System Development Charges & Cost Sharing on System Improvements

Seattle City Council
Parks, Public Utilities & Technology Committee

May 14, 2025

Seattle Public Utilities

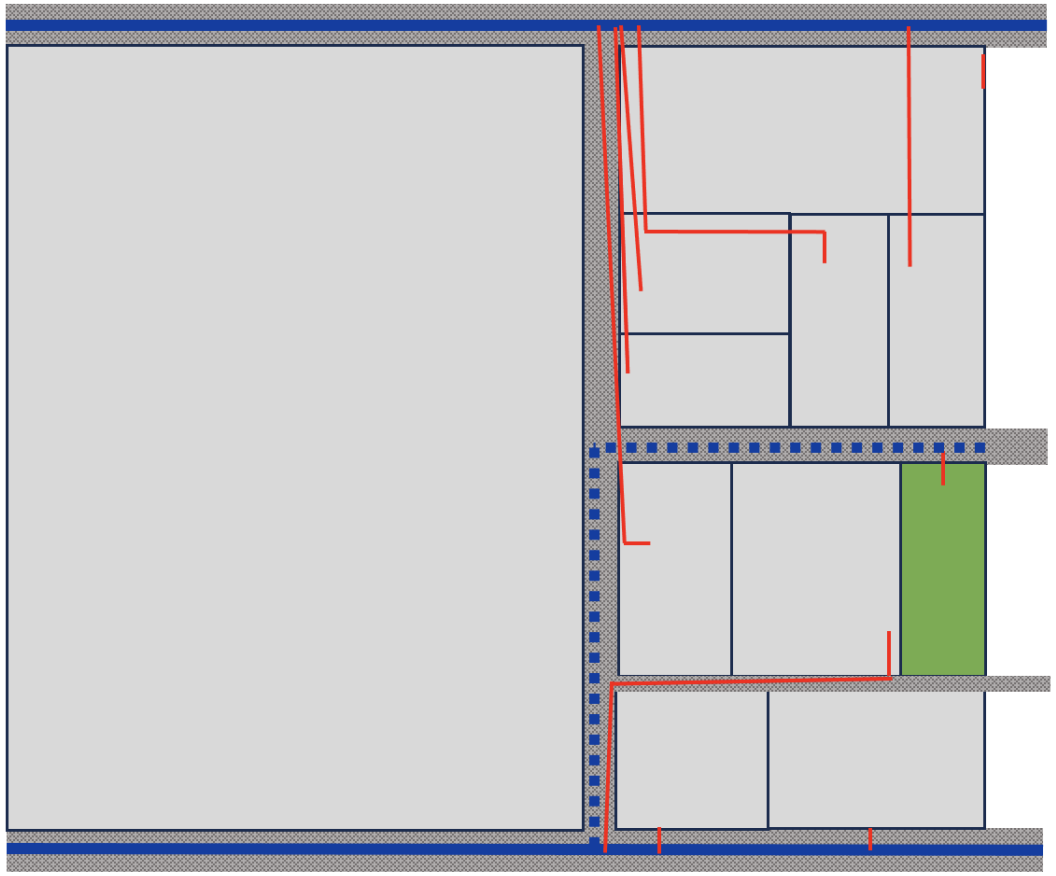
City of Seattle

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?



