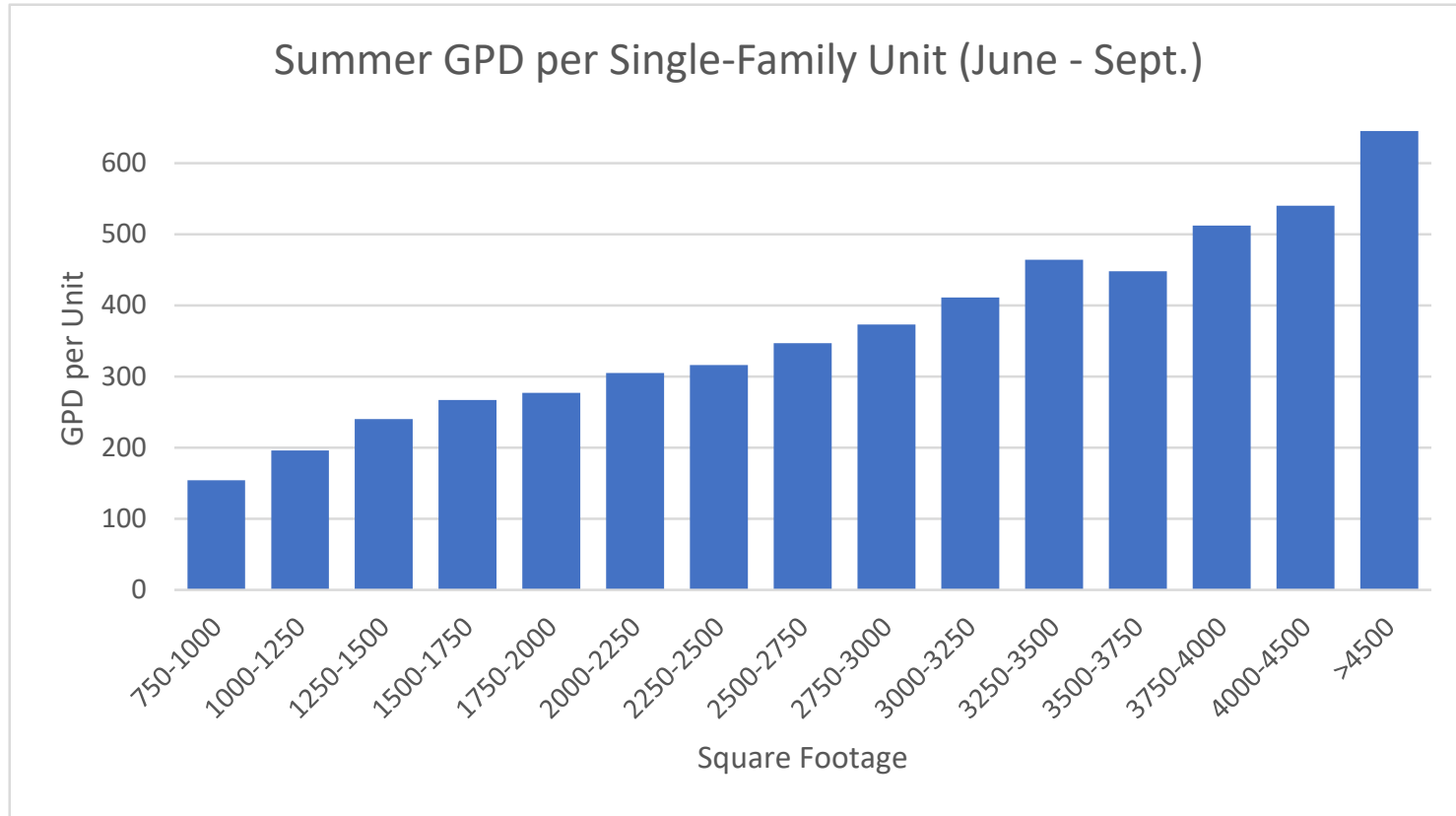
WATER SDCs

- Current methodology based on water meter size capacity
 - Most residential homes = $\frac{3}{4}$ "
- Development of scaled SDCs by house size
 - Evaluation of 2019-2021 summer(June-Sep) water use by house size for Albany residential accounts

