



WHAT IS THE PROGRAM ?

The Accessory Dwelling Unit (ADU) System Development Charge (SDC) Reduction program is designed to save property owners money and encourage building ADUs.

City-assessed SDC charges will be reduced for new ADU building permits through June 30, 2024.



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PLANNING DEPARTMENT



ACCESSORY DWELLING UNIT SYSTEM DEVELOPMENT CHARGE REDUCTION PROGRAM



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WHAT IS AN ADU ?

The Medford Land Development Code (MLDC) defines Accessory Dwelling Units (ADUs) as a "...detached or attached dwelling unit that is additional and auxiliary to a single-family dwelling, and is on the same tax lot." Common names for ADUs include in-law suite, accessory apartment or second unit.

For a full list of the standards, see Medford Municipal Code Chapter 10 (referred to as MLDC) Section 10.821.

[medford.municipal.codes/Code/10.821](https://www.medford.municipal.codes/Code/10.821)

WHY REDUCE FEES ?

The City of Medford wants to encourage development of new ADUs to provide an affordable housing alternative to lower income households.

THE PROGRAM

City-assessed System Development Charge (SDC) fees will be reduced by 50%. This includes fees for Transportation, Sanitary Sewer Collection, Stormwater, and Parks; it does not include Sanitary Sewer Treatment.

There's more! After the SDC fees are reduced by 50%, the City's Housing Opportunity Fund will pick up the remaining 50%, including the Sanitary Sewer Treatment fee.

The program applies to new ADU building permits only; existing ADUs do not qualify.

HOW DO I QUALIFY ?

To qualify for ADU SDC fee reduction, the property owner must agree to:

- Not use 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 the application;
- Execute a Restrictive Covenant, record it with Jackson County at your expense, and file it with the City prior to issuance of permit; and
- Report rents annually to the City and certify that the ADU was not used as a short-term rental.

WHAT HAPPENS IF I DEFAULT ?

If the property owner defaults, payment of the equivalent to the reduced SDC fees with accrued interest will be due in full. If not paid within 60 days, an 18% interest charge will be applied effective at the end of the month in which the payment is due.



ABOUT SUPPLEMENTAL FUNDING

City Council allocated supplemental funding for the remaining SDC fees after the 50% reduction.

The supplemental funding is available until June 30, 2024, or until funds are exhausted, whichever occurs first.

HOW TO APPLY

An ADU SDC Reduction Request form and a copy of property deed must be submitted with your building permit application. The form along with a sample covenant can be downloaded from the City website: https://www.medfordoregon.gov/files/assets/public/planning/documents/adu/adu-sdc-reduction-req_sample-covenant.pdf

Be sure to include your email address on the request form; this is how we will communicate and guide you through the process.

BOTTOM LINE

If requirements and conditions are met, property owners will not pay City-assessed SDCs—\$0—for any new permits submitted during the duration of this program.

REFERENCE

Medford Municipal Code Sections 3.816, 3.817, 3.837, 3.840, 3.873, and 3.892