211 Second Street | Hood River, OR 97031 | 541-386-1488 | www.cityofhoodriver.gov

CITY COUNCIL

September 22, 2025

COUNCIL MEMBERS

Paul Blackburn
Mayor

Gladys Rivera
President

Anna Cavaleri
Councilor

Amanda Goeke
Councilor

Ben Mitchell
Councilor

Grant Polson
Councilor

Doug Stepina
Councilor

MEETING AGENDA 6:00 p.m.

I. CALL TO ORDER – Cell Phone Reminder
A. Land Acknowledgement Statement
B. Pledge of Allegiance

II. AGENDA ADDITIONS OR CORRECTIONS

III. BUSINESS FROM THE AUDIENCE

Hood River City Council encourages community members to talk about issues important to them. If you wish to speak during "Business from the Audience" there are three options to choose from:

- If you wish to speak during "Business from the Audience", and you are attending the meeting in person, please sign up when you arrive at the meeting by printing your name, contact information and topic/item on the sheet provided by the City Recorder.
- Submit written comments to the City Recorder at j.gray@cityofhoodriver.gov by Monday, September 22, 2025, no later than 12 noon in order to distribute to the City Council in one packet for review by 3pm. All comments will be added to the record.
- To address Council during Business for the Audience by Zoom, send an email (name of speaker and topic) to j.gray@cityofhoodriver.gov by Monday, September 22, 2025, no later than 12 noon. Please specify the topic your testimony addresses. Testimony will go in order of requests received. Attendees that have pre-registered will be given a Zoom link. The speaker will be promoted by the City Recorder to address Council. Audio and video to be turned on for 3 minutes to address Council.

At the Mayors discretion, public comments may be received prior to a specific topic of relevance during the meeting. Please observe the time limit of three minutes/person.

IV. PRESENTATIONS

1. Police Department Space Needs Assessment – Police Chief Neal Holste — Pages 3-17

V. PUBLIC HEARINGS

VI. CONSENT AGENDA

1. Employee Policy Handbook, Sandy Galvez — Pages 18-21
2. OLCC Permit Application Approval – Porron Cellars, LLC — Pages 22-23

VII. ACTION ITEMS

1. Planning Commission Appointments, Dustin Nilsen — Pages 24-30
2. Utility Fund Financing, Resolution 2025-20 to Borrow Funds, Chris Longinetti — Pages 31-60
3. Resolutions for the Purpose of Establishing an Official Compensation Package, Abigail Elder — Pages 61-88
4. Transportation Network Companies Fee Schedule, Chris Longinetti — Pages 89-92

VIII. DISCUSSION ITEMS

1. General Obligation Bond Planning – Prior Capital Planning Engagement, Will Norris — Pages 93-117
2. Development Code Update (Phase 2) – Module 3, Kevin Liburdy Pages — Pages 118-123
3. Communications re: Immigration and Customs Enforcement, Abigail Elder — Pages 124

IX. CITY RECORDER

X. CITY MANAGER COMMENTS

XI. COMMITTEE REPORTS

XII. MAYOR COMMENTS

XIII. COUNCIL COMMENTS

XIV. EXECUTIVE SESSION

Oregon Law permits public bodies to meet in executive session to discuss specific matters which are not open to the public. Final actions or decisions on these matters will be made during the open meeting.

Oregon Revised Statute 192.660 1 (h) To consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

Under the provisions of the Oregon Public Meetings Law, the proceedings of this executive session are for background information only for media attending and not for publication or broadcast.

XV. ADJOURN

All public meeting locations are accessible. If you will need special accommodations to attend a meeting contact the City Recorder no later than 24 hours in advance of the meeting at j.gray@cityofhoodriver.gov, (541) 387-5212. Oregon Relay Service 1-800-735-2900

If you are needing translation services at the meeting, no later than 24-hour notice is required to make accommodations. Call (541) 387-5212

Si necesita servicios de traducción en la reunión, se requiere un aviso de minimo 24 horas de anticipación para hacer las adaptaciones. llamar (541) 387-5212

The City of Hood River Council meetings can now be viewed live on YouTube. See link to connect to live meetings: https://cityofhoodriver.gov/administration/public-meeting-upcoming-and-archived-videos/

The recording of the meeting will be posted shortly after the meeting on the City's website. Please check the City's website for the most current schedule of City public meetings. https://cityofhoodriver.gov/administration/meetings/

CITY OF HOOD RIVER CITY COUNCIL

DATE: September 22, 2025

TO: Honorable Mayor Paul Blackburn and City Council

FROM: Police Chief Neal Holste

SUBJECT: Police Department Space Needs Assessment – Concept Presentation

CITY COUNCIL GOAL:

- ☐ Equitable and Diverse Housing Inventory
- ☐ Equitable and Inclusive Community
- ☒ Well-Maintained and Safe Community
- ☐ Efficient and Safe Transportation System for all users
- ☒ Environmentally Sustainable and Resilient Community
- ☐ Adequate Parks and Open Space
- ☒ Healthy Organization

BACKGROUND:
The City of Hood River has no record of its Police Department occupying a purpose-built facility. Historically, operations have been housed in shared or leased spaces, with the department relocating to the basement of City Hall in 2010. At that time, the move was described as temporary and not expected to exceed five years.

The current space is undersized, outdated, and lacks critical functionalities required for modern policing. Deficiencies include the absence of ventilated evidence processing, emergency power, a sally port, training areas, secure interview rooms, and dedicated victim support spaces.

In 2018, the City Council prioritized a goal for a Police Department Space Needs Analysis. Mackenzie Architecture was selected to perform the initial assessment, which resulted in a final space program of 13,178 sq. ft. and subsequent site evaluations in 2020. Although the Columbia Lot ranked highest, the Council delayed moving forward in order to explore potential for a joint City/County public safety facility. While discussions with Hood River County initially showed interest, the County ultimately pursued its own broader facilities planning effort.

In 2024, the City budgeted $15,000 for potential participation in a County-led study or improvements to the existing department space. When the County clarified its intent to consolidate all County services into a single building, the City chose not to participate and instead pursued a facility needs assessment focused on the existing police department location.

In early 2025, three proposals were received from McKenzie, FFA Architecture & Interiors, and Jeff Dellis Architect, Inc. After review, FFA Architecture & Interiors was selected to complete the assessment within the City's budget. Over the past several months, FFA has worked closely with staff to evaluate current conditions and identify improvement concepts.

DISCUSSION: John Pete & Ian Gelbrich from FFA Architecture & Interiors will present a concept plan for enhancing the existing Police Department facility. The presentation will include:

- An overview of current deficiencies and operational challenges.
- Conceptual design solutions for modernization and functional improvements.
- Considerations for cost, phasing, and feasibility.

As part of tonight's presentation, FFA will also introduce a concept to add a second story above the existing single-story building, creating additional space for City Hall operations.

STAFF RECOMMENDATION: Listen to the presentation and provide feedback, including whether staff should continue work to address facility improvements for the Police Department, and if City Hall space should be included.

SUGGESTED MOTION: None

ALTERNATIVES: None

FISCAL IMPACT: None

ATTACHMENTS:
FFA Architecture & Interiors Presentation

HOOD RIVER POLICE DEPARTMENT

2025.09.22 City Council Presentation



Agenda

Current Facility Deficiencies
Design Review
Project Cost Overview
Construction Cost Index
Cost Estimate Summary

CURRENT FACILITY DEFICIENCIES

Basement of a 100-year-old Building

- Facility lacks security and ballistic protection for staff.
- Inadequate ventilation for evidence, kitchen, and operations.
- Water is not potable.
- Deficient acoustics for recording and sound transmission.

Operational Challenges

- Public spaces for report taking and interviews lack privacy.
- Insufficient evidence processing and storage.
- Undersized spaces for patrol and records operations.
- Missing meeting rooms, training space, and locker rooms.

CURRENT FACILITY DEFICIENCIES

Resiliency

- No backup power.
- Facility does not meet essential facility requirements.

