

# System Development Charges & Cost Sharing on System Improvements

Seattle City Council  
Parks, Public Utilities & Technology Committee

*May 14, 2025*

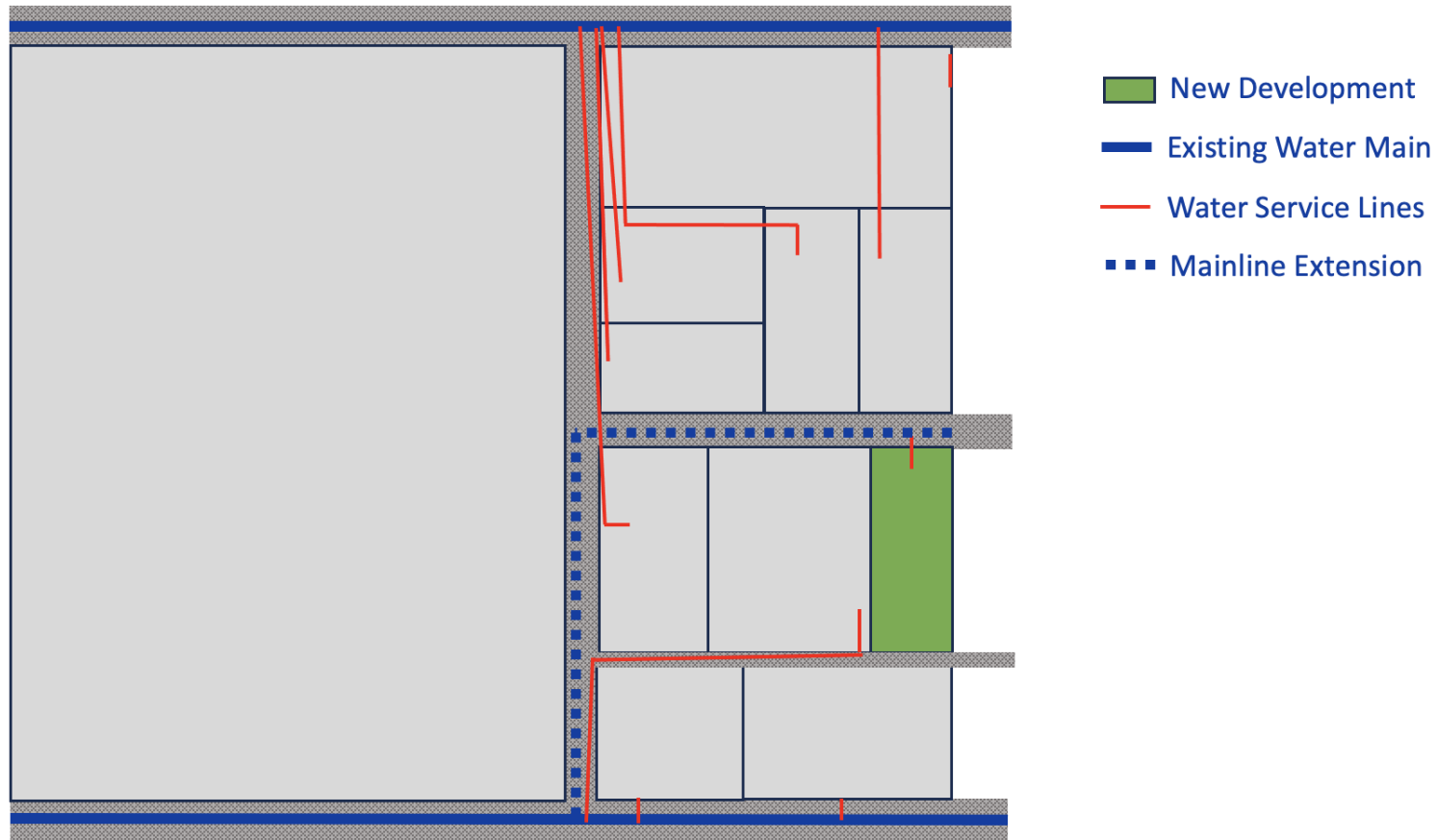
# Purpose of Legislation:

This three-ordinance package of legislation is part of SPU's effort to:

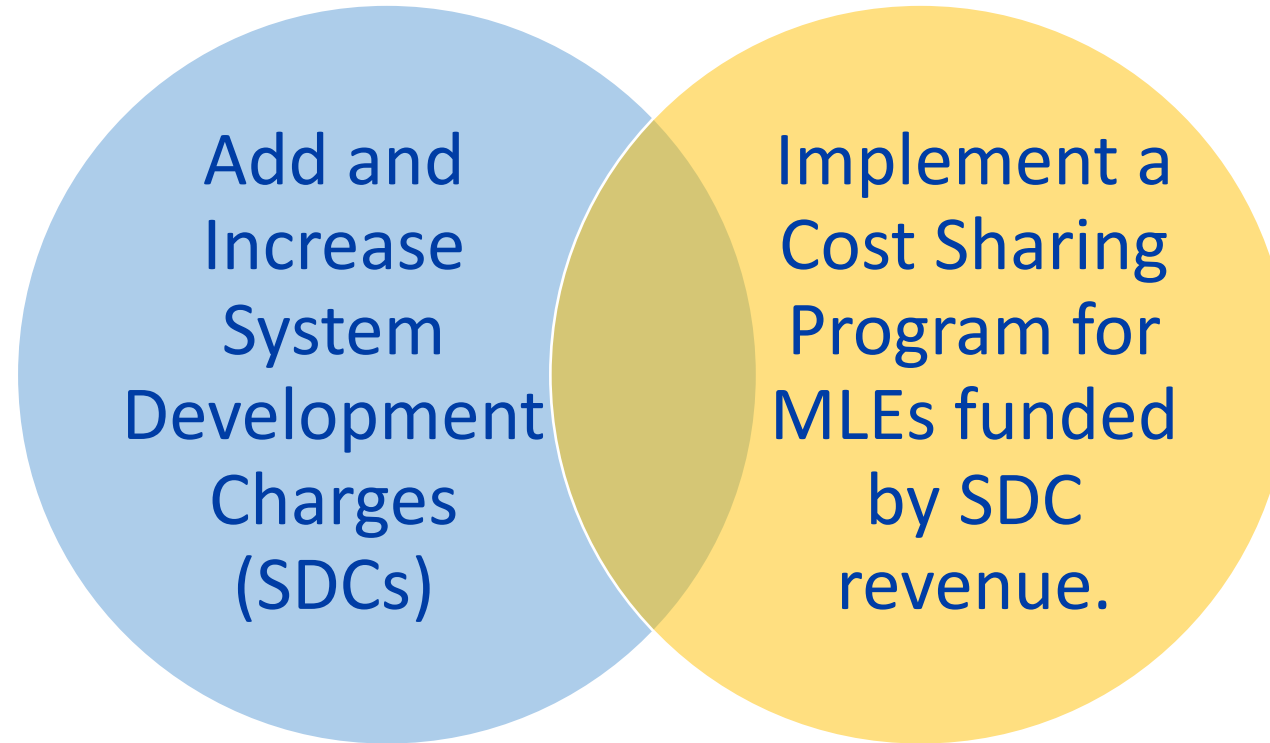
- **Reduce inequity in housing development**
- **Make costs more predictable**
- **Make housing development more viable** in more locations of the City.