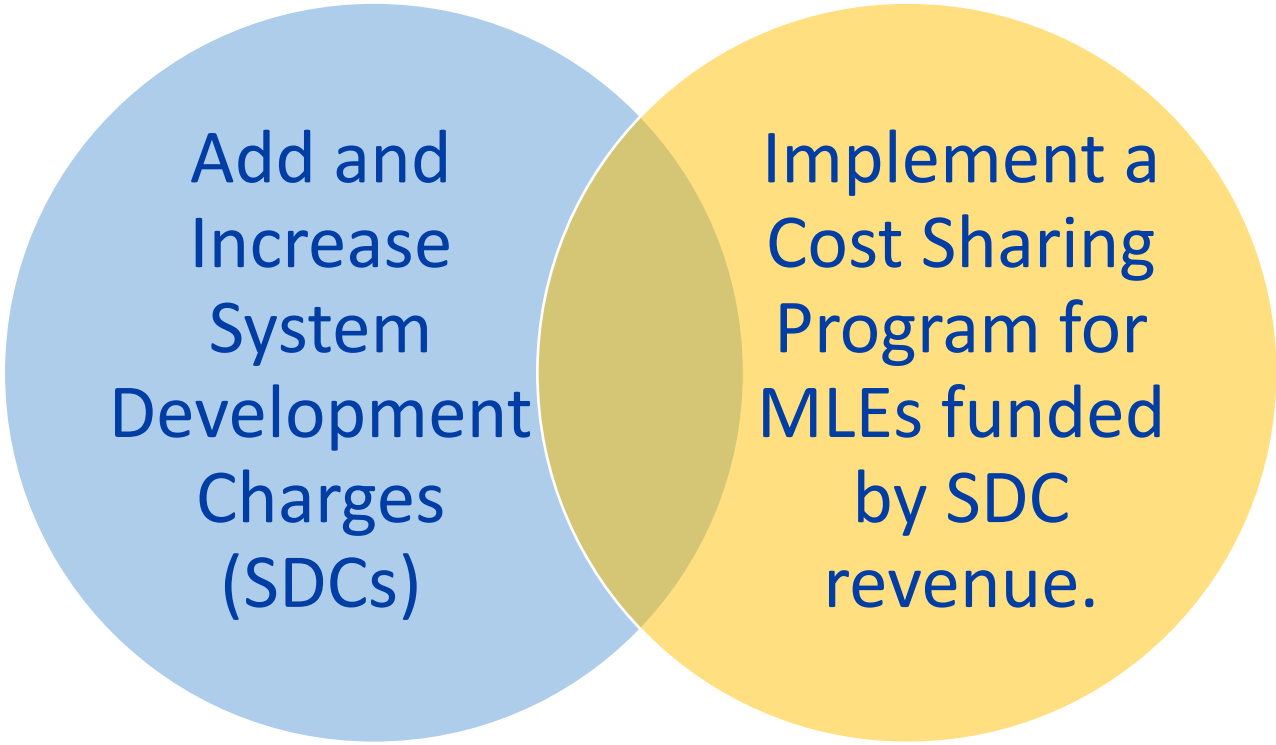
New Development

Existing Water Main

Water Service Lines

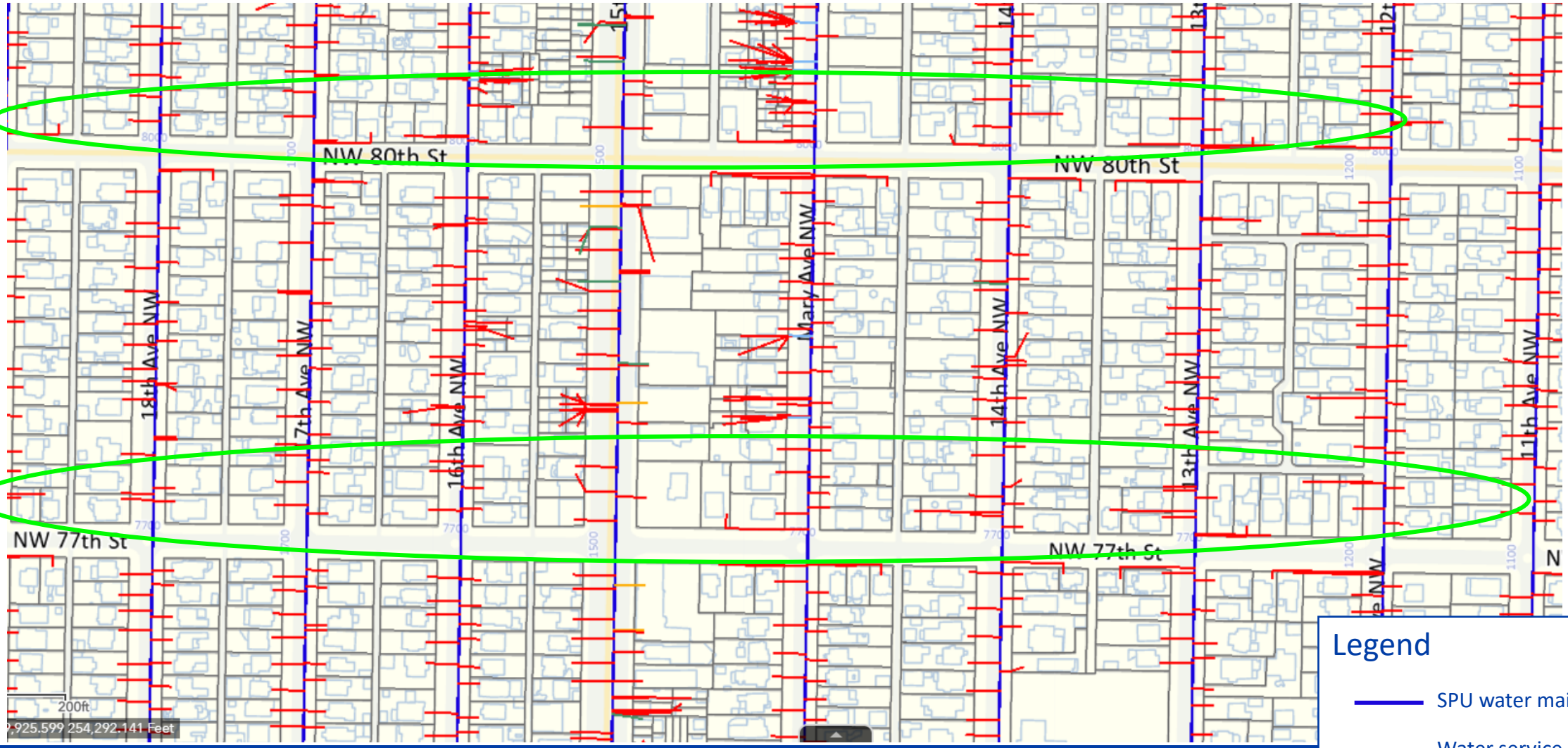
Mainline Extension

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.

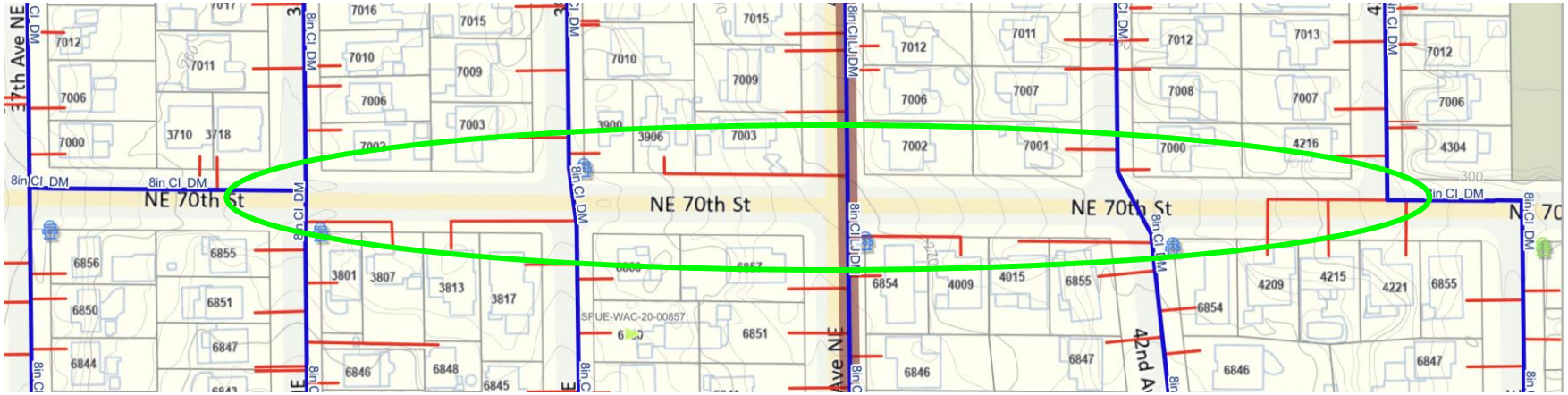
Ballard Example - Water



Legend

- SPU water main
- Water service line
- Missing water main segment

View Ridge Example - Water



Legend

- SPU water main
- Water service line
- Missing water main segment

Bryant Example - Water

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Central District Example - Drainage