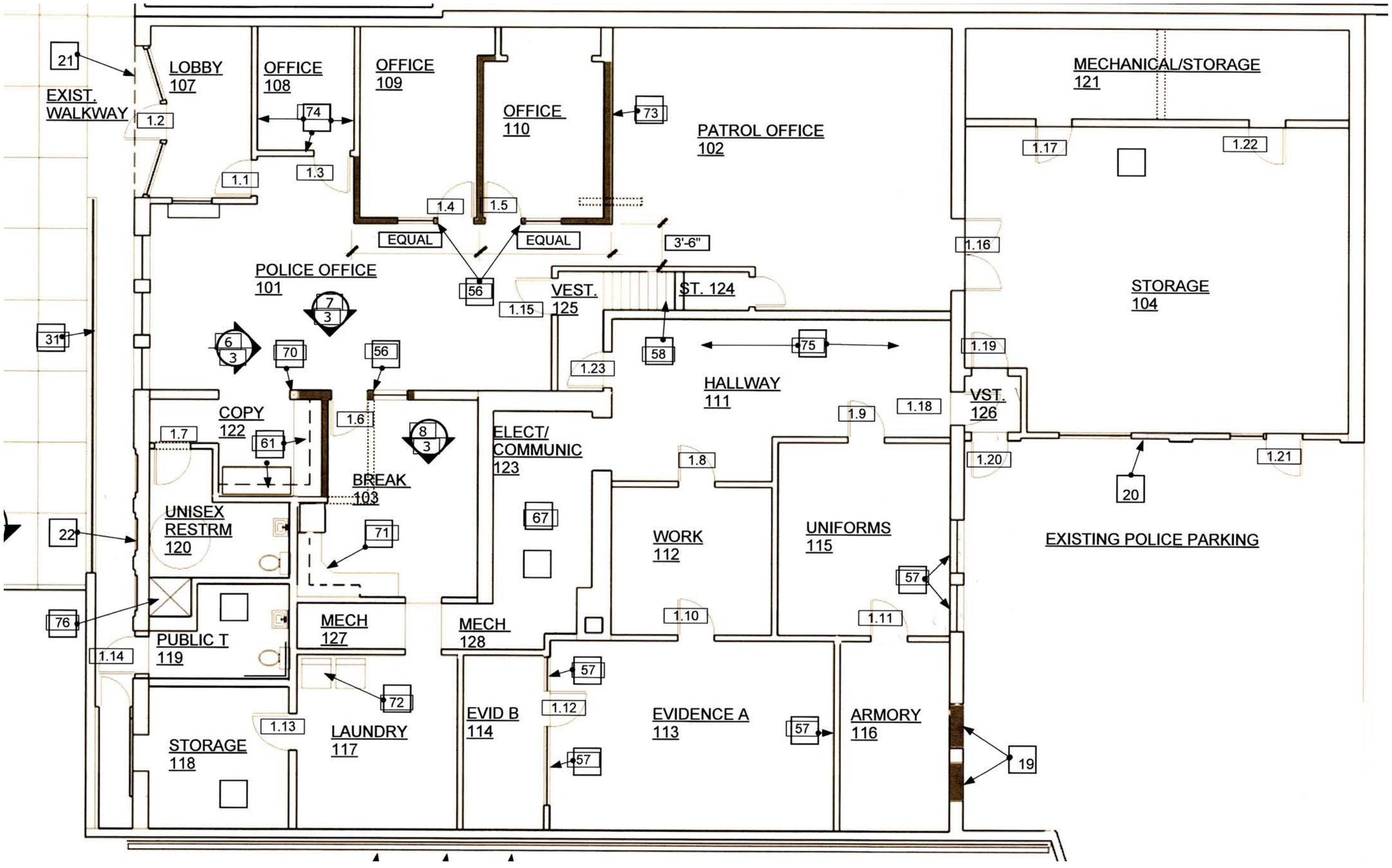
Site Concerns

- Site security, lighting, and drainage challenges.
- Uncovered and unsecure driveway.

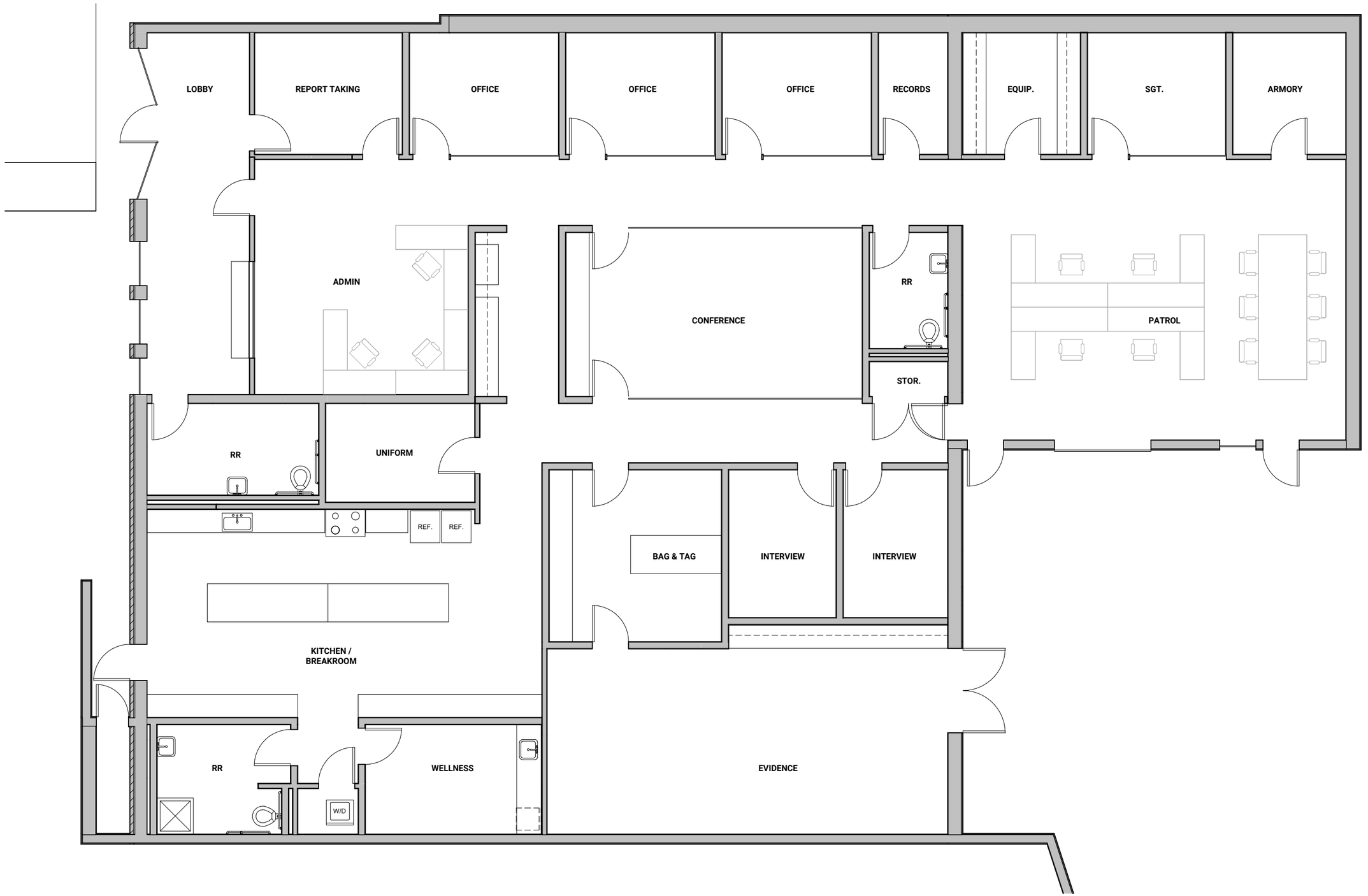
City Hall Considerations

- Requirement to relocate displaced city hall services to 2nd floor (records, vault storage, break area, etc.).
- Option to add space for city hall meetings and for staff who are doubled-up.