# What problem are we trying to solve?



# Proposal



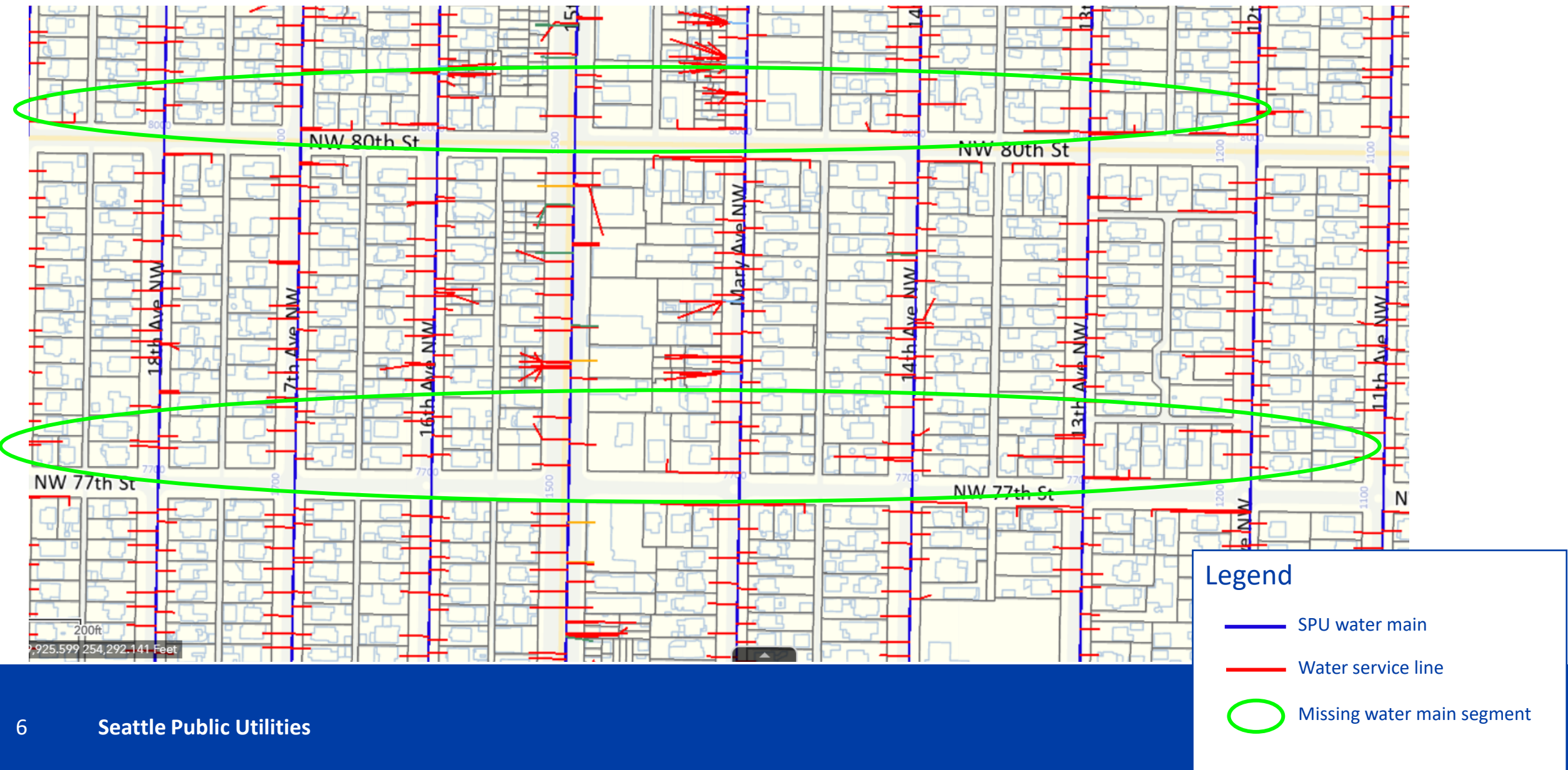
- More housing becomes feasible.
- New connections pay a little more, but mainline extensions cost significantly less.
- Project costs are more predictable up front.
- Utility systems become more resilient.
- Future homeowners benefit by reducing long service lines that are expensive to maintain.



