

**PORTLAND HOUSING BUREAU (PHB)
SYSTEM DEVELOPMENT CHARGE (SDC) EXEMPTION
AFFORDABLE RENTAL HOUSING PROGRAM**

Frequently Asked Questions

What is the benefit of the SDC Exemption Program for rental projects?

The SDC Exemption Program exempts the SDCs due on a building permit for affordable rental housing units. Both for-profit and non-profit developers may use the program to reduce the cost of providing affordable housing.

How do I know how much the SDCs will be for my development?

The bureaus assessing SDCs (Water, Transportation, Parks, and Environmental Services) will determine the amount due based on the project plans (number of units, etc.) submitted to Bureau of Development Services. Information on SDCs is available [here](#).

Who determines what the amount of the exemptions will be?

PHB will work with the SDC bureaus to determine the eligible exemption amount after the SDCs have been calculated. The benefit of the exemptions varies by the number of units and depends on whether or not a project receives credits for existing infrastructural improvements to the property. Exemptions are pro-rated to exclude any portions of a project which are not affordable or residential including common areas and commercial space.

How and when do I apply for the exemptions?

Applications are submitted to PHB after the building permit application is submitted to Bureau of Development Services. PHB must approve exemptions prior to issuance of the building permit.

What are the affordability and compliance restrictions of the program?

Affordable units must be rented to tenants earning 60% or below of the [Area Median Income](#) (AMI) (MFI), as adjusted for household size and determined annually by the U.S Department of Housing and Urban Development. Monthly rents and expenses associated with occupying the affordable units (such as utilities) may not exceed 30% of the maximum monthly MFI level determined by bedroom and household size.

A project must maintain affordability for a period of 60 years for the number of exempted units. PHB will record a Regulatory Agreement on title to the property.

Tenant income and unit rents must be submitted to PHB's [Asset Management Department](#) annually for the affordable units.

What happens if I sell the development or no longer want to provide affordable units during the 60 year affordability period?

PHB needs to approve any transfers of the property to confirm program requirements will continue to be met. Projects not meeting program requirements will need to repay all charges exempted, plus interest and fees.

How do I get more information on the SDC Exemption Program?

The application and additional information is available on the PHB website at www.portlandoregon.gov/phb/sdc.