



**ACCESSORY DWELLING UNIT  
SYSTEM DEVELOPMENT CHARGE REDUCTION  
REQUEST FORM**

To be eligible for Accessory Dwelling Unit (ADU) System Development Charge (SDC) fee reduction, this request form must be submitted with the Building Permit Application.

To qualify for ADU SDC fee reduction, the homeowner agrees to (1) restrict use of the ADU as a short-term rental (renting to overnight guests for fewer than 30 consecutive days) for a period of 10 years from the City's acceptance of application; (2) execute a Restrictive Covenant, record it with Jackson County at homeowner/applicant expense, and file it with the City prior to issuance of a permit; and (3) report rents annually to the City and certify that the ADU was not used as a short-term rental. A sample of the required Restrictive Covenant is attached hereto. The Restrictive Covenant explains what you must do to remain in compliance and avoid repayment of the SDCs, so CAREFULLY REVIEW THE DOCUMENT BEFORE SIGNING IT and feel free to consult with your attorney.

To request ADU SDC fee reduction, complete the information below. To assure the Restrictive Covenant has the correct legal description, attach a copy of the deed for the real property on which the ADU will be located. SDC fees will be calculated during permit review and you will be sent the Restrictive Covenant form via email. The Restrictive Covenant must be signed by the property owner, notarized and returned to the Planning Department for processing. The requestor will receive a copy of the fully executed covenant.

Any changes to the permit could alter the Systems Development Charges.

Property Owner Name:

Date:

\_\_\_\_\_

\_\_\_\_\_

Mailing Address:

\_\_\_\_\_

Email Address:

Phone Number:

\_\_\_\_\_

\_\_\_\_\_

Property Address:

Map and Tax Lot:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Property Owner signature

\_\_\_\_\_  
Property Owner Signature  
(if jointly owned, all owners must sign)

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

**AFTER RECORDING  
RETURN TO:  
City of Medford  
411 W. 8<sup>th</sup> Street  
Medford, OR 97501**

SPACE ABOVE FOR RECORDER'S USE

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**CITY OF MEDFORD, OREGON**

**COMPLIANCE AGREEMENT, DECLARATION OF RESTRICTIVE COVENANTS  
AND EQUITABLE SERVITUDE**

**SDC EXEMPTION FOR ACCESSORY DWELLING UNIT**

THIS COMPLIANCE AGREEMENT, DECLARATION OF RESTRICTIVE COVENANTS AND EQUITABLE SERVITUDE (the "Agreement") is made and entered into this [DAY] day of [MONTH], 20[YEAR], by and between [NAME OF GRANTOR] (the "Grantor") and the City of Medford, Oregon (the "City").

**PURPOSE**

City desires to exempt the construction of an Accessory Dwelling Unit ("ADU") located at [STREET ADDRESS(ES)], Medford, Oregon, and approved through Building Permit No. [PERMIT NO.] (the "Project"), from payment of City of Medford Parks, Sewer Collection, Storm Drain and Street system development charges ("SDCs") pursuant to Medford Municipal Code (the "Exemption"). The legal description of the property on which the Project is located is set forth in Exhibit A, which is attached hereto and incorporated herein by reference (the "Property"). The SDCs exempted for eligible Project units are shown on Exhibit B.

Grantor desires to receive the exemption, to satisfy the conditions thereof, and to execute and record this Agreement for the purpose, in part, of creating restrictive covenants and an equitable servitude that shall run with the Property and bind any and all subsequent owners of the Property or Project for the term of this Agreement.

**AGREEMENT**

**SECTION 1. REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE GRANTOR CONCERNING USE OF THE ACCESSORY DWELLING UNIT.** Grantor hereby represents, covenants, warrants, and agrees that Grantor will not use the ADU on the Property as a short-term rental, as defined in Medford Municipal Code ("MMC") Section(s) 3.817(3)(D) (Streets SDC) 3.837(3)(d) (Sewer Collection SDC), 3.873(5)(d) (Parks SDC) and 3.892(1)(d) (Storm Drainage SDC), for a period of 10 years (the "Exemption Period") from the date the application for exemption is approved by the City ("Exemption Date"). The Exemption Date for this Agreement is [INSERT DATE]. For the purposes of this Agreement, posting a listing of the Project ADU on a short-term

rental website, or other publication, is prima facie evidence that the Grantor, or Grantor's successors in title, have violated this use restriction.

