WELCOME TO THE ADU SDC WAIVER PROGRAM
Administered by the
CITY OF PORTLAND - REVENUE DIVISION
BUDGET & FINANCE SERVICE AREA

Thank you for exploring the ADU System Development Charge (SDC) Waiver Program for your new accessory dwelling unit (ADU).

Note: The ADU SDC Waiver Program approval process is not part of the permitting process. It is a separate binding ten-year agreement between the City of Portland and all the property owners who own that property during the Covenant's life span.

The ADU SDC Waiver program is administered by the City of Portland - Revenue Division, ADU Compliance. We are the independent reviewers of the Program's Application/Covenant. Once approved, the document is uploaded into the permitting system for the Bureau of Development Services and the SDC bureaus.

Revenue Division policies and protocols are often quite different than other City of Portland bureaus. The ADU SDC Waiver Program is no different. We encourage you to be aware of our strict review policies and restrictions on the type of information we are allowed to share.

NOTE: The ADU SDC Waiver Program is moving toward 100% electronic with no "hard copies" received.
This led the Revenue Division to develop an approval process to based solely upon the ADU SDC Waiver Program Instructions. Revenue developed the instructions with precise steps to ensure approval. While there are a few exceptions, we have noted that following the instructions results in over a 99% approval rating. Most delays are due to failure to follow ADU SDC Waiver Program Instructions and incorrect information is next.

Portland Permitting & Development (PP&D) is not responsible for any aspects of the ADU SDC Waiver Program approval process. We ask that you do not contact BDS or the SDC bureaus about the specifics of the ADU SDC Waiver program beyond information on this website. All questions should be emailed to ADUCovenant@portlandoregon.gov. We will give every effort to quickly respond with clear and helpful information.

The most asked question is about the "timeline" for presenting an ADU Covenant to the Revenue Division for approval. There is no "official" due date for presenting documents to the Revenue Division. We do suggest that if the owner's decision is solid, completing the Application/Covenant earlier in the permitting process saves several bumps that might appear along the way.

ADU SDC Waiver Compliance
City of Portland Revenue Division
ADUCovenant@portlandoregon.gov

(Revised 6/17/2026

CITY OF PORTLAND
Budget and Finance Service Area
Mike Jordan, City Administrator
Jonas Biery, Chief Financial Officer
Thomas Lannom, Revenue Division Director

Revenue Division
ADU SDC Waiver Program
111 SW Columbia Street, Suite 600
Portland, Oregon 97201-5840
FAX (503) 865-3020
ADUCovenant@portlandoregon.gov

ADU SDC Waiver Program
Covenant Instructions

The Application and ADU Covenant are restrictive legal documents. The information must be accurate and complete.

The ADU SDC WAIVER PROGRAM APPLICATION requires the *property owner (or agent)* to provide information necessary to complete the covenant. It also requires the *property owner* to acknowledge the conditions of the ADU SDC Waiver Program as detailed in the Covenant. The ADU SDC WAIVER PROGRAM APPLICATION is filed with the ADU SDC Covenant.

The ADU SDC WAIVER PROGRAM COVENANT must be completed by the *property owner (or agent)*, the owner(s)' signature must be notarized, and the Covenant recorded with Multnomah County. ***A copy of the Application and Covenant*** are then filed with the Revenue Division for review and approval at: ADUCovenant@portlandoregon.gov

This document provides instructions for:
- Completing the covenant;
- Recording it with Multnomah County; and
- Submitting the application and recorded covenant to the Revenue Division for review and approval.

Note: *The covenant cannot be completed until building plans have been submitted and permit number and an address has been assigned for the ADU.*
Further information about the ADU SDC Waiver Program can be found at https://www.portland.gov/ppd/residential-permitting/adu-sdc-waiver.

Completing the ADU Covenant

The covenant includes several blank spaces that require information; each entry space is addressed in order by the steps below:

1. **Building Permit Number**. A building permit number has been recorded on materials provided from the building plan submittal. The number begins with the year the permit was submitted, followed by 6 permit tracking numbers (for example a permit submitted in 2018 could have a permit number of 18-123456).