Current SDCs

| | |
|--------|-----------|
| 3/4" | \$3,394 |
| 1" | \$5,667 |
| 1 1/2" | \$11,300 |
| 2" | \$18,088 |
| 3" | \$36,209 |
| 4" | \$56,570 |
| 6" | \$113,106 |
| 8" | \$180,977 |
| 10" | \$260,182 |
| 12" | \$350,653 |

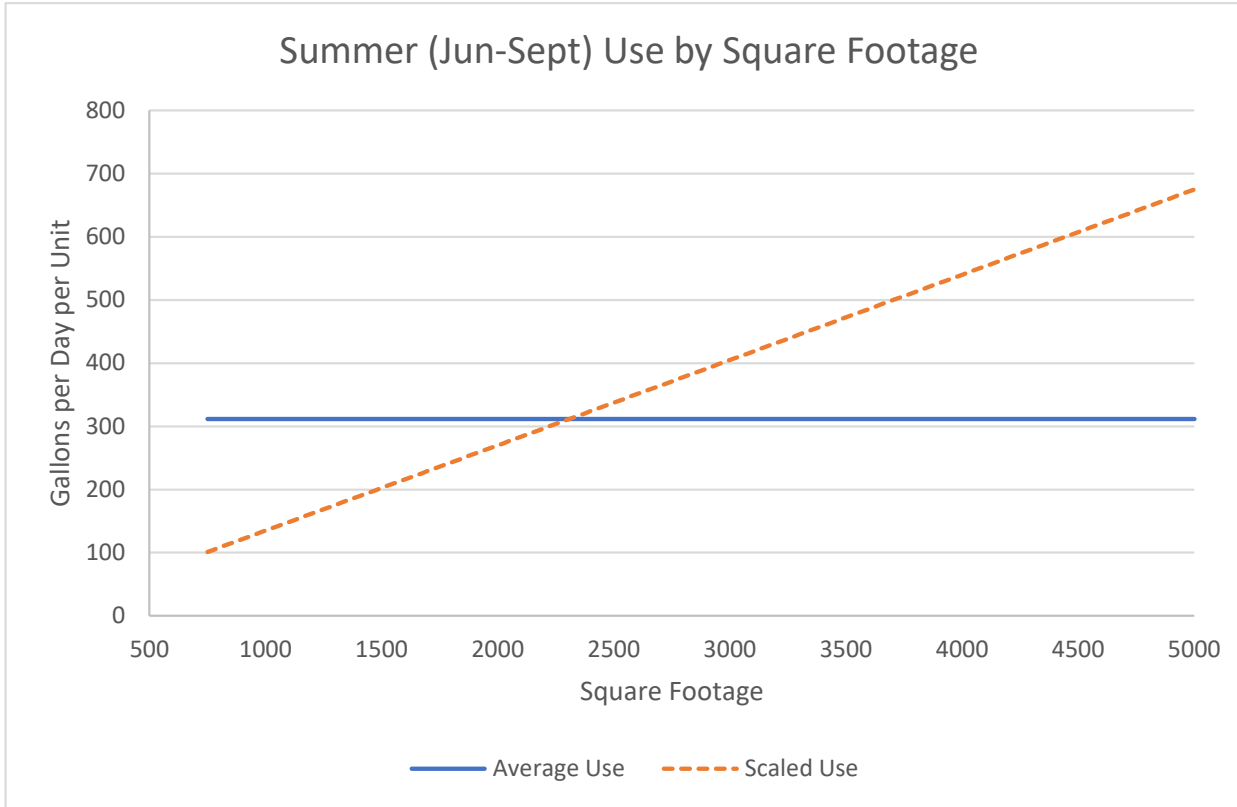
SUMMER WATER USE BY HOUSE SIZE



GPD = gallons per day

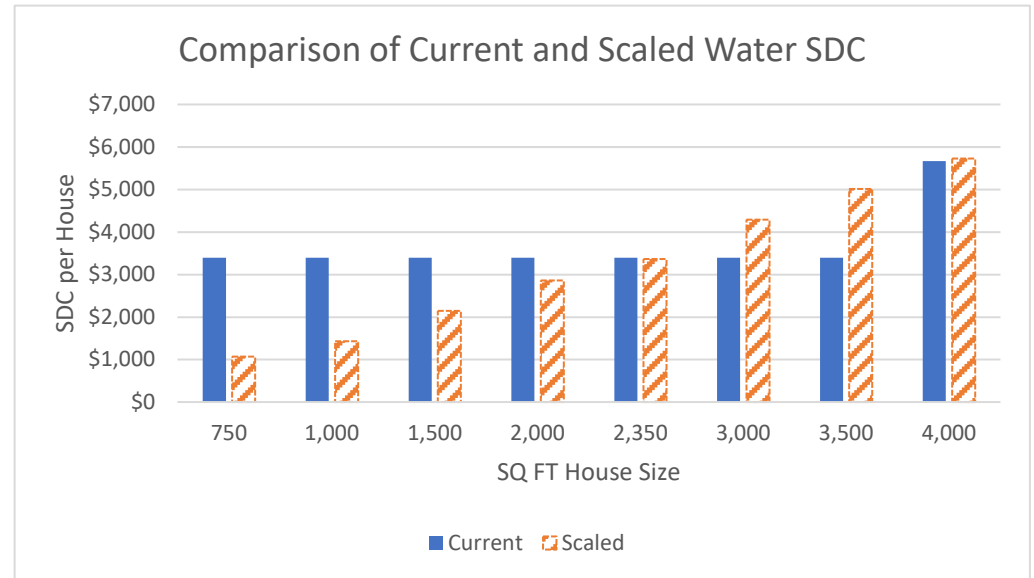
REGRESSION EQUATION USED TO ESTIMATE SYSTEM IMPACT

slope = 0.135 gpd per SQ FT



SAMPLE SCALED WATER SDCs

- 97% of single family residential served by ¾" meter (SDC = \$3,394).
- Scaled SDCs = current SDC at about 2,350 SQ FT.
 - Range of decreases/increases 0%-65% (within the same meter category)
 - Largest volume users served by 1" meter (SDC = \$5,667)

