

System Development Charge Exemption Program How To Comply With A Regulatory Agreement

The property developer received an exemption from paying System Development Charges (SDC's) to the City of Portland on the condition that the property is sold to homebuyers earning 100% Median Family Income or below, adjusted for household size, and that the property is owner-occupied by the new homeowners. The property developer signed a Regulatory Agreement which was recorded in order to receive these exemptions. Homebuyers must submit documentation to confirm that they meet the criteria. When homebuyers meet the criteria, the SDC's are exempted. If the homebuyers do not qualify, the SDC's must be repaid before the Portland Development Commission (PDC) will issue a Release Agreement.

Criteria:

- Homebuyer: 100% Median Family Income or below, adjusted for household size
- Property must be owner-occupied - not used as a rental or investment property

Process Steps:

1. Buyer to complete and submit Homeowner Compliance Verification Form (available at www.pdc.us/sdc) to PDC Program Administrator. PDC must have a complete Homeowner Verification Compliance Form and supplemental income documentation (as listed on the form) to process compliance verification.
2. PDC will fax a Demand Statement to the escrow officer closing the transaction showing whether or not the homebuyers qualify and if any repayments are due from the builder at closing. Please note: The Amount Exempted in the Regulatory Agreement is an estimate only; do not use this figure to calculate repayments. Only a Demand Statement from PDC will list the correct repayment amount.
3. Escrow will comply with the Demand Statement by collecting and paying any repayment amounts due and holding funds to record the Release Agreement after closing.
4. After PDC receives proof of repayments paid to the city bureaus and the property has sold to the verified homebuyers, PDC will send the Release Agreement to escrow to be recorded.

**SDC Administrator
Portland Development Commission
222 NW Fifth Avenue
Portland, OR 97209**

**(503) 823-3270 Phone
(503) 865-3737 Fax
indirect@pdc.us Email
www.pdc.us/sdc Web Page**

