

AFTER RECORDING RETURN COPY TO:

REVENUE DIVISION - CITY OF PORTLAND  
BUREAU OF REVENUE & FINANCIAL SERVICES  
111 SW Columbia Street, Suite 600  
Portland, OR 97201

SPACE ABOVE THIS LINE FOR RECORDER’S USE

**COVENANT FOR SYSTEM DEVELOPMENT CHARGE FEE WAIVER FOR AN ACCESSORY DWELLING UNIT**

**PROJECT:** DEVELOPMENT OF A NEW ACCESSORY DWELLING UNIT

**BUILDING PERMIT NUMBER:** \_\_\_\_\_ **STEP 1**

This COVENANT FOR SYSTEM DEVELOPMENT CHARGE FEE WAIVER FOR AN ACCESSORY DWELLING UNIT (this “Agreement”) is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the “Effective Date”) by \_\_\_\_\_ (“Declarant or Declarants”). **STEP 2** **STEP 3**

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 \_\_\_\_\_ **STEP 4** **STEP 5**

\_\_\_\_\_ (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. **STEP 6** **STEP 7**

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 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 following final approval of the building permit (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.

**INSTRUCTIONS**

**STEP 1:** Enter number written on submitted plans which begins with the year the permit was submitted.

**STEP 2:** Enter the date the covenant is notarized.

**STEP 3:** Enter the legal name or names of the property owners.

**STEP 4:** Enter the address of the primary house.

**STEP 5:** Enter the assigned address for the ADU.

**STEP 6:** Enter the legal description which is found on portlandmaps.com. See the detailed instructions for more information.

**STEP 7:** Enter the tax lot number which is found on portlandmaps.com. See the detailed instructions for more information.

**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. Rights and Remedies of the City.** In the event Declarant or its 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. Violations will be fully enforced upon the first instance. The City will not grant a “second chance” for violations of the covenants.

**Section 4. 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 Effective 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.

Declarant

By: \_\_\_\_\_ **STEP 8**

STATE OF OREGON )  
 ) ss.  
 County of Multnomah )

**STEP 8:** Enter the legal name or names of the property owners.

**STEP 9**

**STEP 9:** The notary will complete this step.

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_.

\_\_\_\_\_  
 Notary Public of Oregon  
 My Commission Expires: \_\_\_\_\_