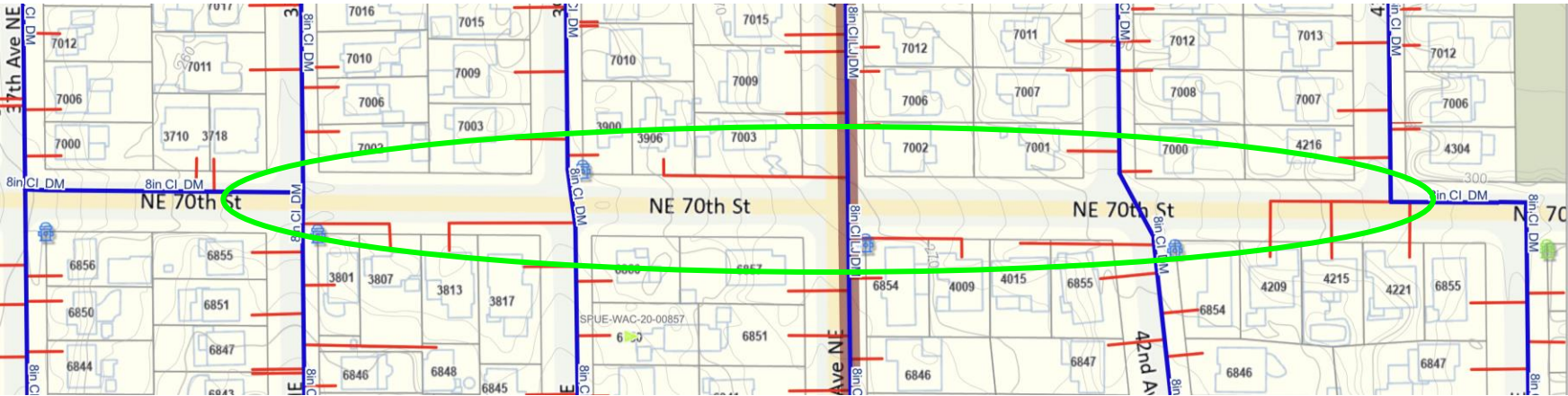
# Follow-up from April 23 PPUT Committee

The Committee requested additional development scenarios depicting a sampling of blocks missing water, wastewater, or drainage mainline segments, that demonstrate how this proposal would affect development.