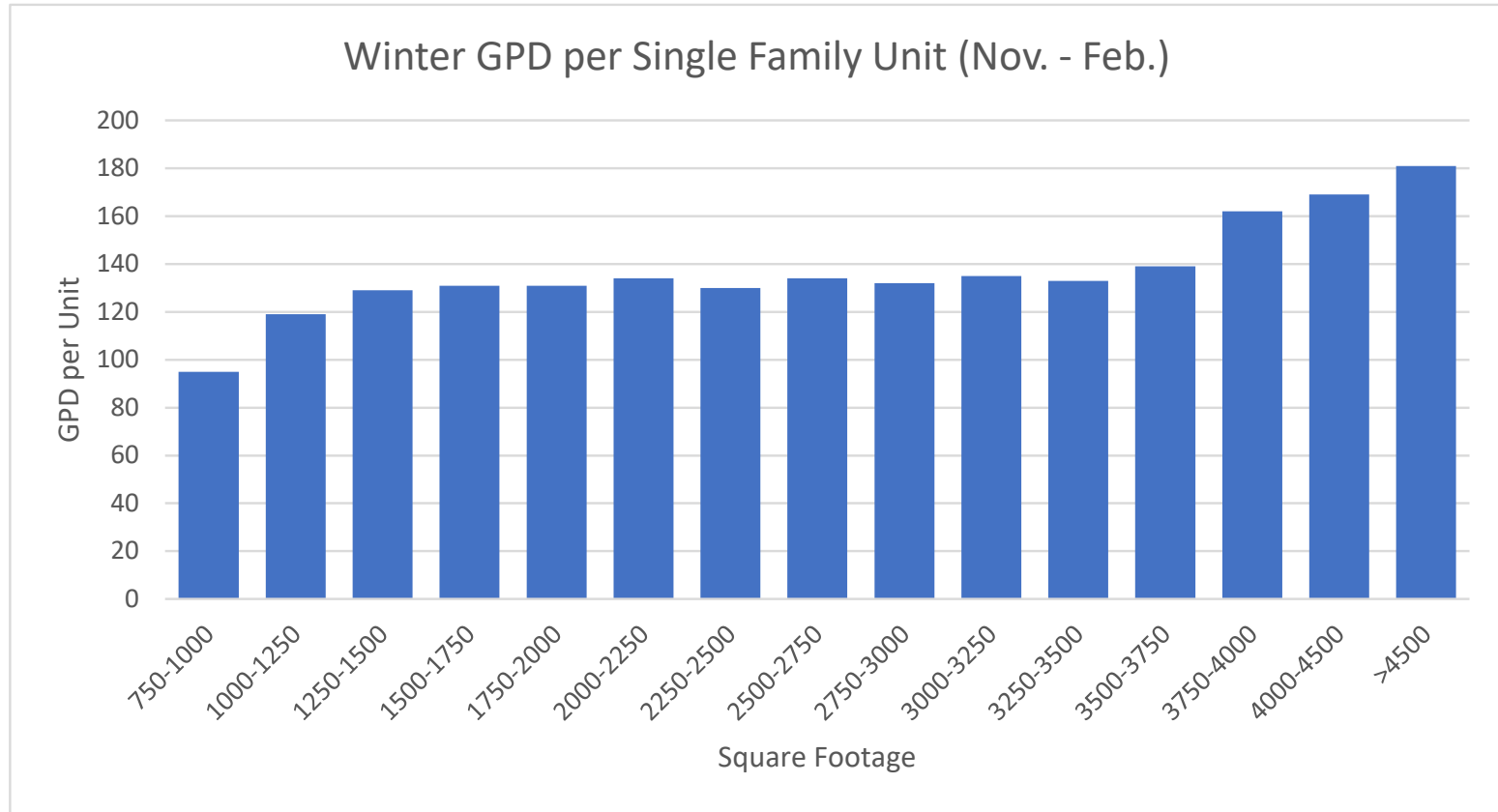


WASTEWATER SDCS

- Current methodology – flat fee per dwelling unit
- Development of scaled SDCs by house size
 - Evaluation of 2019-2021 winter (Nov-Feb) water use by house size for Albany residential accounts