Legend

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

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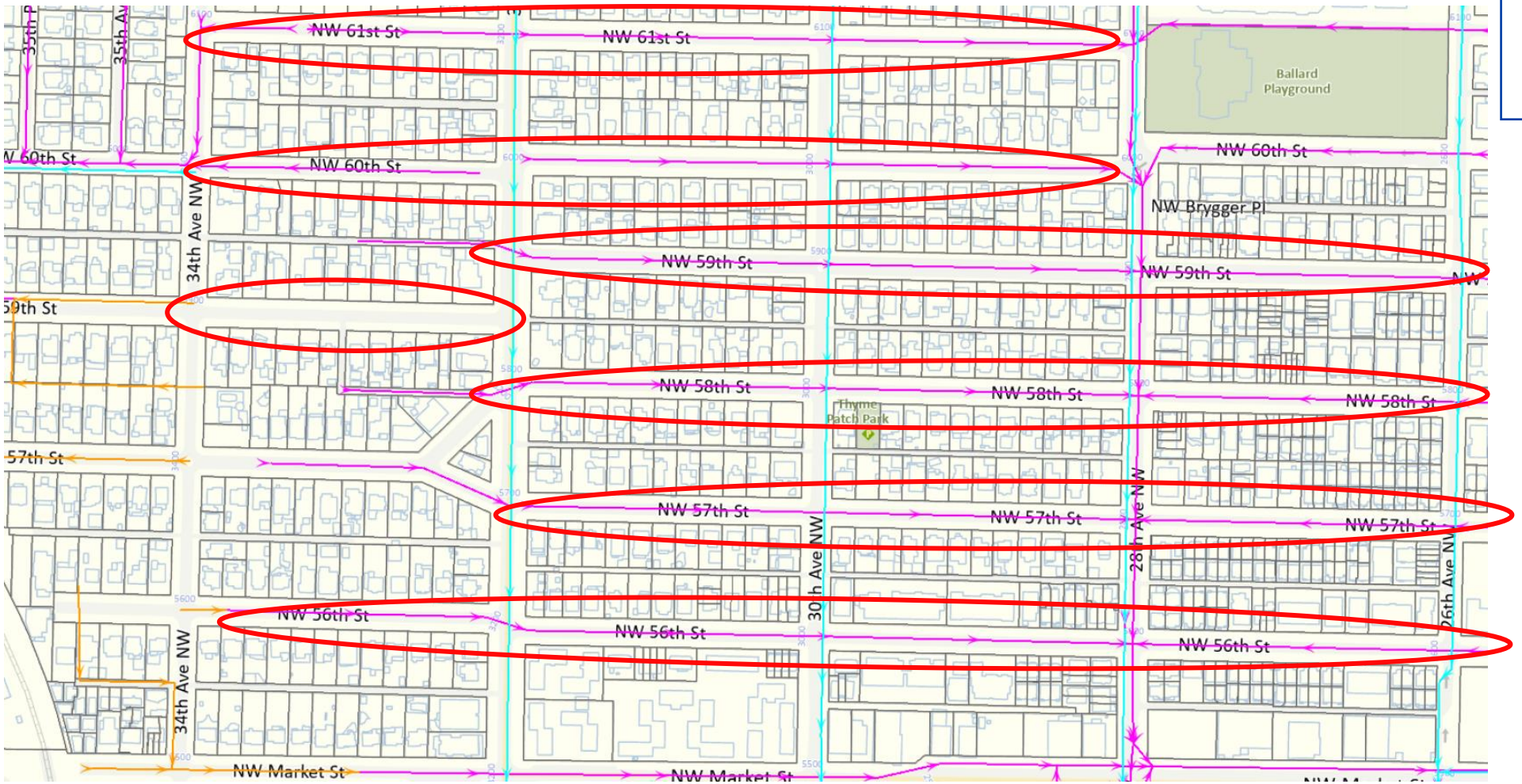
Ballard Example - Drainage