# Ballard Example - Water



# View Ridge Example - Water



Legend

SPU water main

Water service line

Missing water main segment

# Bryant Example - Water





# Central District Example - Drainage

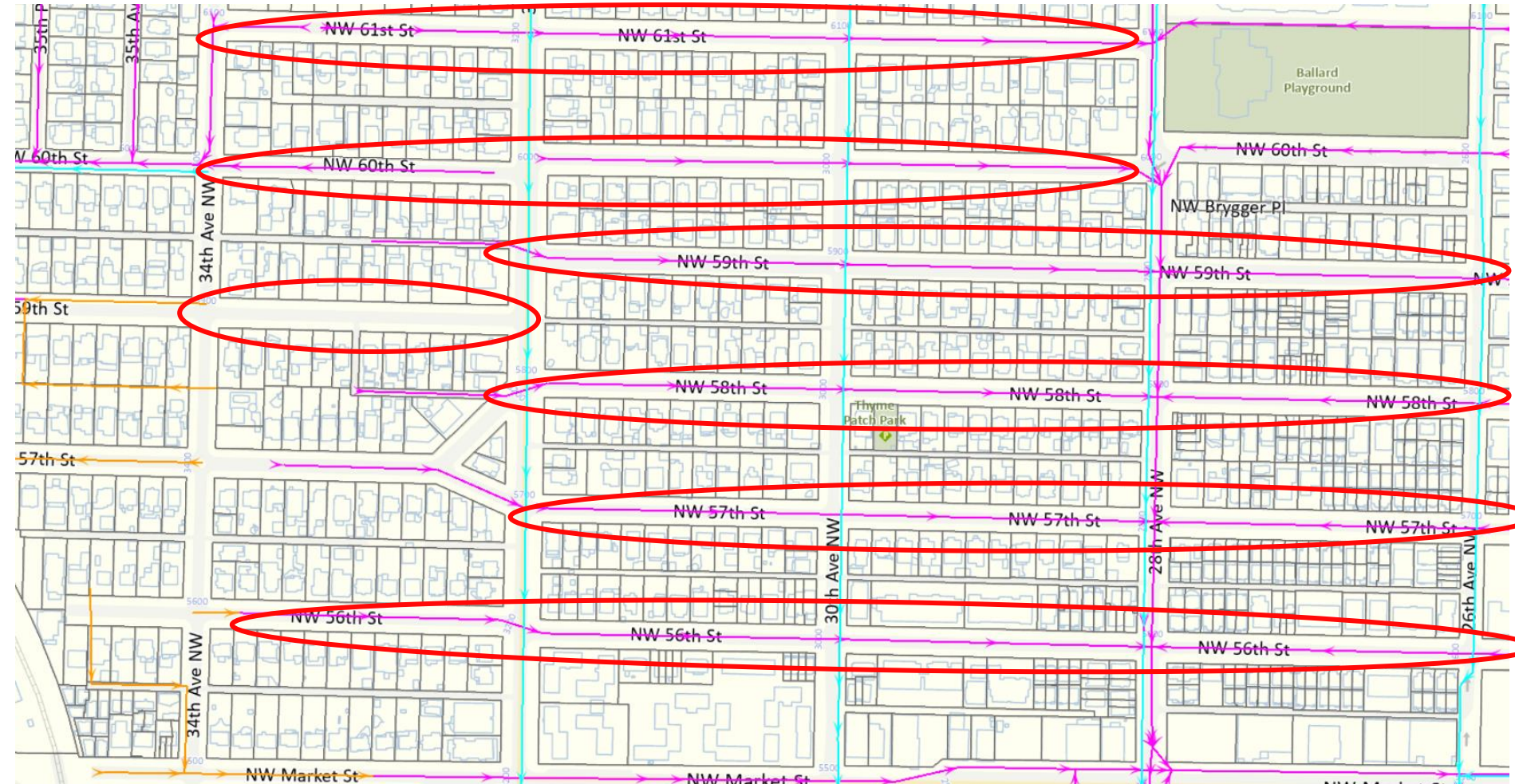




# Ballard Example - Drainage

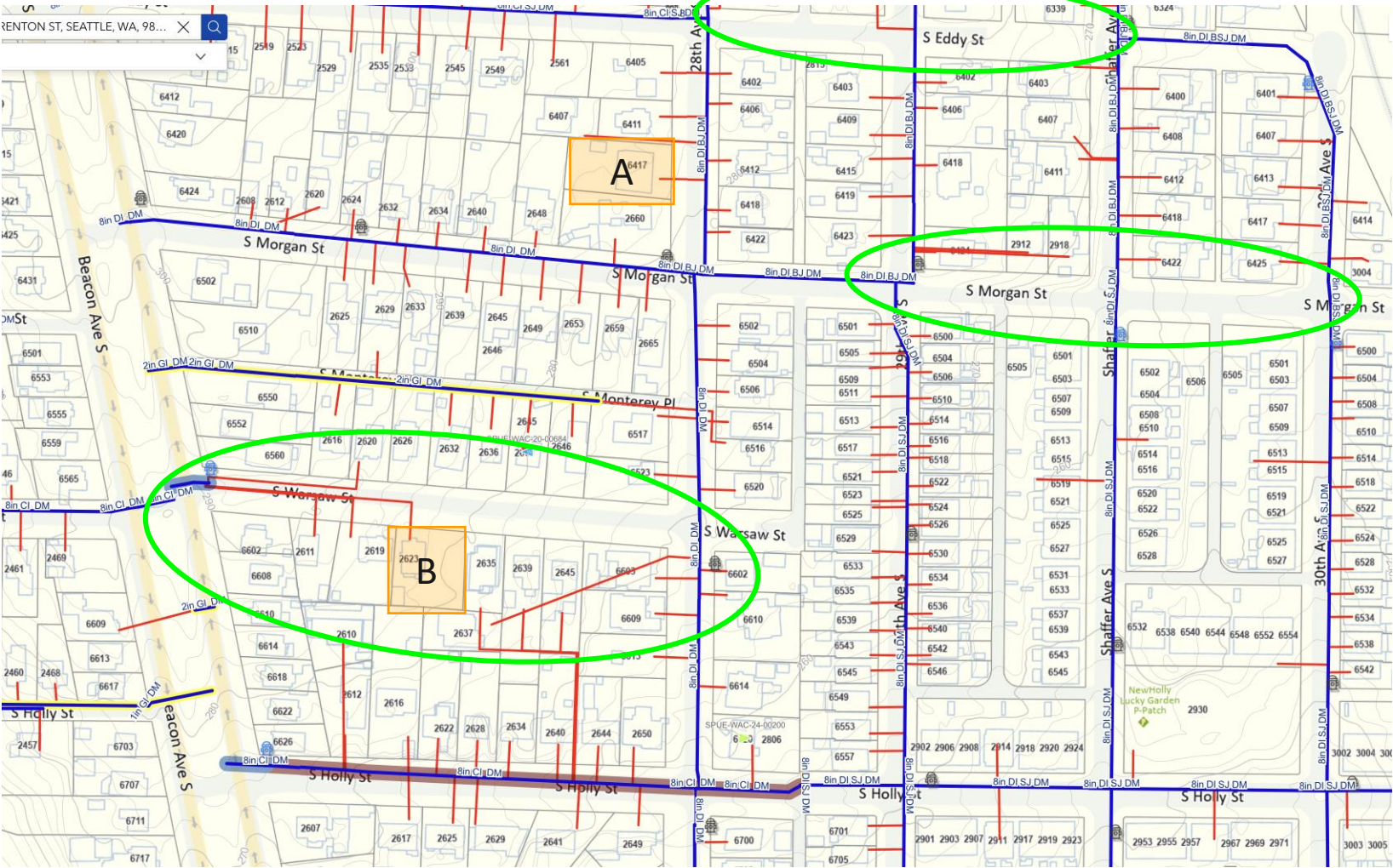
## Legend

- SPU drainage main
- SPU sanitary main
- SPU combined main
- Missing main segment





# Beacon Hill Example - Water



Legend

SPU water main

Water service line

Missing water main segment

A

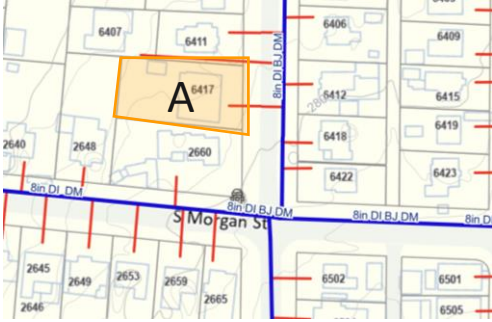
Property able to connect to existing water main

B

Property required to build water mainline extension

