



Systems Development Charge (SDC) Guidelines for Regulated Affordable Housing Exemptions

OVERVIEW

Tigard Municipal Code (TMC) Subsection 3.24.100.D. allows for exemption of city transportation and park Systems Development Charges (SDCs) for regulated affordable housing.

The Regulated Affordable Housing SDC Exemption Program is managed jointly by the Community Development Department and Finance and Information Services Department. The program allows for the exemption of only city transportation and park SDCs for regulated affordable housing units located within the City of Tigard. Other SDCs for water, sanitary sewer, and stormwater systems, if the development is subject to these charges, are NOT exempt under this program.

Regulated affordable housing is defined in TMC Section 3.24.030 as housing that is made affordable through public subsidies or statutory regulations that restrict or limit resident income levels or rents. To be considered regulated affordable housing, units must:

1. Have a local, state, or federal compliance agreement or contract;
2. Be affordable to households at or below 80% median family income as defined annually by Housing and Urban Development (HUD) for the Portland-Vancouver Metropolitan Statistical Area (MSA); and
3. Remain regulated affordable housing units for a minimum of 20 years from the date of occupancy.

ELIGIBILITY REQUIREMENTS

To be eligible for the Regulated Affordable Housing SDC Exemption Program, the proposed development must:

- Be located within the City of Tigard;
- Meet regulated affordable housing definition and considerations as stated in TMC Section 3.24.030;
- Have submitted a building permit application;
- Enter into a local, state, or federal compliance agreement or contract that, at minimum, specifies the number of units that will be affordable for at least 20 years and how the entity(ies) will monitor compliance;
- Record a restrictive covenant that states that the specified number of units will remain regulated affordable housing for a minimum of 20 years from the date of occupancy; and
- Submit a complete System Development Charge (SDC) Exemption Application for Regulated Affordable Housing.

APPLICATION SUBMITTAL REQUIREMENTS

To apply for exemption, prior to the City's issuance of the building permit, the applicant must submit the following:

- Completed [System Development Charge \(SDC\) Exemption Application for Regulated Affordable Housing](#)
- Proof of property ownership (copy of property deed or title report)
- Legal description of the property

- Plat map
- A copy of the compliance agreement or contract with local, state, or federal entity(ies)
- A separate application must be submitted for each building permit.

It is the applicant's sole responsibility to ensure that the application for the SDC exemption is submitted and approved before the payment of all SDCs is due to the City, pursuant to TMC Section 3.24.080. In accordance with TMC Subsection 3.24.080.B, the City may not issue a building permit or allow connection to the City's systems until either all SDCs have been paid in full or an exemption has been granted.

All materials must be submitted before the application will be reviewed. Contact the SDC Administrator at 503-718-2662 or SDC@tigard-or.gov with any questions regarding the application process.

CITY PROCESS

Approval

Once an application is approved, the City will provide the property owner/owner's representative with a *Compliance Agreement, Declaration of Restrictive Covenants and Equitable Servitude* that will include the amount of the SDC exemption(s) and a restriction that the units will remain regulated affordable housing units for a minimum of 20 years from the date of occupancy. This document must be executed by both parties. The applicant must record this document with Washington County prior to the City's issuance of a building permit. A copy of the recorded document must be submitted to the City. This restriction will bind the property through transfers of ownership.

Denial

If the application is not approved, the applicant will receive a denial letter stating the reason the application was denied. The denial letter will also list any remedies that the applicant may take to allow the application to be resubmitted for another review.

Disqualifying Event

In the event the property or a portion of the property for which an exemption is granted ceases to be utilized for regulated affordable housing before the minimum 20-year requirement, the SDC Exemption will automatically be revoked and the exempted SDCs will be immediately due and payable, plus interest. Interest will be charged from the date of issuance of occupancy permits to the payment date at the rate stated in the City's fees and charges schedule. If no rate is set, then the interest on the exempted amount will default to prime rate as published by the Wall Street Journal at the date of occupancy plus four percent. The City may also withhold issuance of building or development permits for the applicant until all repayments for a revoked exemption have been made in full.

Compliance

The City of Tigard reserves the right to request copies of compliance or monitoring reports completed by funder(s) or auditor(s) that show the applicant continues to comply with the 20-year occupancy requirement for regulated affordable housing.