Legend

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

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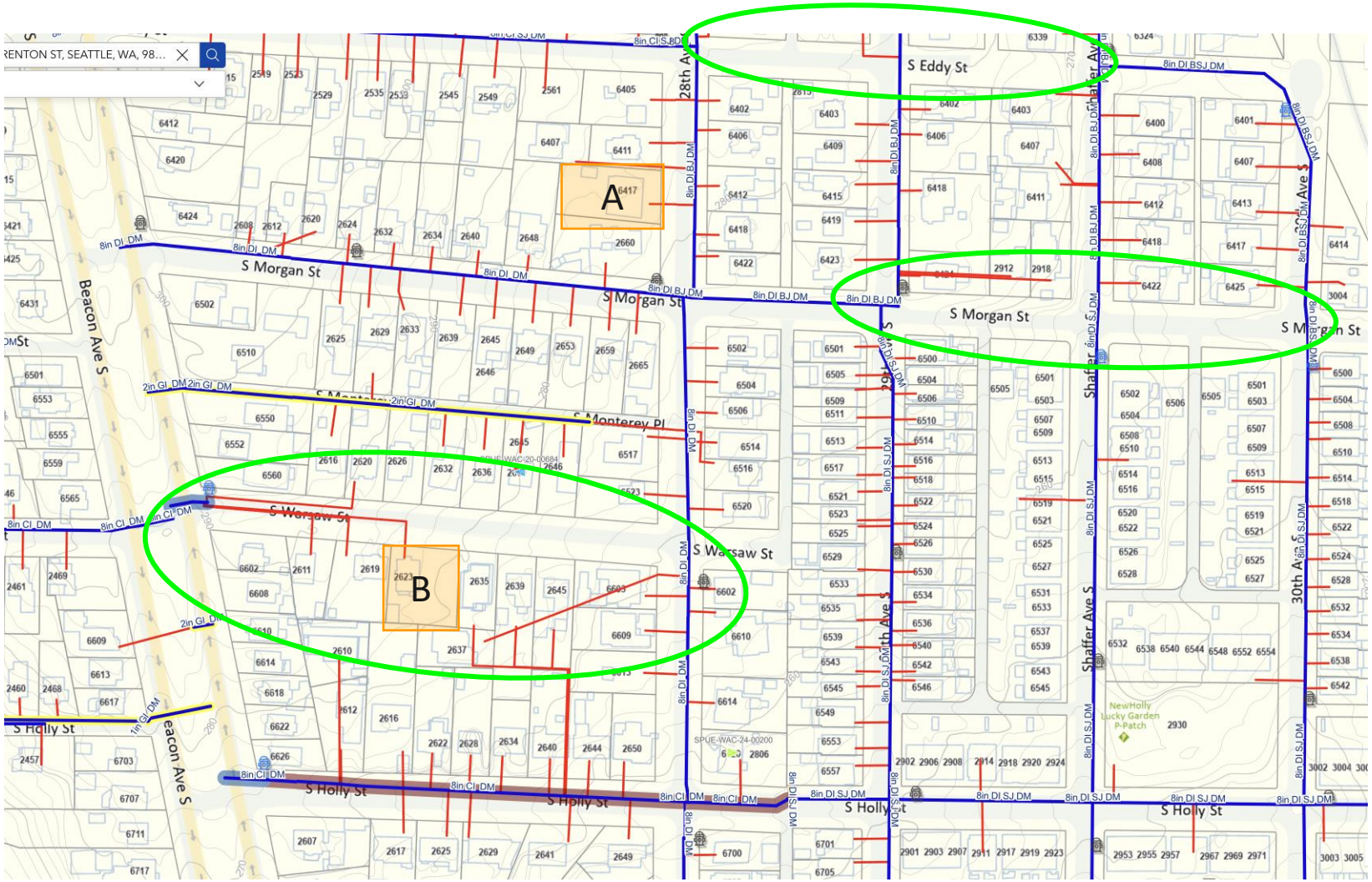
Beacon Hill Example - Water