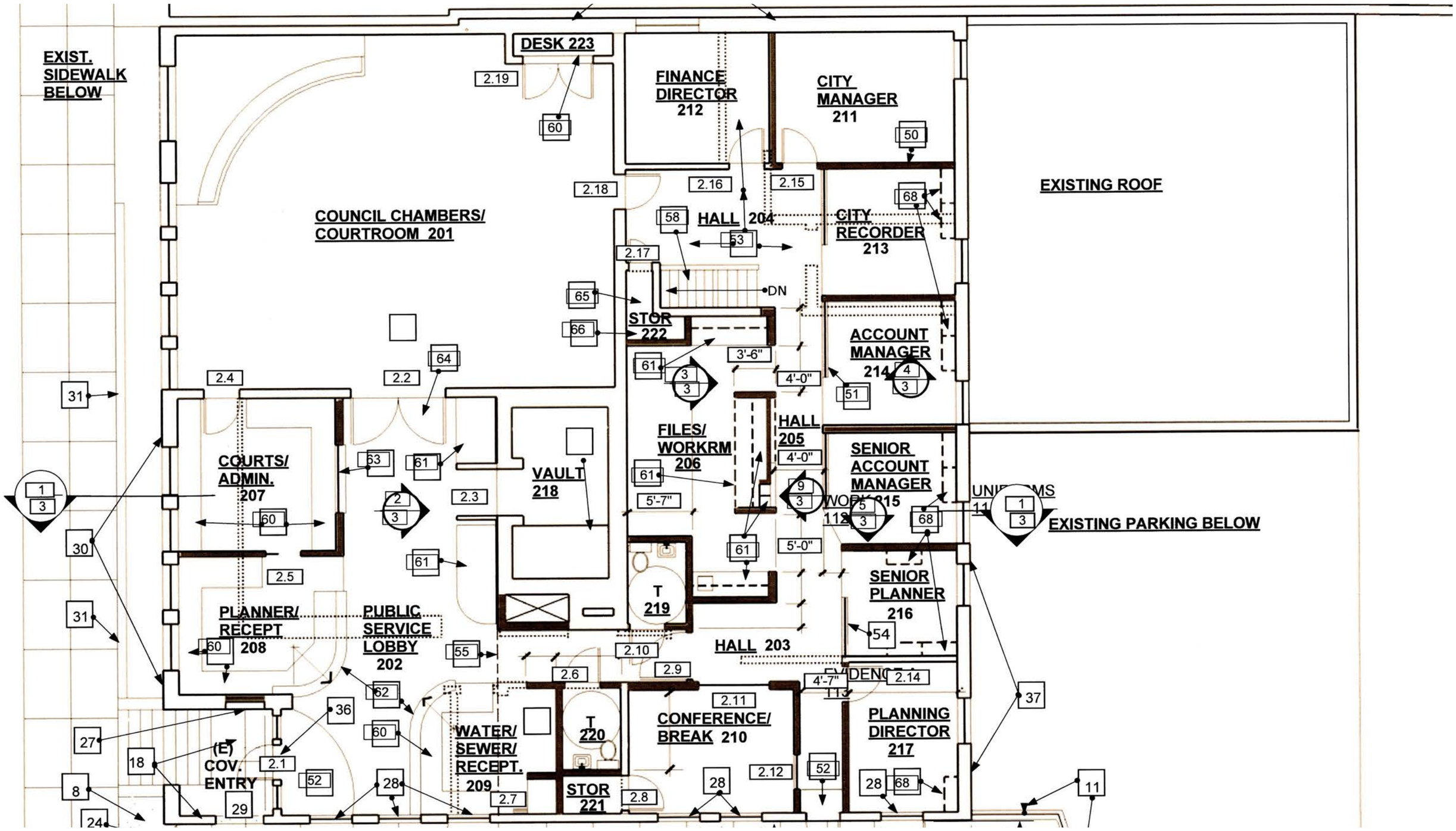
EXISTING FIRST FLOOR PLAN



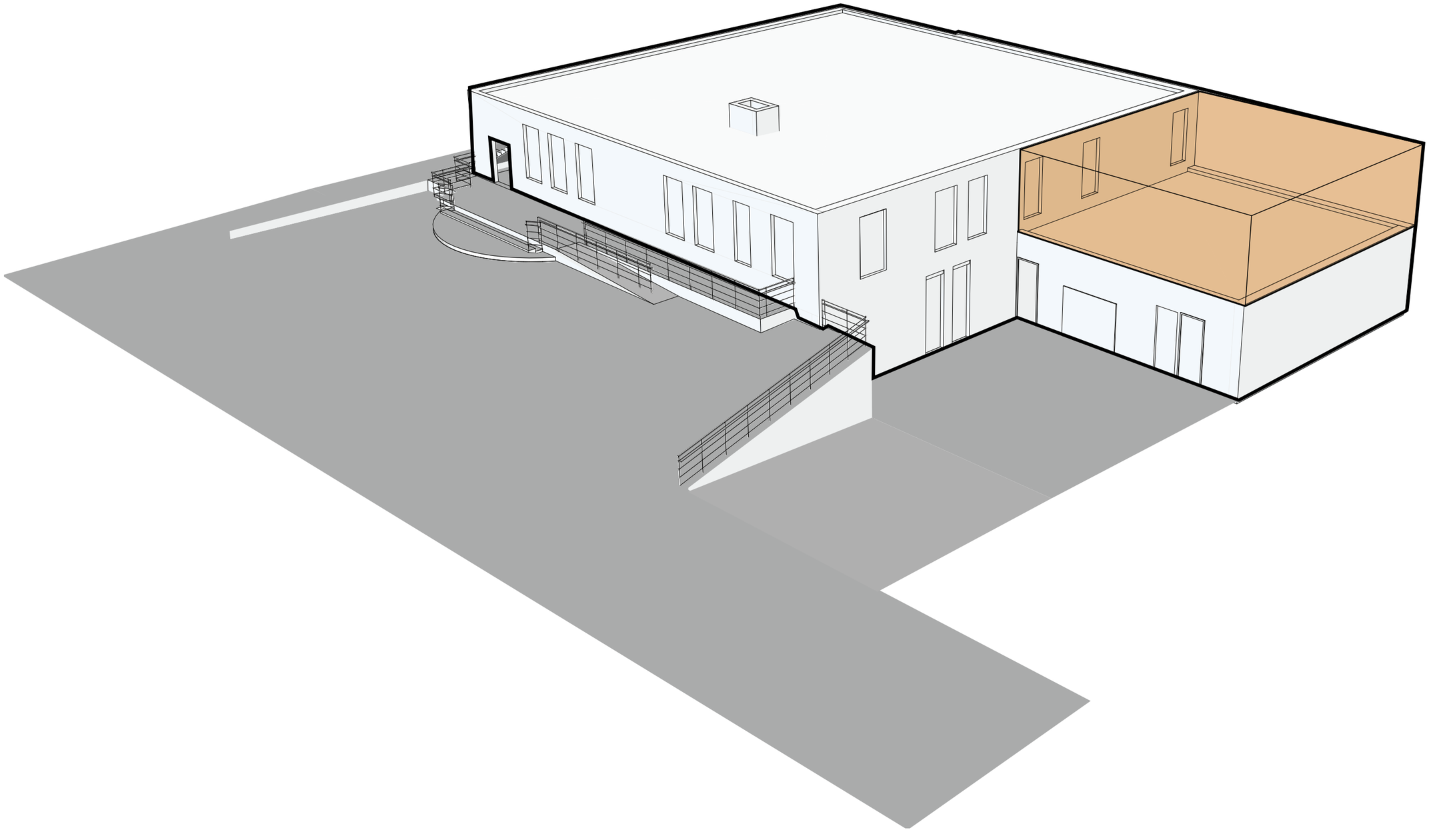
NEW POLICE DEPARTMENT FLOOR PLAN



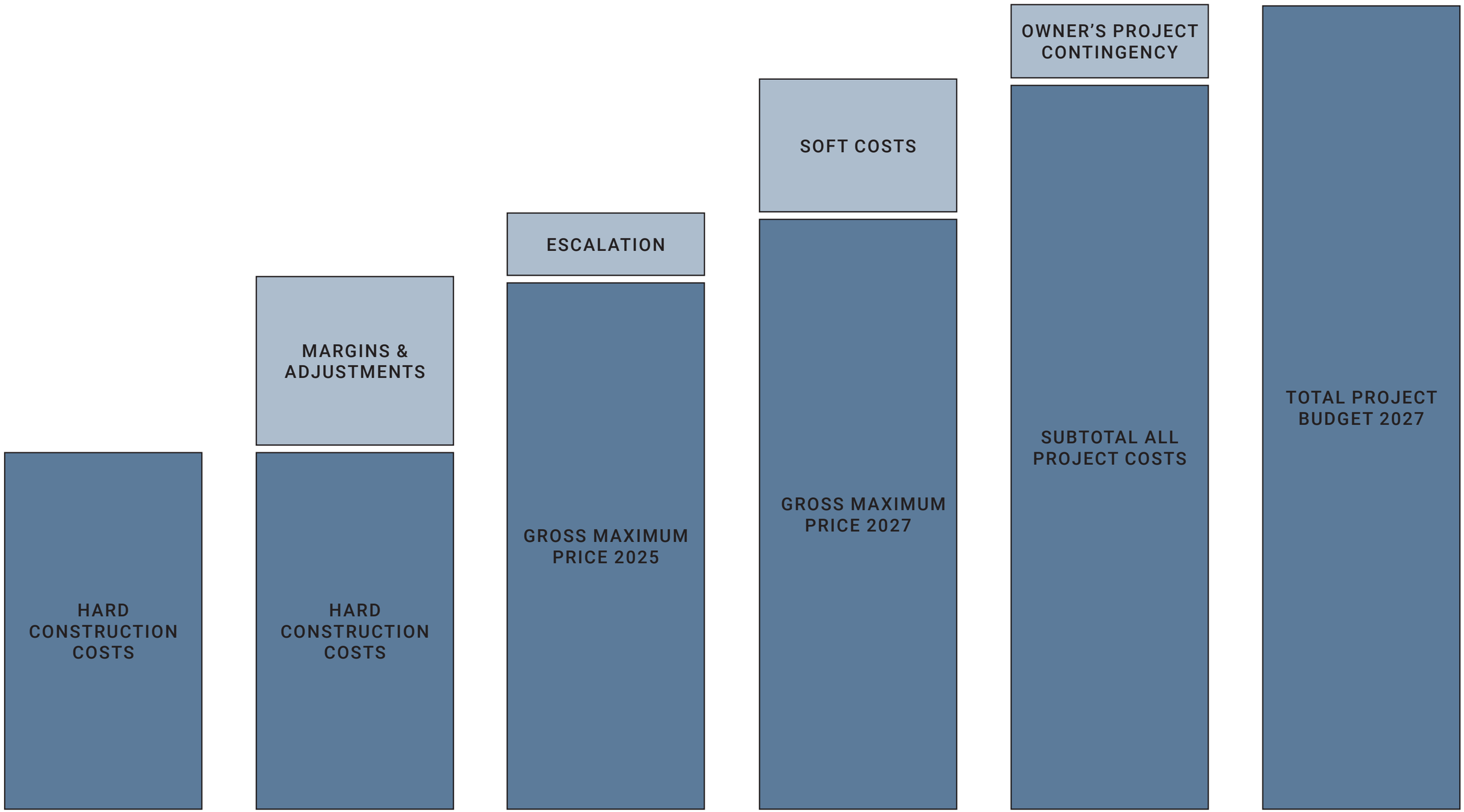
EXISTING SECOND FLOOR PLAN



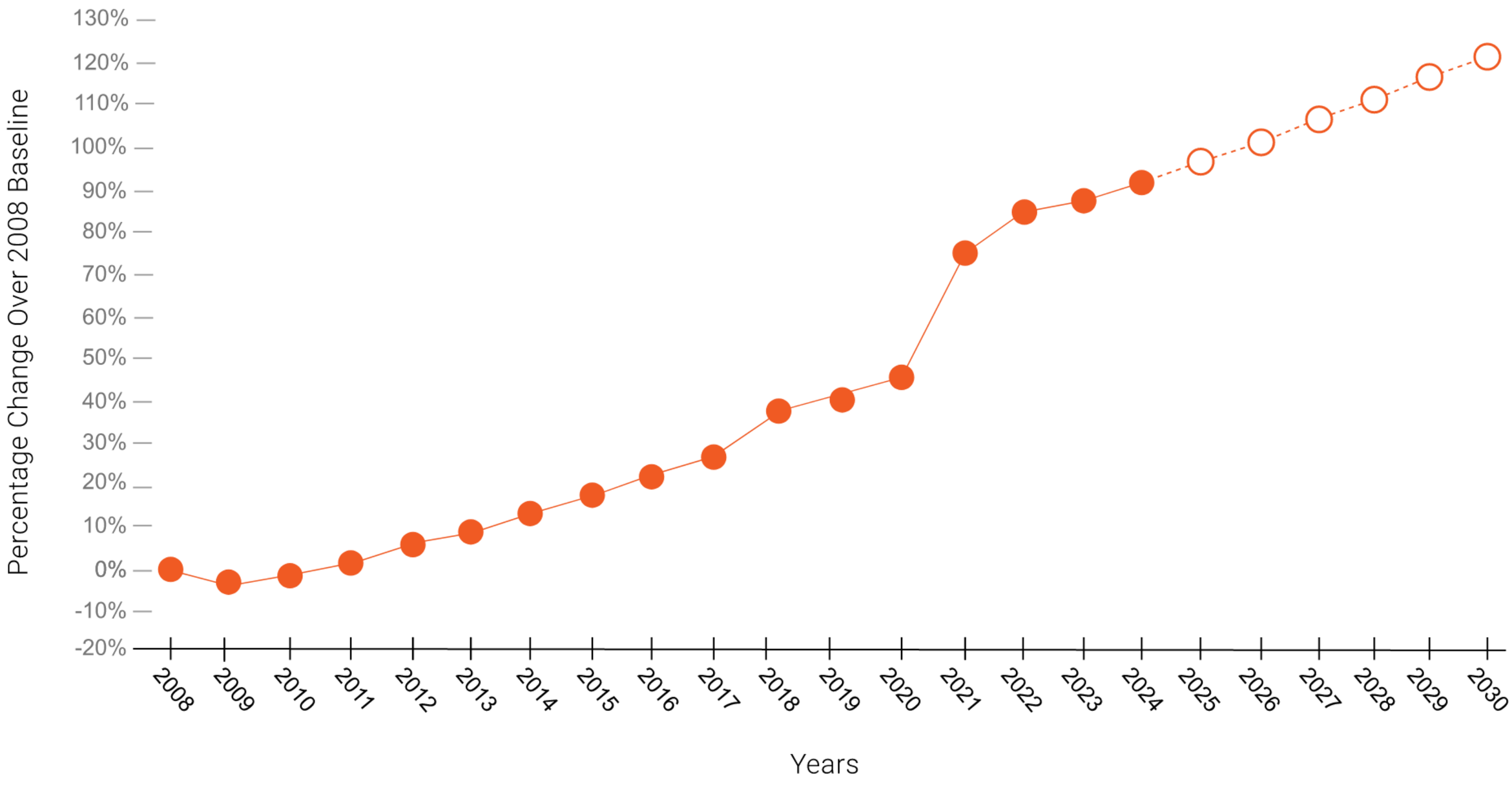
NEW CITY HALL ADDITION



PROJECT COSTS SUMMARY



MORTENSON CONSTRUCTION COST INDEX



COST ESTIMATE SUMMARY

Existing Building Demo	$241,186
Seismic Strengthening	$665,086
First Floor Improvements / PD Construction	$3,018,115
New City Hall Addition	$1,221,831
Site Improvements	$196,620
Gross Maximum Price (GMP) Total	**$5,342,838**
Escalation to Q1 2027 (7%)	$373,998
Soft Costs (32%)	$1,829,388
Owner Contingency (15%)	$1,131,934
Total Project Budget	**$8,678,158**

TOTAL PROJECT BUDGET BREAKDOWN

Existing Building Demo	$391,749
Seismic Strengthening	$1,080,273
First Floor Improvements / PD Construction	$4,902,203
New City Hall Addition	$1,984,572
Site Improvements	$319,361
Total Project Budget	**$8,678,158**

Next Steps

CITY OF HOOD RIVER CITY COUNCIL

DATE: September 22, 2025

TO: Honorable Mayor Paul Blackburn and City Council

FROM: Sandy Galvez, Human Resources Manager

SUBJECT: Employee Policy Handbook

CITY COUNCIL GOAL:

- ☐ Equitable and Diverse Housing Inventory
- ☐ Equitable and Inclusive Community
- ☐ Well-Maintained and Safe Community
- ☐ Efficient and Safe Transportation System for all users
- ☐ Environmentally Sustainable and Resilient Community
- ☐ Adequate Parks and Open Space
- ☒ Healthy Organization

BACKGROUND: Fair and balanced rules are necessary for risk management and to attract and keep excellent employees. The City of Hood River provides an Employee Handbook to document policies, outline expectations, and ensure awareness of employee rights, benefits, and responsibilities.