2. **Declarant or Declarants**. This is the name or names of the individual(s) signing the covenant and ***must be signed by all property owners***. To find the correct property owner information:
   - Visit portlandmaps.com
   - Enter the property address
   - Copy the "Owner" information shown
   - If the property "Owner" is an entity (LLC, S-Corp, Trusts, LP etc.), the declarant should be in this form: ABC LLC by Jane Do (managing member)

3. **Property address of the primary house**. This is the address currently assigned to the property or the property address of a new primary dwelling unit.

4. **Property address of the accessory dwelling unit**. This is the address that will be assigned to the new dwelling unit when building plans are submitted and permit review fees are paid. *Again, the covenant cannot be completed until building plans are submitted and a new address is assigned.*

5. **Legal description**. This information can be found on portlandmaps.com:
   - Visit portlandmaps.com
   - Enter the property address
   - Click on "Assessor" in the right information column
   - Click on "Assessor Detail"
   - The "Tax Roll" information shown is the legal description and should be included as "the property"

6. **Tax lot number**. This information can be found on portlandmaps.com:
   - Visit portlandmaps.com
   - Enter the property address
   - Click on "Assessor" in the right information column
   - Click on "Assessor Detail"
   - The "Property ID" information shown is the R number and should be included accordingly as the "R Number"

7. **Notary**. The covenant must be signed in the presence of a valid notary public.
   If the property "Owner" is an entity (LLC, S-Corp, Trusts, LP etc.), the declarant's signature should be in this form: ABC LLC by Jane Do (managing member).

Recording the ADU Covenant

Please do not have Multnomah County Records mail documents to the Revenue Division. Have the documents returned to the property owner or agent.
File the completed covenant with the Multnomah County Assessment and Taxation Office, 1st floor of 501 SE Hawthorne Blvd (Room 175), Portland, Oregon. 503-988-3034. Please note that recording fees will apply and are found on the Multnomah County website below. (The recording receipt is required with the Covenant)
An *eRecording documents* option is available through a title company and other vendors. Visit multco.us/recording/recording-documents to learn more about recording documents at Multnomah County.

Submitting the recorded ADU Covenant to the Revenue Division

Please note: The Original ADU Covenant belongs to the property owner.

Please do not send the original ADU Covenant to the Revenue Division.

Required method of submission: Application/Covenant should be scanned (PDF) as one document attached to an email (please put the permit number on the subject line of the email) and sent to the Revenue Division at ADUCovenant@portlandoregon.gov in the following order:

1) Application page one
2) Application page two
3) Covenant page one with County recording receipt
4) Covenant page two
5) Covenant page three with notarized signature(s)
6) Other documents as needed

The Application and Covenant can be mailed to the City of Portland Revenue Division. Mailing via USPS or other carrier will cause a delay of up to one full work week or more.

Revenue Division
Attention: ADU SDC Waivers
111 SW Columbia Street, Suite 600
Portland, OR 97201-5840

CITY OF PORTLAND
Budget and Finance Service Area
Mike Jordan, City Administrator
Jonas Biery, Chief Financial Officer
Thomas Lannom, Revenue Division Director

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ADU SDC WAIVER PROGRAM APPLICATION

The ADU SDC Waiver Program provides an incentive for property owners and developers to construct accessory dwelling units (ADUs) that add to housing capacity in Portland through a waiver of system development charges (SDCs) with a 10-year commitment. Adding housing capacity includes new ADUs that are owner occupied or rented on a month-to-month basis or longer. It does not include ADUs built to be Accessory Short-Term rentals or rented on a less than a monthly basis.

Note: This application cannot be completed until the proposed ADU has been assigned an address which occurs after permits have been submitted.

