



CITY OF ST. HELENS PLANNING DEPARTMENT
M E M O R A N D U M

TO: City Council
FROM: Jacob A. Graichen, AICP, City Planner
RE: HB 2084 and Resolution 1999 for the December 20, 2023 regular session
DATE: December 11, 2023

From the League of Oregon Cities:

HB 2984: Commercial Conversions

Effective Date: January 1, 2024

HB 2984 requires cities to allow conversion of a building from commercial use to residential use without requiring a zone change or conditional use permit. The bill prohibits cities from enforcing parking minimums greater than the amount allowed for existing commercial use, or the amount that may be required in lands zoned for residential uses that would allow the converted development. The LOC initially opposed the introduced bill, as it would have prohibited cities from charging system development charges (SDCs) for 15 years. The final version of HB 2984 allows cities to **charge SDCs provided the charge is based on a “specific adopted policy for commercial to residential conversions” adopted on or before December 31, 2023**, or if the charge is for water or wastewater and includes an offset for at least 100% of the water or wastewater system development charges paid when the building was originally constructed. Cities already tailor SDCs to the specific impacts of each development, and the LOC understands this provision will allow cities to continue charging SDCs accordingly. HB 2984 is not intended to require cities to conduct a formal SDC methodology review or update by December 31, 2023.

Resolution 1999 is intended to make sure there is **“specific adopted policy”** to retain the City’s full local authority to assess System Development Charges.

St. Helens code allows this already and it could be argued that there is already policy, but this resolution helps clarify this to minimize future challenges to SDC requirements in these limited circumstances, should they occur.

City of St. Helens
RESOLUTION NO. 1999

A RESOLUTION ADOPTING A POLICY REGARDING SYSTEM
DEVELOPMENT CHARGES FOR CONVERSION OF BUILDINGS FROM
COMMERCIAL TO RESIDENTIAL USE IN NON-INDUSTRIAL ZONES

WHEREAS, the Oregon Legislature adopted House Bill (HB) 2984 in the 2023 legislative session amending ORS 197.308 to allow the conversion of buildings from commercial to residential use within Urban Growth Boundaries of cities with a population of 10,000 or greater, under certain conditions; and

WHEREAS, HB 2984, Section 1(6)(c) [ORS 197.308(6)(c)] permits cities to assess System Development Charges (SDCs) for such building conversions if (A) “the charge is calculated pursuant to a specific adopted policy for commercial to residential conversions adopted on or before December 31, 2023,” or (B) “the charge is for water or wastewater and includes an offset for at least 100 percent of the water or wastewater SDCs paid when the building was originally constructed;” and

WHEREAS, the City of St. Helens’ population exceeds 10,000; and

WHEREAS, the City does not have “a specific adopted policy for *commercial to residential* conversions.” When a building or portion thereof is converted from *any* use to *any other* use, the City’s current Systems Development Charge (SDC) regulations require payment of SDCs, but a credit for the existing use is applicable to reduce or eliminate the SDC charges pursuant to St. Helens Municipal Code 13.24.130; and

WHEREAS, the City Council desires to preserve the City’s full local authority to assess SDCs for the conversion of commercial buildings and finds that Chapter 13.24 of the St. Helens Municipal Code, as now drafted and hereafter amended, will sufficiently address all SDC methodology, rates, and other applicable terms and conditions needed to calculate SDC charges for commercial to residential building conversions pursuant to HB 2984.

NOW, THEREFORE, THE CITY OF ST. HELENS RESOLVES AS FOLLOWS:

Section 1. The City Council hereby adopts Chapter 13.24 of the St. Helens Municipal Code, as currently in effect and as may be amended from time to time, as the City’s specific policy for SDC calculations in connection with all residential development, including commercial to residential conversions pursuant to HB 2984.

Section 2. This Resolution shall become effective immediately upon its passage by the City Council.

Approved and adopted by the City Council on December 20, 2023, by the following

vote:

Ayes:

Nays:

Rick Scholl, Mayor

ATTEST:

Kathy Payne, City Recorder