The last time a complete comprehensive update was made to the City of Hood River Personnel Policy Manual for its employees took place in December 2017.

As time has progressed along with numerous complex legal changes, this manual became increasingly cumbersome, out of date, and in some cases out of compliance with state and federal laws. The Handbook has been updated multiple times to reflect changes in practice or in state or federal laws, particularly around paid leaves.

DISCUSSION: The new edition of the personnel handbook is a complete overhaul of the handbook, with much of the language modeled on the City/County Insurance Services (CIS) template for local governments. The City's labor attorney consulted on some sections of the handbook.

The new handbook is a collection of standalone policies instead of a running document. It is anticipated that this new format will ensure that future revisions to individual policies will be less cumbersome and easier to track when they are updated or need review.

Proposed policies are shared with the City's unions before they are considered by City Council. The Hood River Police Association, Hood River Public Works Association and Fire Fighters IAFF Local 3256 received a copy of the proposed handbook on August 20, 2025. IAFF and Police Association acknowledged receipt on August 21, 2025 and the Public Works Associations acknowledged receipt on September 8, 2025.

STAFF RECOMMENDATION: Staff recommends adoption of Resolution 2025-26 to adopt a new employee handbook and delegate to the City Manager the authority to administer and interpret the provisions of the handbook.

SUGGESTED MOTION: “I move to adopt adoption of Resolution 2025-26 to adopt a new employee handbook and delegate to the City Manager the authority to administer and interpret the provisions of the handbook. “

ALTERNATIVES: Not approve the Resolution and provide other direction to staff.