**SECTION 2. COVENANTS TO RUN WITH THE LAND; EQUITABLE SERVITUDE.** Grantor represents, covenants, warrants and agrees that:

- a. City is granting the Exemption to Grantor as an inducement to Grantor to construct and operate the Project in accordance with the terms of this Agreement. In consideration of the receipt of the Exemption, Grantor has entered into this Agreement with City and has agreed to restrict the use of the Project during the Exemption Period as set forth in this Agreement.
- b. The representations, covenants, and restrictions granted by Grantor therein with respect to the Project shall be deemed restrictive covenants running with the Property and shall also be deemed an equitable servitude running with the Property in favor of and enforceable by City. These restrictive covenants and equitable servitude shall pass to and be binding upon Grantor's successors in title including any purchaser, grantee, or lessee of any portion of the Project, shall pass to and be binding upon the respective heirs, executors, administrators, devisees, successors, and assigns of Grantor or any purchaser, grantee, or lessee of any portion of the Project and shall pass to and be binding upon any other person or entity having any right, title, or interest in the Project. Each and every contract, deed, or other instrument hereafter executed covering or conveying the Project, or any portion thereof or interest therein, shall contain an express provision making such conveyance subject to the covenants, restrictions, and charges contained herein; provided, however, that any such contract, deed, or instrument shall conclusively be held to have been executed, delivered, and accepted subject to such covenants, restrictions and charges, regardless of whether or not such covenants, restrictions and charges are set forth or incorporated by reference in such contract, deed, or instrument.

**SECTION 3. BURDEN AND BENEFIT.** The parties hereby declare their understanding and intent that the burdens and benefits of the covenants, restrictions, and charges set forth herein touch and concern the Property and Project and that Grantor's legal interest in the Property and Project may be rendered less valuable thereby. The parties further declare their understanding and intent that the benefits of such covenants, restrictions, and charges touch and concern the Property and Project by enhancing and increasing the enjoyment and use of the owners and tenants of the development, the intended beneficiaries of such covenants, restrictions, and charges and by furthering the public purposes for which the Exemption is granted.

**SECTION 4. COMPLIANCE.** The Parties hereby agree that Grantor, if requested by City, will provide certification, under penalty of perjury and in a format approved by City in its sole discretion, that Grantor or Grantor's successors in title are fulfilling their obligations under this Agreement.

**SECTION 5. TERM OF AGREEMENT.** The parties agree that this Agreement and the restrictive covenants and equitable servitude created hereunder become effective upon execution of this Agreement and will remain in full force and effect for a 10-year Exemption Period, ending on [INSERT DATE], unless earlier terminated under the provisions of this Section 5 or Section 6. Notwithstanding any other provision of this Agreement, this Agreement will terminate and be of no further force and effect in the event of a completed foreclosure by the primary financing lender or by a lender to whom City has subordinated this Agreement, or their successors or assigns, or in the event of a delivery by Grantor of a deed for the Project to the primary financing lender in lieu of foreclosure, or to a lender to whom City has subordinated this Agreement, or their successors or assigns.

**SECTION 6. TERMINATION.** City may terminate this Agreement, without further liability, upon 30 days' notice and opportunity to cure. Notwithstanding termination, City may pursue any remedy provided for in Section 7. If Grantor fails to perform or breaches any of the terms of this Agreement; or immediately and without notice and opportunity to cure if City loses the authority to grant the exemption, as determined by its counsel or otherwise as lacking the authority to administer the exemption, or fails to receive or loses necessary funding, appropriations, limitations, or other expenditure or position authority sufficient to carry out the terms of this Agreement.

**SECTION 7. REMEDIES.** If Grantor or Grantor's successors in title default in the performance or observance of any covenant, agreement, or obligation set forth in this Agreement, and if such default remains uncured for a period of 30 days after the notice thereof has been given by City to Grantor, then City, at its option, may take any one or more of the following steps:

- a. Terminate the Exemption of the Project or a portion thereof, in which case the SDC's exempted herein shall be immediately due and payable to City in the amounts shown on Exhibit B, along with interest accruing from the Exemption Date at the rate of nine percent (9%) per annum calculated monthly. City may, in addition to an action to collect SDC's due, withhold issuance of building or development permits until the Exemption amount, plus accrued interest, is paid in full. If Grantor, or Grantor's successors in title, fail to pay the SDC's, with accrued interest, within 30 days of City's final determination to terminate the Exemption, the SDCs will be deemed delinquent and will accrue interest from that due date at the rate of eighteen percent (18%) per annum simple interest, as set forth in MMC section 3.470(2). The City Recorder shall have the authority to adjust the rate under the circumstances set forth in Section 3.470(2). The restriction prohibiting use of the ADU on the Property as a short-term rental as provided in Section 1 of this Agreement shall remain in effect until either the end of the 10-year exemption period or the SDC's and all accrued interest are fully paid, whichever first occurs.
- b. Take such other action under this Agreement, at law, or in equity as may appear necessary or desirable to the City to enforce the covenants, agreements, warranties, and obligations of the Grantor hereunder.
- c. City's Planning Director shall determine whether Grantor or Grantor's successors in title have defaulted in the performance or observance of any covenant, agreement, or obligation set forth in this Agreement. The decision made by the Planning Director pursuant to this section is subject to the appeal procedures set forth in MMC section 1.025, Uniform Appeal and Hearing Procedure.