Permit Number: _____

Property Owner Information:

Name:_____ Company/Organization:_____

Mailing Address:_____ City:_____ State:_____ ZIP:_____

Phone:_____ Email:_____

Additional Owner Information:

Name:_____ Company/Organization:_____

Mailing Address:_____ City:_____ State:_____ ZIP:_____

Phone:_____ Email:_____

Property Information:

Address Primary Dwelling Unit: _____ ZIP: _____

Address Accessory Dwelling Unit: _____

Site tax account number(s): R_____ R_____

Site legal description: _____

Are there any other habitable structures on the property, do not include sheds or other similar structures? ☐ Yes ☐ No

continued on reverse

Understandings:

- ✓ I have read the ADU SDC Waiver Program Covenant (the "Covenant") and understand I am entering into a conditional program that waives SDC fees for some new ADUs.
- ✓ I understand that no structure on the property including the primary dwelling unit (for example, the house) and the ADU or any other structure on the property can be rented as an Accessory Short-Term Rental for a period of 10 years (the "compliance period").
- ✓ I understand that no structure on the property can be listed with a short-term rental platform during the compliance period.
- ✓ I understand a short-term rental platform includes all vacation rental websites and others specializing in rentals that are typically for less than 30 days.
- ✓ I understand the compliance period for the ADU SDC Waiver Program begins on the day the ADU permit is final.
- ✓ I understand that the ADU SDC Waiver Program applies to the current and all future property owners for the duration of the 10-year compliance period.
- ✓ I understand that compliance with the ADU SDC Waiver Program requirements is the responsibility of the current property owner at the time of any violation.
- ✓ I understand that upon recording the Covenant, penalties of 150% of the current SDC fees will apply if any term of the Covenant is found to have been violated.
- ✓ I understand that upon recording the Covenant, penalties of 150% of the current SDC fees will apply if the current or future property owner wishes to no longer participate in the ADU SDC Waiver Program during the compliance period.

Responsibility Statement:

As the applicant submitting this application for the ADU SDC Waiver Program, I am responsible for the accuracy of the information submitted. The information being submitted includes my understandings of the ADU SDC Waiver Program requirements and acknowledgement to comply with these requirements. Program requirements are set forth in the Covenant and run with the land for the duration of the compliance period and will apply to future property owners during the compliance period. By my signature,

I indicate my understanding and agreement to the Responsibility Statement.

Print name and contact information of person submitting this application (if not the owner)

Name: _____

Phone: _____ Email: _____

Printed Name of Owner: _____

Property Owner Signature: _____ Date: _____

Printed Name of Additional Property Owner: _____

Additional Property Owner Signature: _____ Date: _____

(Signatures do not need to be notarized)

For more information visit or call the Planning and Zoning staff at the Development Services Center at 1900 SW 4th Avenue, Suite 1500, 503-823-7300 For current Portland Zoning Code visit portland.gov/code/33.

Information is subject to change, recent code changes and requirements may not be reflected on this document.

AFTER RECORDING SCAN AND EMAIL
A ***COPY*** TO: Email: ADUCovenant@portlandoregon.gov

REVENUE DIVISION - CITY OF PORTLAND
BUDGET AND FINANCE SERVICE AREA
111 SW Columbia Street, Suite 600
Portland, OR 97201

SPACE ABOVE THIS LINE FOR RECORDER'S USE

COVENANT FOR SYSTEM DEVELOPMENT CHARGE WAIVER FOR AN ACCESSORY DWELLING UNIT

PROJECT: DEVELOPMENT OF A NEW ACCESSORY DWELLING UNIT
BUILDING PERMIT NUMBER: _____

This COVENANT FOR SYSTEM DEVELOPMENT CHARGE WAIVER FOR AN ACCESSORY DWELLING UNIT (this "Agreement") is entered into as of the recording date shown above by_____("Declarant or Declarants").

Declarant is the owner of certain real property located at:

_____
(Address of Primary House)

and _____
(Address of Accessory Dwelling Unit)

in Portland, OR and legally described as: _____

_____

(the "Property") with a property tax lot number of: _____(R Number). Declarant has applied for a building permit to construct an accessory dwelling unit ("ADU") on the Property. Declarant has requested a waiver of System Development Charges ("SDCs") from the City of Portland's Bureaus of Parks and Recreation, Environmental Services, Transportation and Water (collectively, the "SDC Waiver") in exchange for entering into this Agreement and agreeing to the restrictions, covenants and obligations set forth herein.