## Example: New Basement Apartment

Bob and Mary are retired and live on a fixed income. They will build an in-law apartment for their daughter to live in as she goes to grad school and expect that she will live there for several years as she begins working.

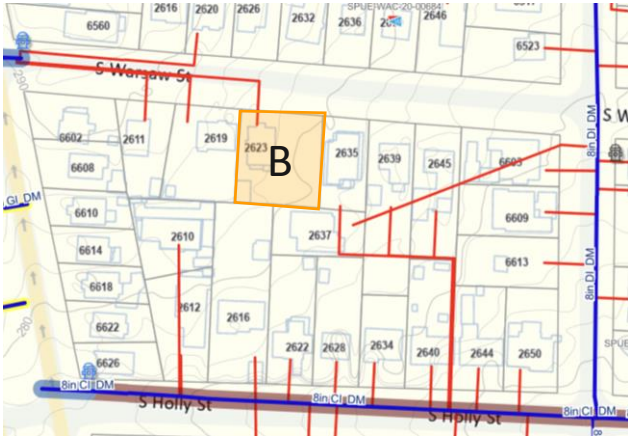


## Property A:

- No new system connection.

Status Quo: \$0

- No SDCs



### Property B:

- No new system connection.

Status Quo: \$0

- No SDCs

### With Proposal: \$0

- No SDCs

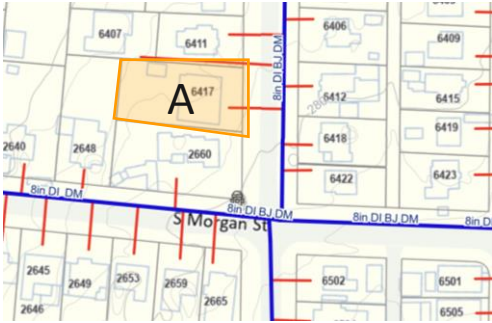
### With Proposal: \$0

- No SDCs



## Example: New Backyard Cottage

Bonnie and Jose want to build a backyard cottage to live in so that they can rent out their primary house for retirement income. The backyard cottage will add 800sf of new hard surface and will use existing water service.