Current SDCs = \$4,255 per dwelling unit

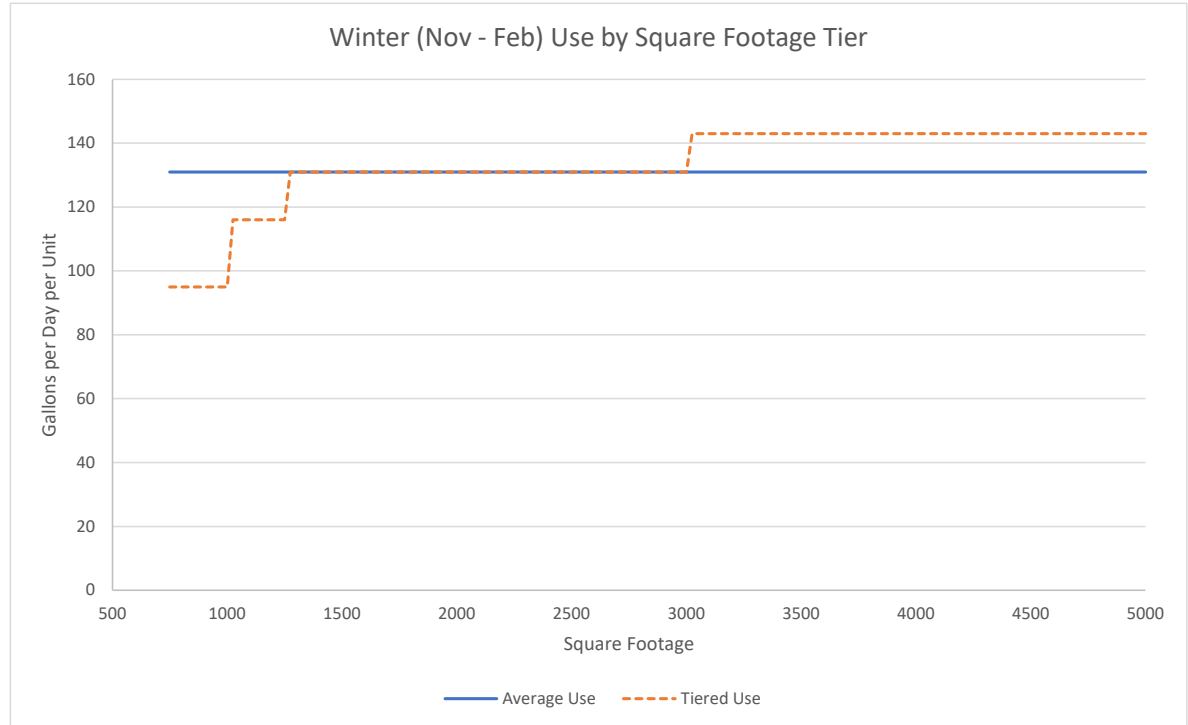
WINTER WATER USE BY HOUSE SIZE



GPD = gallons per day

WASTEWATER TIERS VS. AVERAGE USE

- Data supports:
 - 1-2 tiers on low end
 - Large middle tier (1250 – 3000 SQ FT)
 - Upper tier (>3000 SQ FT)
- Selection of 4th tier