NOW, THEREFORE, for good and valuable consideration, Declarant covenants and agrees as follows:

Section 1. Requirements. Declarant has received the SDC Waiver on the condition that neither the ADU nor any other structure on the Property will be rented as an accessory short-term rental as defined in Portland City Code Chapter 33.207 for a minimum of 10 years from the date of permit final inspection (the "Restriction Period"). For the purposes of this agreement, posting a listing of the ADU or any other structure on the Property on a short-term rental website is prima facie evidence that the property owner has violated this requirement and is sufficient to warrant billing for the SDC as provided in Section 3. A property owner may still request administrative review from the Revenue Division Director and any other applicable appeal procedures associated with the billing.

Section 2. Covenants Run with the Land. Declarant hereby acknowledges and agrees the express intent that during the Restriction Period, the covenants and restrictions set forth in this Agreement are covenants running with the land and will pass to and be binding upon Declarant's successors and assigns in title including any purchaser, grantee, or lessee of any portion of the Property and any other person or

entity having any right, title, or interest therein and upon the respective successors, and assigns of any purchaser, grantee, or lessee of any portion of the Property and any other person or entity having any right, title, or interest therein. Declarant further agrees to ensure that any and all purchasers, grantees or lessees of any portion of the Property are notified, in writing, of this covenant and that failure of such parties to follow the terms of the covenant shall be a violation of this Agreement. Declarant further agrees to record this Agreement in the deed records of the County in which the Property is located.

Section 3. Voluntary Withdrawal.

A. If Declarant or their successors wish to withdraw from this Agreement prior to the date of permit final inspection for the ADU, SDCs as originally owed, along with all other applicable fees, will be assessed and must be paid prior to final permit approval if the permit has already been issued, or prior to issuance if the permit has not yet been issued.

B. If Declarant or their successors wish to withdraw from this Agreement after the date of permit final inspection for the ADU, 150% of SDCs according to the rates in effect at time of termination, along with all other applicable fees, will be assessed and must be paid before the City will allow this Agreement to terminate. Otherwise, a lien in the amount of the owed fees will be assessed against the property.

C. Upon receipt of the SDCs and other applicable fees, this Agreement will terminate.

Section 4. Rights and Remedies of the City. In the event Declarant or their successors or assigns violate this Agreement, this Agreement will terminate on the date of the violation and the then-Property owner will be required to pay 150% of all SDCs according to the rates in effect at the time of termination. In addition, the then-Property owner will cause this Agreement to be removed from the deed records of Multnomah County. The requirements of this paragraph will survive the termination of this Agreement unless it is terminated under Section 3 above. Violations will be fully enforced upon the first instance. The City will not grant a "second chance" for violations of the covenants.

Section 5. Entire Agreement, Modifications, Severability. This Agreement supersedes all prior discussions and agreements between the parties with respect to the SDC Waiver. All such discussions and agreements heretofore made between the parties, if any, are merged into this Agreement. This Agreement shall not be modified or amended in any respect, except by written instrument executed by the parties. The invalidity of any clause, part or provision of this Agreement will not affect the validity of the remaining clauses, parts or portions hereof.

Declarant has executed this Agreement on the Recording Date and hereby declares they have read this document in full and understand the consequences of breaching the covenants, or of their purchasers, grantees or lessees breaching it.

The remainder of this page is intentionally blank.

Declarant (please print): _____

Signature: _____

*Second Declarant, if applicable**

Declarant (please print): _____

Signature: _____

**If you need to have more than two Declarants' signatures notarized, please print an additional copy of this page.*

STATE OF OREGON)
) ss.
County of Multnomah)

I witnessed the above declarant(s) sign this page in front of me

on this _____day of_____, 20_____.

by: _____and

by: _____.

Notary Signature: _____
Notary Public of Oregon

My Commission Expires: _____