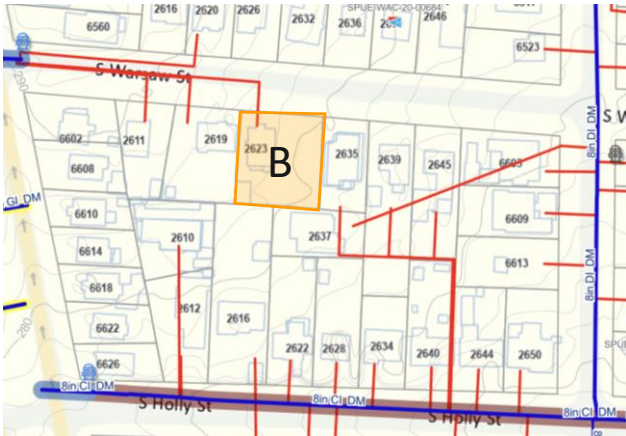


### Property A:

- No new water or wastewater connection.

Status Quo: \$0

- No SDCs



## Property B:

- No water or wastewater connection.

Status Quo: \$0

- No SDCs

With Proposal: \$980

- Drainage SDC\*

With Proposal: \$980

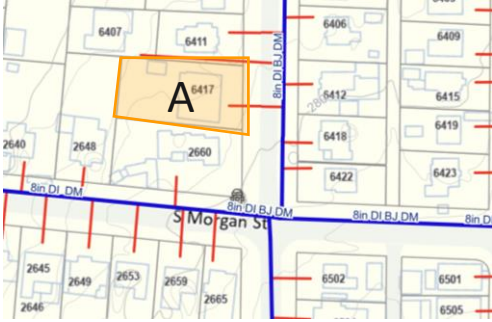
- Drainage SDC\*

*\*With proposed amendment: If income is below \$100,560 at the time of building, \$980 will be deferred until the time of sale.*

*\*If DADU was built on existing hard surface, no SDC is charged.*

# Example: New Backyard Cottages for sale

Jack and Sam are excited about HB1110 and want to build 2 DADUs on their property next to their single-family home. They plan to sell the 2 DADUs so they must add 2 x  $\frac{3}{4}$ " water service lines. Each DADU adds 1000 sf of hard surface.



## Property A:

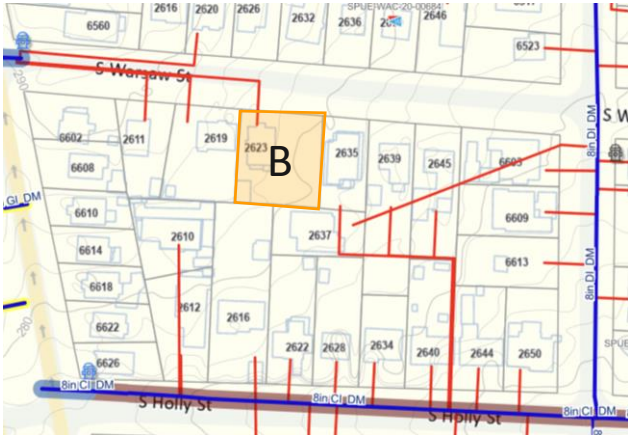
- No mainline extension is required.