FISCAL IMPACT: None

ATTACHMENTS:
1. Resolution 2025-26

2. Exhibit A: City of Hood River Employee Handbook, 2025 Edition
See **September 22, 2025 Meeting Packet Part 2** on City of Hood River website for document https://cityofhoodriver.gov/administration/meetings/

City of Hood River, Oregon

Resolution No. 2025-26

A RESOLUTION ADOPTING A CITY EMPLOYEE HANDBOOK AND DELEGATING TO THE CITY MANAGER THE AUTHORITY AND DUTY TO ADMINISTER AND INTERPRET THE PROVISIONS OF EMPLOYEE HANDBOOK

WHEREAS, the City of Hood River desires to have clearly documented policies, procedures, expectations and administration of employee rights, benefits, and responsibilities; and

WHEREAS, the current City Employee Handbook was last substantially revised in 2017, had been amended multiple times, and does not fully reflect current law or policy; and

WHEREAS, the proposed new handbook has been prepared to ensure compliance with federal and state laws; and

WHEREAS, a draft copy of the proposed handbook has been reviewed by City/County Insurance Services (CIS), staff leadership, Hood River Police Association, Hood River Public Works Association and Fire Fighters IAFF Local 3256; and

THEREFORE, BE IT RESOLVED by Hood River City Council as follows:

1. The City of Hood River Employee Handbook, attached as Exhibit A, is hereby adopted as the official policy and procedures manual for all current and future employees.
2. The 2017 Employee Handbook and related policies are hereby repealed as of the effective date of this handbook.
3. The City Manager is delegated responsibility to administer and interpret the provisions of the Employee Handbook and may issue clarifications or minor administrative updates as needed, consistent with the law.

Approved and Effective this 22nd of September 2025 by the Hood River City Council.

_____

Paul Blackburn, Mayor

Attest:

Jennifer Gray, City Recorder

Approved as to form:

Daniel Kearns, City Attorney

OREGON LIQUOR & CANNABIS COMMISSION

Local Government Recommendation – Liquor License

Annual Liquor License Types	
Off-Premises Sales	Brewery-Public House
Limited On-Premises Sales	Brewery
Full On-Premises, Caterer	Distillery
Full On-Premises, Commercial	Grower Sales Privilege
Full On-Premises, For Profit Private Club	Winery
Full On-Premises, Non Profit Private Club	Wholesale Malt Beverage & Wine
Full On-Premises, Other Public Location	Warehouse
Full On-Premises, Public Passenger Carrier	

Section 1 – Submission – To be completed by Applicant:

License Information

Legal Entity/Individual Applicant Name(s): Porron Cellars LLC

Proposed Trade Name: Porron Cellars LLC

Premises Address: 201 Oak Street Unit:

City: Hood River County: Hood River Zip: 97031

Application Type: (●) New License Application ( ) Change of Ownership ( ) Change of Location

License Type: Full-On Premise ☐ Additional Location for an Existing License

Application Contact Information

Contact Name: Danielle Mounts Phone: 509-310-3720

Mailing Address: 1510 Lincoln Street

City: Hood River State: OR Zip: 97031

Email Address: danielle@porroncellars.com

Business Details

Please check all that apply to your proposed business operations at this location:

☐ Manufacturing/Production

☐ Retail Off-Premises Sales

☒ Retail On-Premises Sales & Consumption

If there will be On-Premises Consumption at this location:

☐ Indoor Consumption ☐ Outdoor Consumption

☐ Proposing to Allow Minors

Section 1 continued on next page

Local Government Recommendation – Liquor License

Section 1 Continued – Submission - To be completed by Applicant:
Legal Entity/Individual Applicant Name(s): Porron Cellars LLC Proposed Trade Name: Porron Cellars LLC **IMPORTANT**: You MUST submit this form to the local government PRIOR to submitting to OLCC. Section 2 must be completed ***by the local government*** for this form to be accepted with your CAMP application.

Section 2 – Acceptance - To be completed by Local Government:
Local Government Recommendation Proof of Acceptance After accepting this form, please return a copy to the applicant with received and accepted information City or County Name: Optional Date Received Stamp Date Application Received: Received by:

Section 3 – Recommendation - To be completed by Local Government:
○ **Recommend this license be granted** ○ **Recommend this license be denied** (Please include documentation that meets OAR 845-005-0308) ○ **No Recommendation/Neutral** Name of Reviewing Official: Title: Date: Signature: After providing your recommendation and signature, please return this form to the applicant.

CITY OF HOOD RIVER CITY COUNCIL

DATE: September 22, 2025

TO: Honorable Mayor Paul Blackburn and City Council

FROM: Dustin Nilsen, Director of Planning and Zoning

SUBJECT: Planning Commission Appointments

CITY COUNCIL GOAL:

- ☒ Equitable and Diverse Housing Inventory
- ☒ Equitable and Inclusive Community
- ☐ Well-Maintained and Safe Community
- ☒ Efficient and Safe Transportation System for all users
- ☐ Environmentally Sustainable and Resilient Community
- ☐ Adequate Parks and Open Space
- ☒ Healthy Organization

BACKGROUND:
The Planning Commission is an advisory body to the City Council on matters of growth and development. The Planning Commission has a formal role in the land development process, including in the quasi-judicial review process. The Planning Commission is comprised of 7 volunteer positions with rotating terms.

The City maintains a standing advertisement and call for planning commission candidates on the website, and publishes Planning Commission opportunities on social media and in local news outlets.

Currently, there are two Planning Commission vacancies and a third position that will become vacant in October. After public advertising, three applicants responded with interest in serving, two whom are eligible under the current membership regulations. Mr. Kitts and Mr. Pope have submitted applications and were interviewed by Planning Director Dustin Nilsen, Councilor Cavaleri and Councilor Rivera. Mr. Kitts is a retired home builder and developer and remains involved in the operation of several local retail and hospitality enterprises downtown. Mr. Pope works in the technology sector and has an educational background in planning and 13 years of experience with the King County Department of Transportation.

CANDIDATE RECOMMENDATION:
Based on the response, the recommendation is to appoint Mr. Kitts and Mr. Pope to the City's Planning Commission.

SUGGESTED MOTION:
I move to appoint Mr. Kitts and Mr. Pope to the Hood River Planning Commission.

ALTERNATIVES:
The Council may choose to accept the recommendations, choose to interview the candidates, or continue advertising prior to making appointments.

ATTACHMENTS:
Michael Kitts Application
Matthew Pope Application

CITY OF HOOD RIVER
PLANNING COMMISSION
APPLICATION

The City Planning Commission is a 7-member lay body appointed by the Hood River City Council. Terms of office are for 4 years with each term beginning in October.

The Planning Commission acts as a hearing body on zoning actions including zone changes, variances and conditional uses, and makes advisory recommendations to City Council on such matters as annexations and street vacations. The Planning Commission also is responsible for developing and updating the Comprehensive Plan.

The Commission meets the first and third Monday of each month at 5:30 p.m., and additional special meetings may occur as often as twice a month. Meetings range from 1.5 to 3 hours in length, depending on the agenda. Additional time outside of meetings is required to prepare for the meetings.

Members of the Planning Commission are required to file an Annual Verified Statement of Economic Interest (SEI) with the State of Oregon. For a sample copy of the SEI, please contact the City Recorder at (541) 387-5212.

PLEASE PRINT **(if filling out electronically, use Tab Key to advance to next box)**

NAME: MIKE KITTS

ADDRESS: [redacted]

HOOD RIVER 97031

MAILING ADDRESS: [redacted]

PHONE:

CELL PHONE: [redacted]

OTHER PHONE:

EMAIL: [redacted]

OCCUPATION: partially retired, 'MIKES ICE CREAM'

1. What is your interest in Land Use Planning in the City of Hood River and its Urban Growth Area?

I would like to see the city work harder to develope entry level housing for young families and the employees (private and public) that make the town work.

2. What skills can you offer the Planning Commission?

Built well over two hundred homes in Hood River, spanning over two decades. The vast majority of the homes were for first time home buyers, teachers, nurses and public employees.

I went from raw land to finished homes so I'm very familiar with the process.

3. **Please list any other comments which would help the City Council in evaluating your skills for this position.**

See question #2.

Other issues would be my age (~~72~~).
I am in and out of town from Dec.-Feb. so would have to attend meetings remotely on occasion. Any critical meeting I would arrange to be present.

Also you can talk to almost anyone in city planning or city/county building for a reference.

Please list THREE references with contact information below (Phone number, address, email address, if applicable).

1. Jacquie & Pasquale Barone [redacted]
2. Greg Crafts [redacted]
3. Jeff Hunter [redacted]

Your signature allows the City to contact references.

CITY OF HOOD RIVER
PLANNING COMMISSION
APPLICATION

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PLEASE PRINT **(if filling out electronically, use Tab Key to advance to next box)**

NAME: Matt Pope

ADDRESS: _____

_____

MAILING ADDRESS: _____

_____

_____

PHONE: _____

CELL PHONE: _____

OTHER PHONE: _____

EMAIL: _____

OCCUPATION: VP Engineering & Data Analytics, Fair Trade USA

1. What is your interest in Land Use Planning in the City of Hood River and its Urban Growth Area?

I believe that decisions made regarding land use have a dramatic impact on the short and long term vibrancy of a community and the health and well being of its inhabitants. The focus and care given to making these decisions can't be underestimated and an effective Planning Commission is a key piece of the puzzle along with active community involvement and dedicated elected city officials, and staff.

The City of Hood River has done well thus far navigating the challenges that come from rapid growth and development, both commercial and residential, and plenty of critical decisions remain. I believe that I can apply my skills and knowledge in urban development and planning as well as in collaborative discussion and decision making and critical thinking to helping Hood River continue to grow and develop in ways that are positive and ensure that future generations enjoy the same quality of life that we do.