 - Avg GPD increases more significantly >3500 SQ FT (<5% of existing homes)
 - Transportation data sample more limited for >3500 SQ FT



TIERED SEWER SDC STRUCTURE

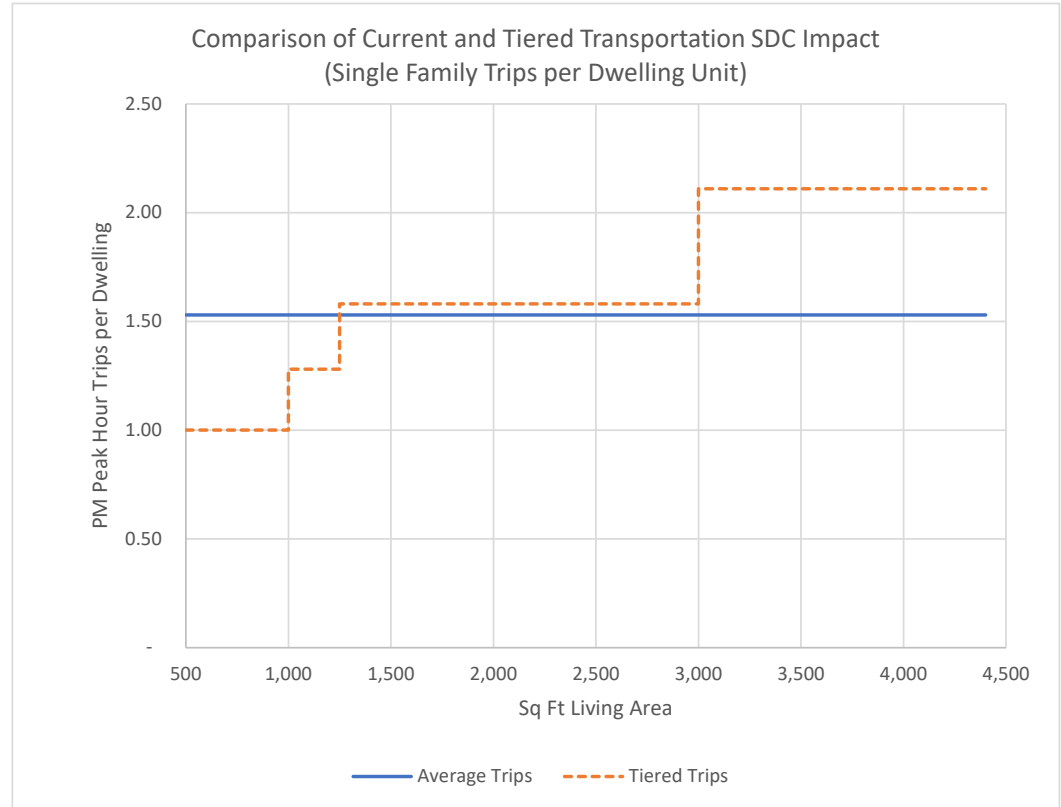
- EDU Factors range from 0.73 (27% discount) to 1.09 (9% surcharge)
- Smaller range of impacts
 - Indoor water use less sensitive to house size