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

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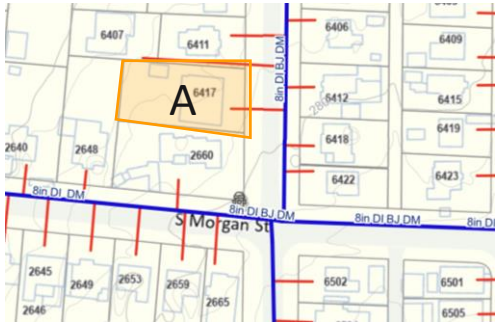
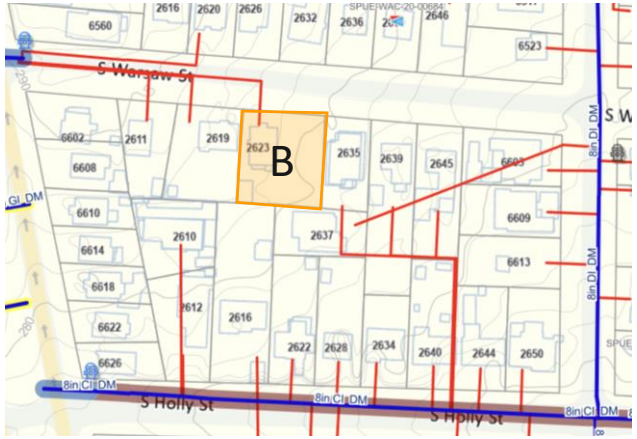
Example: New Basement Apartment





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

With Proposal: $0

- No SDCs

Property B:

- No new system connection.

Status Quo: $0

- No SDCs

With Proposal: $0

- No SDCs

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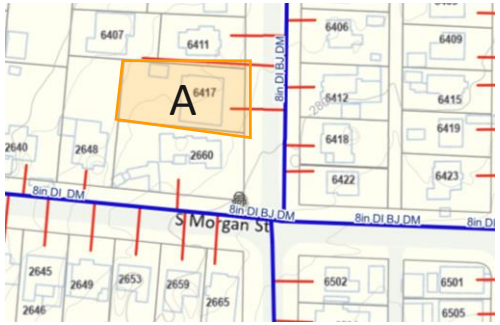
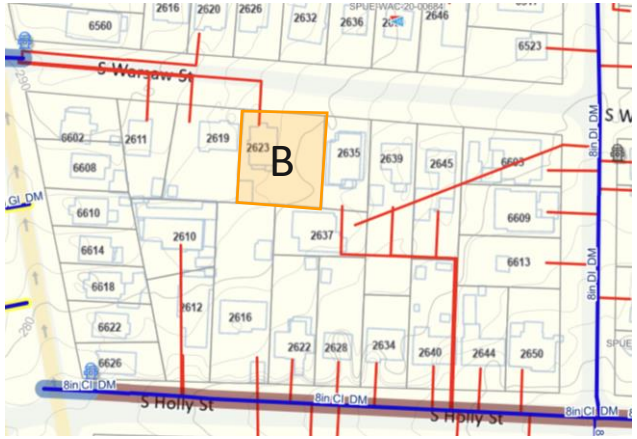
Example: New Backyard Cottage





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

With Proposal: $980

- Drainage SDC*

Property B:

- No water or wastewater connection.

Status Quo: $0

- No SDCs

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.*

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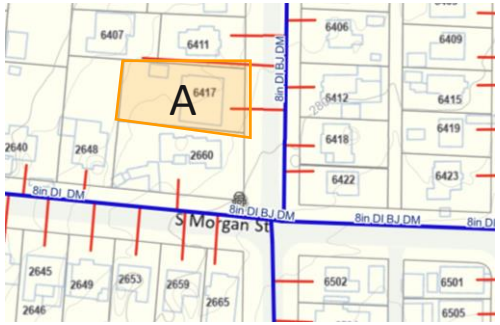
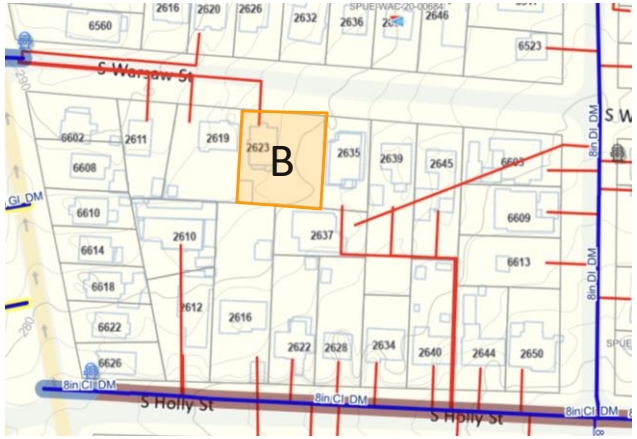
Example: New Backyard Cottages for sale