2. What skills can you offer the Planning Commission?

I have a degree from the University of Washington in Community, Environment and Planning, the undergraduate program housed within the College of Architecture and Urban Planning. My emphasis was on urban planning and included minors in both architecture and art history. This education, although over 20 years in the past, developed my passion for understanding and appreciating the impact that the built environment, both positive and negative, has on communities and the environment.

Although my career moved from planning to technology early on, I have never lost this passion and interest and look forward to the opportunity to apply it as a Planning Commissioner.

I have served as a board member on 2 separate non profit organizations. These experiences have developed my abilities to work collaboratively with others, listen to and seek to understand different perspectives, and reach agreement as needed to move forward.

Additionally, I worked for the King County Department of Transportation for 13 years and from that have a good sense for how local governments operate and interface effectively with their constituents.

3. Please list any other comments which would help the City Council in evaluating your skills for this position.

My deliberation and decision making process is based in developing understanding through careful study, listening and learning from others. I am considerate, even tempered and work well with a variety of people; which makes me well suited to be a representative of the City of Hood River.

Please list THREE references with contact information below (Phone number, address, email address, if applicable).

1. Heidi Breeze-Harris

2. Ashley Arai

3. Bob Gobbo

Your signature allows the City to contact references.

CITY OF HOOD RIVER CITY COUNCIL

DATE: September 22, 2025

TO: Honorable Mayor Paul Blackburn and City Council

FROM: Christopher Longinetti, Finance Director

SUBJECT: Utility Funds Financing - Resolution 2025-20 to Borrow Funds

CITY COUNCIL GOAL:

- ☐ Equitable and Diverse Housing Inventory
- ☐ Equitable and Inclusive Community
- ☒ Well-Maintained and Safe Community
- ☐ Efficient and Safe Transportation System for all users
- ☐ Environmentally Sustainable and Resilient Community
- ☐ Adequate Parks and Open Space
- ☐ Healthy Organization

BACKGROUND: The 2025-26 Adopted Budget provides a Capital Improvement Plan (CIP) in support of the Water, Sewer and Stormwater Funds and recognizes that these improvements for the fiscal year would be funded with $8.45M in commercial bank, or other lender financing, supported by utility revenues.

At this time, city staff have determined that the utility funds will need $7,500,000 of outside financing for the current fiscal year, and request Council authorization to determine the final loan amount, interest rate, payment dates, and other terms of the required financing. The authorization will include the direction to sign financing documents required to secure funding. A loan closing is targeted for October 30, 2025.

The City has engaged Piper Sandler as the loan placement agent and legal counsel is being provided by Carol McCoog of Hawkins, Delafield & Wood LLP. This combination of placement agent and legal counsel has successfully represented the City on past financings, including the last general obligation bond issued by the City. The financing team has prepared the attached Term Sheet which has been circulated for bids from participating lenders. Bids are due by 3:00PM September 29, 2025.

DISCUSSION: The City is seeking loan financing in an amount not to exceed $7,575,000. Up to $75,000 of the financing amount is allocated for closing costs. The proceeds from the authorized financing will fund certain projects identified in the Capital Improvement Plan of the 2025-26 Budget related to the water, sewer, and stormwater facilities. Anticipated projects include the final design of the Elevated Sewer Replacement, the removal and replacement of aged pipes, and improvements to the processing system at the City's wastewater treatment plant. Water system projects include the removal and replacement of lead jointed pipes and advancing projects within the City's Heights Urban Renewal District. Borrower and lender legal, and other closing costs are also to be paid from loan proceeds. Piper Sandler will be paid a flat fee of $30,000 only upon successful closing of the financing.

It is anticipated that the loan would be fully amortized over a 15-year repayment period at the best available interest rate (currently estimated at 4.15%). The financing will be "Full Faith and Credit" and will be secured by all lawfully available funds of the City, including any property taxes levied by the City. The financing will not be secured by a lien on any revenues or other property of the City. Debt service is expected to be paid from water, sewer and storm revenues; however, these revenues are not pledged to the repayment of the financing. The City desires the most flexible payment options possible but requests the loan to be prepayable, without penalty, no later than 5-years from the closing date to facilitate potential refinancing or retirement.

Loan terms will not be final until the City has reviewed submittals and selects the most favorable bid. The City reserves the right to reject any bids if none are deemed acceptable. The deadline for lender proposals is September 29, 2025. Loan closing is estimated to be October 30, 2025.

STAFF RECOMMENDATION: Approve Resolution 2025-20.

SUGGESTED MOTION: "I move that City Council adopt Resolution 2025-20 authorizing The City Manager, Finance Director or a person designated by the City Manager to select a lender to provide financing in an amount not to exceed $7,575,000 and execute a loan agreement and any related documents defining all other terms of the financing."

ALTERNATIVES: Do not approve Resolution 2025-20 and direct staff to identify alternative financing for the City's CIP projects.

FISCAL IMPACT: The 2025-26 Adopted Budget identified $8.45M in commercial bank or other lender financing which would support capital projects in the utility funds in the current fiscal year. Receipt of these loans are included in the FY2025-26 Budget in the amount of $2,000,000 in the Water Fund [600-600-38025-00000-00], $5,500,000 in the Sewer Fund [500-500-38025-00000-00], and $950,000 in the Storm Fund [695-695-38025-00000-00].

Financing costs of the proposed loan in the amount not to exceed $7,575,000 estimate an interest rate of 4.15% fully amortizing over a 15yr loan term. Based on these assumptions, calculated bi-annual debt service is $690,000 commencing September 30, 2026 (FY27), and each March and September thereafter.

Loan principal is allocated to each fund as required by the financing need for capital projects. Financial analysis indicates that each of the Water, Sewer and Stormwater Funds can adequately pay for the costs of financing from user revenue and, when combined with estimated financing requirements for future years, maintain adequate debt service coverage ratios over a 10-year forecast horizon.

ATTACHMENTS:
Financing Term Sheet Circulated September 9, 2025
Resolution 2025-20

City of Hood River

Hood River County, Oregon

Term Sheet for Full Faith and Credit Financing Agreement, Series 2025

Term Sheet Circulated: September 9, 2025

Bids Due: 3:00 p.m. PT on September 29, 2025

Closing: October 30, 2025

The attached document is being sent to you as a prospective purchaser in connection with a private placement identified by Piper Sandler & Co. Piper Sandler & Co. has not independently verified the information contained herein or otherwise made any further investigation of the bonds, the credit of the borrower and any obligor, the collateral and the bond terms. Neither Piper Sandler & Co. nor any of its affiliates, partners, officers, agents, employees or representatives makes any representation or warranty, express or implied, as to the accuracy or completeness of such information. See last page for additional disclaimers. Purchasers will be expected to complete their own due diligence if selected.

PIPER | SANDLER

No Official Statement will be prepared for this financing. By the Purchaser's acceptance of the bonds or loan, the Purchaser shall be deemed to have had access to such financial and other information concerning the City and the bonds or loan as the Purchaser deemed necessary to make an independent decision to purchase the bonds or loan, including the opportunity, at a reasonable time prior to our purchase of the bond or loan, to ask questions and receive answers concerning the City and the terms and conditions of the offering of the bonds or loan.

City of Hood River

Hood River County, Oregon

Full Faith and Credit Financing Agreement, Series 2025

PROPOSED TERM SHEET

Issuer	City of Hood River (the "City")
Issuer Description	The City, incorporated in 1895, is situated on 3.4 square miles, in northern Hood River County, Oregon, where it is the county seat. The City's 2024 population is estimated at 8,574. The City is located approximately 62 miles from downtown Portland, Oregon along Interstate 84. The City is centrally located within the Columbia River gorge and roughly 30 miles north of the ski areas located on Mount Hood. The City has a diverse and growing economy, including high-value orchards, high-tech aviation design & manufacturing, nationally known breweries/distilleries, and outdoor tourism.
Issue	Full Faith and Credit Financing Agreement, Series 2025 (the "Financing Agreement")
Amount	$7,566,000 (preliminary and subject to change)
Closing Date	October 30, 2025 (estimated)
Purpose	Proceeds will finance improvements to the City's water and sewer (wastewater) systems. Anticipated projects include the final design of the Elevated Sewer Replacement, the removal and replacement of aged pipes, and improvements to the processing system at the City's wastewater treatment plant. Water system projects include the removal and replacement of lead-jointed pipes and advancing projects within the City's Heights Business District.
Authority	Form of Resolution attached hereto. Expected to be adopted by the City Council on September 22, 2025. Oregon Revised Statutes Section 271.390.
Principal Payments	Annually on September 30 in years 2026 through and including 2040
Interest Payments	Semiannually on March 30 and September 30, beginning September 30, 2026
Interest Rate Basis	30/360 days
Structure	See attached amortization schedule
Prepayment	The City desires the most flexible prepayment options possible, but requests the loan to be prepayable at par no later than September 30, 2030.