| | SQ FT | gpd per unit | EDU Factor | SDC | % of Houses |
|-------------------------|-----------|--------------|-------------|----------------|-------------|
| Current SDC | na | | 1.00 | \$4,255 | 100% |
| Scaled Structure | | | | | |
| Tier 1 | <=1000 | 95 | 0.73 | \$3,085 | 2.0% |
| Tier 2 | 1000-1250 | 116 | 0.89 | \$3,767 | 4.0% |
| Tier 3 | 1250-3000 | 131 | 1.00 | \$4,255 | 82.0% |
| Tier 4 | >3000 | 143 | 1.09 | \$4,644 | 12.0% |
| | | | | | 100.0% |

EDU = Equivalent Dwelling Unit

TRANSPORTATION SDCS

- Current uniform \$/dwelling unit
 - Single Family = \$4,402
- Alternative scaling structure based on Oregon Household Activity Survey for Linn County
 - Supports same tiers as wastewater



TIERED TRANSPORTATION SDC STRUCTURE

- Alignment of tiers with wastewater analysis
- EDU factors range from 0.63 (37% discount) to 1.34 (34% higher charge)

| | SQ FT | Trips per Unit | EDU Factor | SDC | % of Houses |
|--------------------|-----------|----------------|-------------|----------------|-------------|
| Current SDC | na | | 1.00 | \$4,402 | 100% |
| Tiered SDC | | | | | |
| Tier 1 | <=1000 | 1.00 | 0.63 | \$2,786 | 2.0% |
| Tier 2 | 1000-1250 | 1.28 | 0.81 | \$3,566 | 4.0% |
| Tier 3 | 1250-3000 | 1.58 | 1.00 | \$4,402 | 82.0% |
| Tier 4 | >3000 | 2.11 | 1.34 | \$5,878 | 12.0% |
| | | | | | 100.0% |

EDU = Equivalent Dwelling Unit

COMPARISON OF SDC FACTORS

- Impact range varies by system
- Tiered sewer and transportation approaches assign average value within tier
- Water SDC scaled for each additional SQ FT

| | SQ FT | EDU Factor | | | % of Houses |
|--------|-----------|------------|--------|-----------|-------------|
| | | Sewer | Trans. | Water | |
| Tier 1 | <=1000 | 0.73 | 0.63 | 0.44 | 2.0% |
| Tier 2 | 1000-1250 | 0.89 | 0.81 | 0.44-0.56 | 4.0% |
| Tier 3 | 1250-3000 | 1.00 | 1.00 | 0.56-1.33 | 82.0% |
| Tier 4 | >3000 | 1.09 | 1.34 | 1.33+ | 12.0% |
| | | | | | 100.0% |