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 ¾" 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

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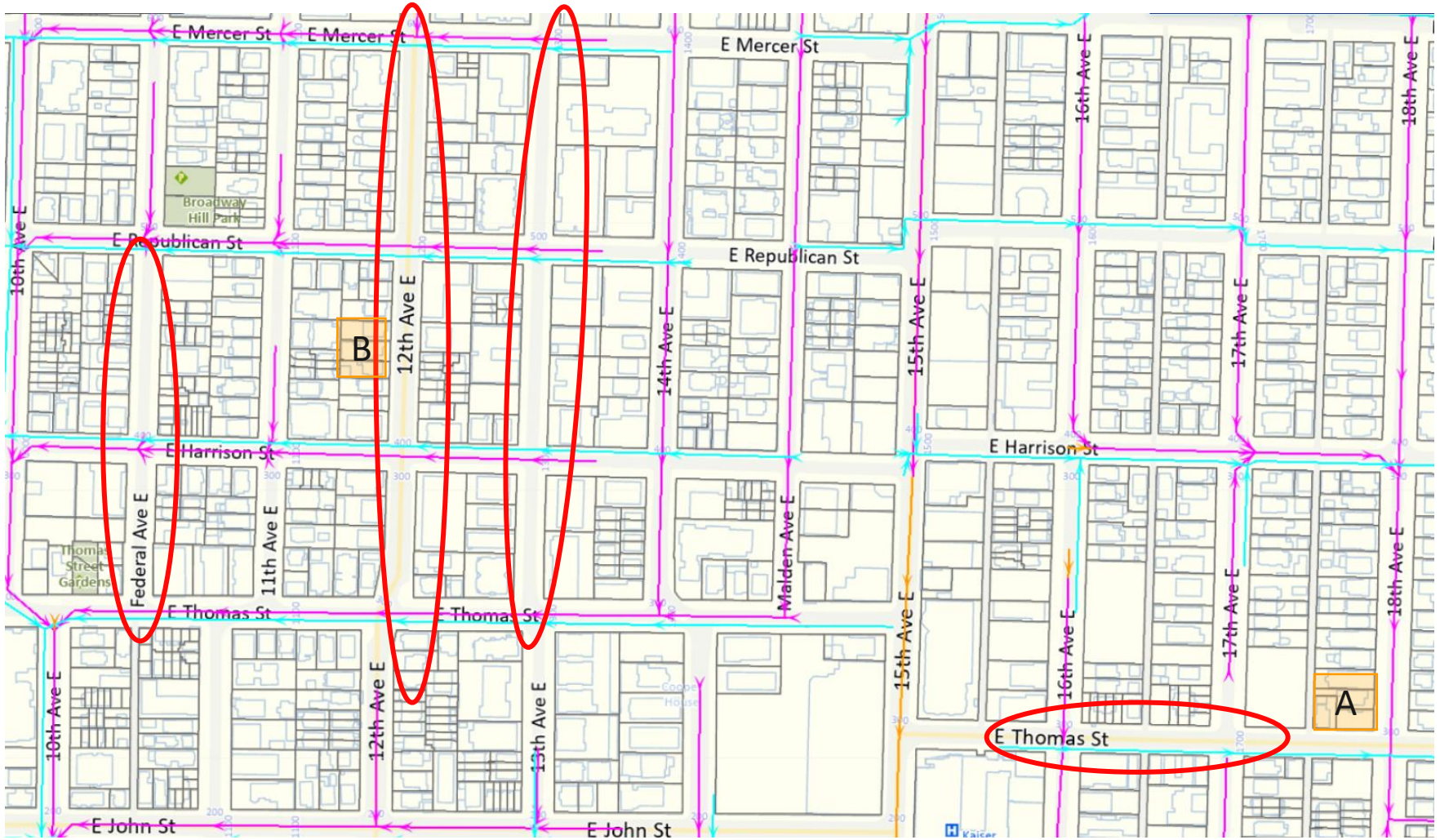
Capitol Hill Example - Wastewater



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

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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

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