



**ADU SDC Waiver Program • Frequently Asked Questions
August 2018**

1. What are the requirements of the ADU SDC Waiver Program?
Response: Requirements of the ADU SDC Waiver Program can be found [here](#). In general, the program requires property owners who are constructing accessory dwelling unit (ADU) and desire to receive a full waiver of System Development Charges (SDC) to sign a covenant stating the ADU and the house will not be rented as an accessory short-term rental for 10 years.
2. What is an accessory short-term rental?
Response: An accessory short-term rental is one in which property owners rent up to 5 bedrooms in a structure for time periods of less than one month. Accessory short-term rentals are often advertised on platforms such as Airbnb.com.
3. When does the new ADU SDC Waiver Program become effective?
Response: The program becomes effective on August 1, 2018.
4. If I already have an ADU that I rent as an accessory short-term rental, can I continue to do so without penalty?
Response: Yes, the ADU SDC Waiver Program will only apply to property owners who participate in the program starting August 1, 2018. Property owners who have had SDC fees waived previously are not subject to the program and maintain the option to rent the ADU or other structure on their property as an accessory short-term rental.
5. If I participate in the ADU SDC Waiver Program, can I live in the ADU and rent the main house as an accessory short-term rental? What about renting one room in the house as an accessory short-term rental?
Response: No, the ADU SDC Waiver Program applies to the entire property. During the 10-year time period that the program applies, no structure on the property may be rented as an accessory short-term rental. This includes single bedrooms in the main house. The covenant also explicitly states that listing a structure on the property on a short-term rental platform constitutes a violation.
6. If I participate in the ADU SDC Waiver Program, when is the soonest I could begin renting the ADU as an accessory short-term rental?
Response: The ADU SDC Waiver Program begins the day the permit receives final inspection approval. Once 10 years passes from that date, the property is no longer subject to the program and the property owner has the option of renting structures as accessory short-term rentals.
7. How do I know if a property with ADU participated in the ADU SDC Waiver Program and is bound to the terms of the covenant?
Response: Permit records in Portlandmaps.com will indicate if the ADU SDC Waiver Program is associated with a property. Users would locate the property and examine permits associated with it. Once identifying the permit associated with the ADU and see if the Revenue Bureau was a reviewer. If the Revenue Bureau was a reviewer, the process line associated with their review would state "Covenant Recorded".

8. If a developer is constructing a home with an internal ADU, is the developer the person who records the covenant or does the home buyer record the covenant?

Response: The person who records the covenant is the person who applies for the building permit so in this situation, the recorder of the covenant would typically be the developer.

9. If a developer builds a house with an ADU, participates in the ADU SDC Waiver Program and records the covenant, is the developer liable for the financial penalty if the person who purchase the home and ADU rents one as an accessory short-term rental?

Response: The covenant runs with the property, not the individual who signs and records the covenant; therefore the current property owner would be liable for the penalty.

10. If a home is sold during the time it is bound to the terms of the covenant, can the new owner pay the SDCs in order to revoke the covenant?

Response: Revoking the covenant is contrary to the purpose of the ADU SDC Waiver Program which is to increase the supply of housing in Portland and therefore, a property owner wishing to revoke the covenant would be required to pay 150% of the current SDC fees, just as a property owner who violates the covenant is required.