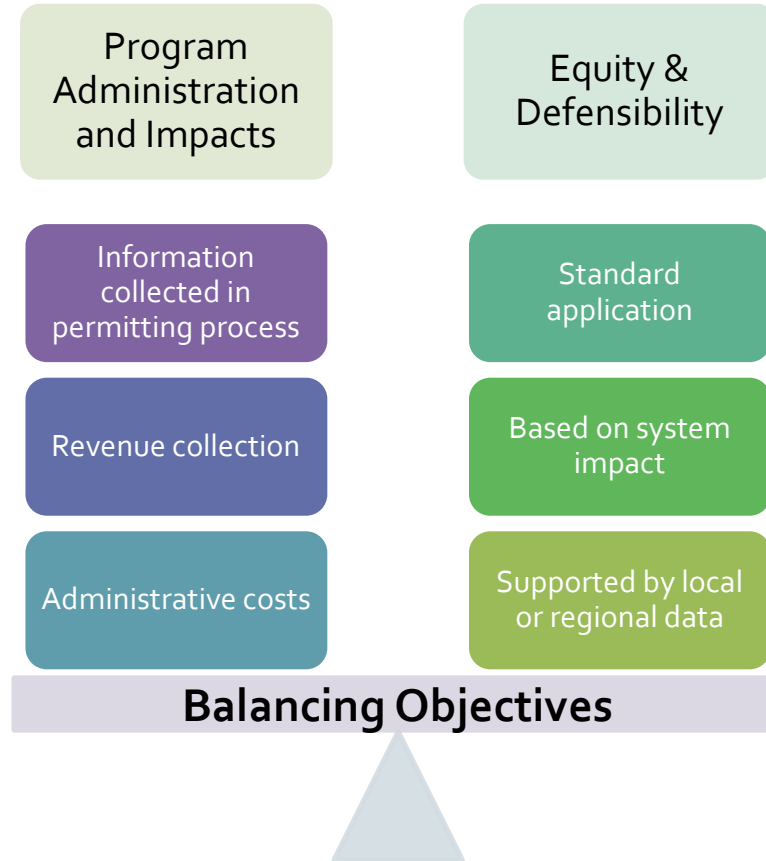
EDU = Equivalent Dwelling Unit

COMBINED SDC COMPARISON

- System revenue impacts will depend on distribution of new permits by house size

| SQ FT (Living Area) | Meter Size | Current Total* | Scaled Total* | Difference | |
|-----------------------|-------------|----------------|---------------|------------|------|
| 1,000 | 5/8" X 3/4" | \$12,050 | \$7,303 | -\$4,747 | -39% |
| 1,100 | 5/8" X 3/4" | \$12,050 | \$8,908 | -\$3,142 | -26% |
| 1,400 | 5/8" X 3/4" | \$12,050 | \$10,661 | -\$1,389 | -12% |
| 1,500 | 5/8" X 3/4" | \$12,050 | \$10,804 | -\$1,246 | -10% |
| 2,200 | 5/8" X 3/4" | \$12,050 | \$11,806 | -\$244 | -2% |
| 3,000 | 5/8" X 3/4" | \$12,050 | \$12,951 | \$901 | 7% |
| 3,200 | 5/8" X 3/4" | \$12,050 | \$15,104 | \$3,054 | 25% |
| 4,400 | 1" | \$14,324 | \$16,822 | \$2,498 | 17% |
| *Excludes parks SDCs. | | | | | |

SDC STRUCTURE IS A COUNCIL POLICY



SUMMARY

- Many local governments moving to scaled residential SDC structures to address housing affordability concerns.
- Local and regional data support increased system impacts for larger homes.
- Revenue neutrality depends in part on future housing characteristics.
- SDC structure and fee levels are Council policy decisions.

DISCUSSION