Status Quo Cost: \$4,800

- Water SDC

With Proposal: \$21,450

- Water, Wastewater, and Drainage SDC



## Property B:

- ~250 LF water mainline extension req'd

Status Quo Cost: \$375,000

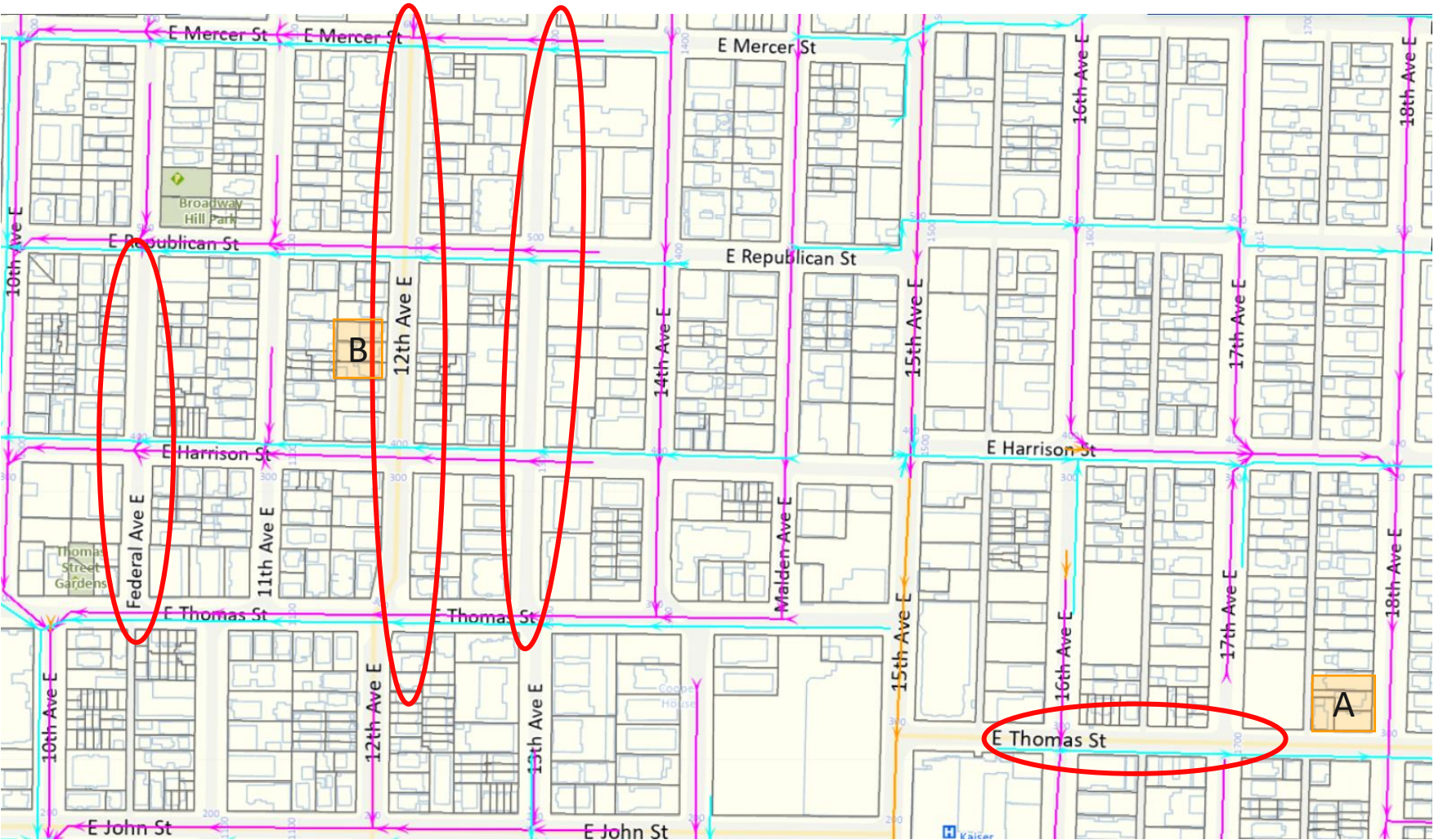
- Water MLE

With Proposal: \$45,150

- Water MLE = \$37,500
- SPU pays \$337,500 for Water MLE
- Drainage & Wastewater SDCs = 7,650

*New SDC installment plan: 25% during permitting, 75% upon sale of property*

# Capitol Hill Example - Wastewater



Legend

SPU drainage main

SPU sanitary main

SPU combined main

Missing main segment

A

Property able to connect to existing wastewater main

B

Property required to build wastewater mainline extension



# Example: New Apartment Building

Acme Development are building a new low rise apartment building by assembling parcels in Capitol Hill, adding a new 2" water meter and 2,000 sf of hard surface while retiring 3 x ¾" existing water services.

## Property A:

- No mainline extension is required.

Status Quo Cost: \$5,520

- Water SDC

With Proposal: \$24,300

- Water, Wastewater & Drainage SDCs

## Property B:

- 100 LF wastewater mainline extension required

Status Quo Cost: \$155,520

- Water SDC and Wastewater MLE

With Proposal: \$48,320

- Wastewater MLE = \$30,000
- SPU pays \$120,000 for MLE
- Water & Drainage SDCs = \$18,320

*New SDC installment plan: 25% during permitting, 75% within 2 years or upon sale of property*