Source of Security	The Financing Agreement will be secured by and payable from all lawfully available funds of the City, including any property taxes levied by and for the City within the restrictions of Sections 11 and 11b, Article XI of the Oregon Constitution. Pursuant to ORS 287A.315 the City will pledge its full faith and credit and taxing power to pay the Financing Agreement, and the obligation of the City to pay the Financing Agreement will not be subject to appropriation. The Financing Agreement will not be secured by a lien on any revenues or other property of the City. The Financing Agreement will not constitute a debt or indebtedness of Hood River County, the State of Oregon, or any political subdivision thereof other than the City.
Payment Source	Debt service is expected to be paid from water and wastewater revenues, however, these revenues are not pledged to the repayment of the Financing Agreement.
Tax Status	Interest payments on the Financing Agreement will be exempt from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and exempt from State of Oregon personal income taxation. Interest payments will not be treated as a preference item in calculating the federal alternative minimum tax under the Code, however, interest payments on the Financing Agreement will be included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.
Bank Qualification	The Financing Agreement **will** be designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3)(B) of the Code.
Rating	The City does **NOT** intend to apply for a rating on the Financing Agreement.

General Fund Summary[1]

Fiscal Year	Revenues	Expenditures	Other Sources/ (Uses)	Ending Fund Balance	Ending Fund Bal. as % of Rev.
2025[2]	$ 10,843,249	$ 10,431,105	$ (116,238)	$ 6,030,864	55.62%
2024	10,397,670	9,811,072	22,475	5,734,958	55.16%
2023	11,302,767	9,735,746	(648,320)	5,125,885	45.35%
2022	10,380,364	8,919,278	-	4,207,184	40.53%
2021	9,127,213	9,623,562	(411,230)	2,746,098	30.09%
2020	8,078,673	8,085,521	(83,169)	3,653,677	45.23%

(1) Audited financial statements available: https://secure.sos.state.or.us/muni/public.do.
(2) Unaudited.

FY 2026 Budget https://cityofhoodriver.gov/administration/finance-reports/

Outstanding Debt

Issue	Paid From	Date of Issue	Date of Maturity	Amount Issued or Authorized	Amount Drawn/ Outstanding[1]
Full Faith and Credit Debt:					
Waterline Phase 1 Refinance	Water Rev	11/01/17	03/24/27	$ 2,940,935	$ 588,187
Series 2020 - Rand Road Financings	Const. Excise Tax	04/08/20	12/01/29	933,300	519,356
DEQ Loan R45762	Stormwater Rev	01/20/21	02/01/44	777,045	759,267
Total Full Faith and Credit Debt:					1,866,810
Water Obligations:					
USDA Waterline Loan 91-03	Water Rev	06/20/13	06/20/53	5,000,000	4,017,744
USDA Waterline Loan 91-04	Water Rev	06/20/13	06/20/53	8,099,000	6,507,947
Total Water Obligations:					10,525,691
Wastewater Obligations:					
DEQ Loan R45761	WW Rev	06/30/15	08/01/37	1,696,102	1,139,581
USDA Sewer Revenue Bond No. 1	WW Rev	06/01/16	06/01/56	1,920,186	1,623,494
Total Wastewater Obligations:					2,763,075
Total Debt					**$ 15,155,576**

(1) As of Closing Date.

Additional Borrowing Authority

A $2.02 million loan from ODOT has been authorized and the City intends to draw funds commensurate with project expenditures. The project is administered by ODOT, and commencement is anticipated during September 2025. Debt service is expected to be paid from Road Funds. A $500,000 loan from the Mid-Columbia Economic Development District has been authorized for the Westside URA for a Middle Housing Grant program but no funds have been drawn as no projects have qualified to date. Debt service is expected to be repaid from urban renewal revenues. The City has additional loan authority of $1.15 million from OBDD which it does not intend to draw upon.

Summary of Overlapping Debt (As of August 22, 2025)

Overlapping Issuer Name	Percent Overlapping	Gross Direct Debt[1]	Net Direct Debt[2]
Port Of Hood River	45.0300%	$ 85,566	$ 85,566
Hood River Valley Parks & Rec District	44.5600%	212,663	212,663
Hood River Cty SD (Hood River)	42.6100%	23,542,885	23,542,885
Hood River County	42.6100%	698,766	0
Columbia Gorge Community College (Treaty-Oak AED)	24.6100%	3,810,352	3,537,165
		$ 28,350,232	$ 27,378,279

(1) Gross Direct Debt includes all unlimited (general obligation) and limited (full faith and credit) tax supported debt. Limited tax pension obligations are included.
(2) Net Debt is Gross Direct Debt less self-supporting limited and unlimited tax supported debt.
Source: Oregon State Treasury Debt Management Division.

Debt Ratios

M5 Market Value [1] (Fiscal Year 2025)	$ 3,499,631,093	
Estimated Population	8,574	
Per Capita Real Market Value	$ 408,168	
Debt Information	**Gross Direct Debt[2]**	**Net Direct Debt[3]**
City Direct Debt	$ 15,155,576	519,356
Overlapping Direct Debt	28,350,232	27,378,279
Total Direct Debt	$ 43,505,808	$ 27,897,635
Bonded Debt Ratios		
City Direct Debt to Real Market Value	0.43%	0.01%
Total Direct Debt to Real Market Value	1.24%	0.80%
Per Capita City Direct Debt	$ 1,768	$ 61
Per Capita Total Direct Debt	$ 5,074	$ 3,254

(1) Value represents the total Real Market Value of taxable properties, without the reduction available to specially assessed properties such as farm and forestland.
(2) Gross Direct Debt includes all debt with an unlimited (general obligation) and limited (full faith and credit) tax pledge. Limited tax pension obligations are included.
(3) Net Debt is Gross Direct Debt less any self-supporting obligations which are paid from other revenues sources.

Hood River County Tax Collection[1]

Fiscal Year	Percent Collected as of Levy Year[2]	Percent Collected as of 6/30/2025[3]
2025	98.44%	98.44%
2024	98.58%	99.29%
2023	98.51%	99.55%
2022	98.57%	99.76%
2021	97.79%	99.82%
2020	96.99%	99.89%

(1) Percentage of total tax levy collection in Hood River County. Pre-payment discounts are considered to be collected when outstanding taxes are calculated.
(2) The percentage of taxes collected in the "year of levy" represents taxes collected in a single levy year, beginning July 1 and ending June 30.
(3) The percentage of taxes show in the column represents taxes collected cumulatively from July 1 of a given levy year through June 30, 2025.

Historical Property Values for the City

Fiscal Year	M5 Real Market Value	% RMV Growth	Total Assessed Value	% Total AV Growth	Urban Renewal Excess[1]	Net Assessed Value
2025	$ 3,499,631,093	22.5%	$ 1,364,911,462	3.6%	$ 126,303,471	$ 1,238,607,991
2024	2,857,272,307	8.9%	1,317,679,018	3.5%	113,728,372	1,203,950,646
2023	2,624,781,641	20.8%	1,273,624,325	4.8%	107,581,660	1,166,042,665
2022	2,173,030,193	8.5%	1,215,628,816	3.7%	147,062,800	1,068,566,016
2021	2,002,596,153	4.8%	1,172,356,611	6.1%	- [2]	1,172,356,611
2020	1,910,490,576	---	1,105,177,395	---	194,807,312	910,370,083

(1) The City operates four urban renewal plan areas: Hood River Heights, Hood River Waterfront, Columbia Cascade and Westside.
(2) All of the active urban renewal plan areas suspended tax collections in FY 2021 to release funds to overlapping jurisdictions and assist with operations during the pandemic.