No waiver or delay in enforcing the provisions hereof as to any breach or violation shall impair, damage, or waive the right of any person entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times.

**SECTION 8. RECORDING AND FILING.** Within 10 days of the date of this agreement, Grantor shall cause this Agreement and all amendments and supplements hereto to be recorded and filed in the real property records of Jackson County and in such other places as the City may reasonably request. Grantor shall pay all fees and charges incurred in connection with any recording. Grantor shall provide the original recorded document within 10 days of the date of recording.

**SECTION 9. GOVERNING LAW; VENUE.** This Agreement shall be governed by the laws of the State of Oregon. The Circuit Court of Jackson County, State of Oregon, or to the degree necessary, the U.S. District

Court for the District of Oregon, shall have exclusive jurisdiction over any action brought by or against the City under this Agreement. Grantor hereby consents to such exclusive jurisdiction and waives any and all objections it might have thereto.

**SECTION 10. AUTHORITY.** Grantor hereby represents, warrants, and certifies that:

- a. It possesses legal authority to apply for and accept the terms and conditions of the exemption and to carry out the proposed Project;
- b. Its governing body, if any, has duly authorized the filing of the application, including all understandings and assurances contained therein;
- c. The person identified as the official representative of Grantor in the application is duly authorized to act in connection therewith and to provide such additional information as may be required. Grantor's official representative has sufficient authority to make all certifications on its behalf;
- d. This Agreement does not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or administrative agency applicable to Grantor or any provision of Grantor's organic laws or documents;
- e. This Agreement has been duly executed by an official representative of Grantor, delivered by Grantor, and will constitute the legal, valid, and binding obligations of Grantor, enforceable in accordance with their terms.

**SECTION 11. AMENDMENTS.** This Agreement may be amended only by a written instrument executed by the parties hereto or by their successors and duly recorded in the real property records of Jackson County.

**SECTION 12. SEVERABILITY.** If any provision of this Agreement shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

**SECTION 13. CONSTRUCTION AND INTENDED BENEFICIARIES.**

- a. The parties to this Agreement acknowledge that each party and its counsel have participated in the drafting and revision of this Agreement. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment, modification, supplement, or restatement of the foregoing or of any exhibit to this Agreement.
- b. Grantor, Grantor's successors in title and City are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement provides, is intended to provide, or may be construed to provide any direct or indirect benefit or right to any third persons.

**SECTION 14. NO LIMITATIONS ON ACTIONS OF CITY IN EXERCISE OF ITS GOVERNMENTAL POWERS.** Nothing in this Agreement is intended, nor shall it be construed, to in any way limit the actions of City in the exercise of its governmental powers. It is the express intention of the parties hereto that City shall retain the full right and ability to exercise its governmental powers with respect to Grantor, the Project, the Property, and the transactions contemplated by this Agreement to the same extent as if it were not a party to this Agreement or the transactions contemplated thereby, and in no event shall City have any liability in contract arising under this Agreement by virtue of any exercise of its governmental powers.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

**GRANTOR:**

**CITY:**

[FULL NAME(S)]

CITY OF MEDFORD, an Oregon municipal corporation

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

City Manager

By: \_\_\_\_\_

Name: \_\_\_\_\_

STATE OF \_\_\_\_\_ )

) ss:

County of \_\_\_\_\_ )

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

\_\_\_\_\_  
Notary Public for the State of \_\_\_\_\_

My commission expires: \_\_\_\_\_

STATE OF OREGON )

) ss:

County of Jackson )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
by \_\_\_\_\_, City Manager of the City of Medford.

\_\_\_\_\_  
Notary Public for the State of Oregon

My commission expires: \_\_\_\_\_

EXHIBIT A

LEGAL DESCRIPTION OF THE PROJECT

<ADDRESS>

<PERMIT NO>

SAMPLE

EXHIBIT B

SCHEDULE OF SDCs EXEMPTED  
 <PERMIT NO>

<b>System</b>	<b>SDC Reduction Program Value</b>	<b>HOF Supplement Value</b>	<b>Total Exemption Amount</b>
Parks	\$	\$	\$
Sanitary Sewer Collection	\$	\$	\$
Streets	\$	\$	\$
Storm Drain	\$	\$	\$
Sanitary Sewer Treatment*	\$	\$	\$
Planning BP Surcharge	\$ 0.00	\$ 200.00	\$ 200.00
<b>Total Exemption</b>			<b>\$</b>

This SDC exemption is granted to the units located at the property address(es) listed below:

Primary Single Family Residence Address:  
 ADU Address(es):

\*NOTE: The Sanitary Sewer Treatment fee is not City-assessed and not reduced by this program; however, this fee will be paid by the Housing Opportunity Fund until funds are exhausted or the program expires, whichever occurs first.