FY 2025 Major Taxpayers

The City

Taxpayer	Business/Service	Assessed Value[1]	% of Total AV	Tax[2]
WPC Hood River LLC (Trillium Engineering)	Warehouse	$ 14,592,940	1.07%	$ 218,361
Turtle Island Foods, Inc	Food Production	14,509,860	1.06%	199,500
Cascade Commons, LLC	Commercial Real Estate	13,586,680	1.00%	203,304
D M S Ranch, LLC	Ranch	13,030,860	0.95%	194,987
WPC Riverside LLC	Church/Land	12,316,380	0.90%	174,342
Port of Hood River[3]	Airport, Marine, Property Mgmt.	11,701,842	0.86%	175,063
SW 2nd and Portway	Land/Commercial Real Estate	11,570,350	0.85%	174,158
Pfriem Brewing Company	Brewery/Restaurant	11,498,530	0.84%	161,096
Hood River Center, LLC	Commercial Real Estate	11,428,540	0.84%	171,011
Nichols Hotel LLC	Hotel	9,651,110	0.71%	144,414
Subtotal - Issuer's ten largest taxpayers		123,887,092	9.08%	
All other Issuer's taxpayers		1,241,024,370	90.92%	
Total Issuer		$ 1,364,911,462		

(1) Assessed value does not exclude offsets such as urban renewal and farm tax credits.
(2) Tax amount is the total tax paid by the taxpayer within the boundaries of the City and County, respectively. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.
(3) Incorporated in 1933 to facilitate industrial development, the Port of Hood River is a quasi-public entity which provides five major facilities and public services (Bridge, Marina, Airport, Recreation, Property Development). Due to the nature of their operations, including leasing property to private companies, certain property is not exempt from taxation. The Port of Hood River owns and operates the Hood River/White Salmon Bridge, the Ken Jernstedt Airfield, John Weber Business Park in Odell, the Hood River Marina, much of the waterfront area parks and open spaces, and a portfolio of over 50 leased properties within the Port District. *Source: Port of Hood River*

The County

Taxpayer	Business/Service	Assessed Value[1]	% of Total AV	Tax[2]
Cardinal LG Company[3]	Laminated Glass Production	$ 68,820,500	2.01%	$ 873,988
Mt. Hood Meadows, Oregon, LTD.	Ski Resort	46,463,347	1.35%	471,722
Union Pacific Railroad Co	Transportation	27,061,686	0.79%	349,145
Pacificorp (PP&L)	Utility	27,208,208	0.79%	332,640
Diamond Fruit Growers Inc.	Fruit Products	42,950,480	1.25%	521,693
Northwest Natural Gas Company	Utility	17,348,000	0.51%	219,945
WPC Hood River LLC (Trillium Engineering)	Warehouse	14,592,940	0.43%	218,361
Cascade Commons, LLC	Commercial Real Estate	13,586,680	0.40%	203,304
Turtle Island Foods, Inc	Food Production	14,509,860	0.42%	199,500
D M S Ranch, LLC	Ranch	13,030,860	0.38%	194,987
Subtotal - County's ten largest taxpayers		285,572,561	8.32%	
All other County's taxpayers		3,146,613,938	91.68%	
Total County		$ 3,432,186,499		

(1) Assessed value does not exclude offsets such as urban renewal and farm tax credits.
(2) Tax amount is the total tax paid by the taxpayer within the boundaries of the City and County, respectively. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.
(3) Cardinal LG Company is a subsidiary of Cardinal Glass Industries a manufacturer of residential glass for windows in doors. Cardinal LG Company operates a laminated glass manufacturing plant in the County. *Source: www.cardinalcorp.com.*

Documentation — Bond Counsel to the City has prepared a form of Financing Agreement attached hereto.

Reporting Requirements — The City shall make available on the City's website or the Electronic Municipal Market Access website:

- Audited financials (within 270 days of the fiscal year end); and
- Adopted budget (within 60 days of adoption or amendment).

Acknowledgements — By submitting a proposal the potential Purchaser acknowledges that: (a) no official statement is being prepared; (b) it has undertaken an independent review of the credit and been provided with all information necessary; (c) it intends to hold the Financing Agreement until maturity and does not intend to resell; and (d) it will sign and deliver an Investor letter in substantially the form attached to the form of Financing Agreement and require any subsequent holder to also deliver an Investor letter.

No Acceleration — The Financing Agreement will not be subject to acceleration.

Undesirable Covenants — The City will look unfavorably at provisions that may increase the amount it is required to pay above and beyond the agreed upon amortization schedule, other than in the event of a payment default, or that would otherwise adversely affect the City. **Those provisions must be identified in your response.** Examples of provisions that may increase the amount the City is required to pay or otherwise adversely affect the City include yield maintenance provisions, and provisions that provide for the governing law or venue to be outside Oregon. If substantive changes are requested subsequent to the City's selection of a lender, the City reserves the option to select an alternative lender.

Placement Agent — Piper Sandler & Co., Minneapolis, MN and Portland, OR

Bond Counsel	Hawkins Delafield & Wood LLP, Portland, OR
Deadline to Submit Bid	**3:00 p.m. PT on September 29, 2025.**
Recipients of Bid	Send any questions and copies of your bid to the following parties: Placement Agent - Matt Morrell, (612) 303 6642, (matt.morrell@psc.com) - Lauren MacMillan, (503) 275-8302, (lauren.macmillan@psc.com) - Anna Felixson, (503) 275-8315, (anna.felixson@psc.com)
Bank Selection	Expected by the end of business on September 30, 2025; City reserves the right to reject any and all bids, waive any irregularities and select the bid most favorable to the City.
Closing Wires	The City desires purchaser to wire certain costs of issuance from proceeds at closing, including the fees for bond counsel, placement agent and other. Please specify in your response any restrictions your bank has on the number of closing wires.
Closing Documents	The City requests closing be facilitated using electronically transmitted closing documents.

Bid Requirements

1. **Interest Rates.** Bidders should provide an interest rate scale or fixed rate that matches the provided amortization schedule as appropriate to the option. **Please note that unless the closing date is changed, the City expects that the winning bidder will hold the interest rate quoted.** Please also provide an indication of the formulation the bidder would use to determine the interest rate should the closing date be modified. Note also that the City reserves the right to modify the amount and structure of the amortization schedule in order to maintain a level debt structure. Additionally, the City reserves the right to consider an interest rate that is not locked in upon submission of your bid, but which is rather set to float to an index that will be locked between submission and closing, if desirable to meet the City's financing goals.
2. **Fees.** Indicate the maximum amount of fees and charges that the bidder would impose, including origination fees, bank legal fees and etc. Please also indicate which legal counsel the Bank intends to use, if any. Evaluation of the bids will utilize the maximums provided here.
3. **Covenants.** Indicate any covenants you would require in the documents. See "Undesirable Covenants" above.
4. **Legal Documents.** Indicate your willingness to use the attached Financing Agreement and/or other legal documents prepared by the City's Bond Counsel. If there are particular documents you need or wish to use, please provide sample(s) of those documents.

Preliminary Amortization Schedule [(1)]:

Maturity (September 30)	Amount
2026	$ 249,000
2027	393,000
2028	410,000
2029	428,000
2030	446,000
2031	465,000
2032	484,000
2033	505,000
2034	526,000
2035	548,000
2036	572,000
2037	596,000
2038	621,000
2039	648,000
2040	675,000
	$ 7,566,000

(1) Preliminary; subject to change. Estimated Average Life of 8.82 years.

The amortization schedule may change based on the final interest rate obtained in order to achieve an aggregate level debt service structure.

The attached document is being sent to you as a prospective purchaser or lender in connection with a private placement or loan opportunity identified by Piper Sandler & Co. or its affiliate. Piper Sandler & Co. and its affiliates have not independently verified the information contained herein or otherwise made any further investigation of the loan, the credit of the borrower and any obligor, the collateral and the loan terms. Neither Piper Sandler & Co. nor any of its affiliates, partners, officers, agents, employees or representatives makes any representation or warranty, express or implied, as to the accuracy or completeness of such information. All references to financial information of the borrower, any obligor or the collateral shall not be considered as applicable for any period after the date they are referenced, unless expressly stated otherwise.

In addition to the attached document, you as prospective purchaser will be provided with or granted access to all of the available financial and other information requested and deemed by you to be necessary to enable you to make an independent and informed judgment with respect to the collateral, the borrower and any obligor and their credit and the desirability of purchasing an interest in the prospective financing. You as prospective purchaser agree to make a complete examination of all loan documents and approve of the form and content of the same prior to your funding and you agree that Piper Sandler & Co. and its affiliates shall have no responsibility to perform and have not independently performed an examination of or approved the loan documents or any specific loan terms and shall not have any duty to inspect the collateral or the books and records of borrower or any obligor.

By accepting this package and considering becoming a prospective purchaser, you hereby represent that you have the sophistication and knowledge required to evaluate the loan, the credit of the borrower and any obligor, the collateral and the loan terms and that you will make your own independent credit analysis and decision to purchase your interest in the loan based upon your own independent examination and evaluation of the loan transaction and the information you have deemed appropriate, without reliance on Piper Sandler & Co. or its affiliates, its directors, officers, employees, attorneys or agents.

You acknowledge and understand that Piper Sandler is required to obtain a CUSIP for the instrument described herein and apply for DTC eligibility unless you are a: (i) bank, any entity directly or indirectly controlled by a bank, or under common control with a bank (other than a dealer registered under the Exchange Act), or a consortium of such entities; (ii) a municipal entity purchasing municipal securities using funds that are at least in part proceeds of the Purchaser's issuance of other municipal obligations, or municipal securities being purchased are used to fully or partially secure or pay the Purchaser's issue of municipal obligations; and (iii) you make the following representation a part of an investor letter to be executed in substantially the form attached to this term sheet: "the Purchaser is purchasing the Financing Agreement solely for its own account for investment purposes only, with a present intent to hold the securities until maturity, early redemption or mandatory tender, and not with a view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of Purchaser's property will remain at all times within its control).

This document may contain statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements may be identifiable by the words such as "may," "will," "should," "plans," "expects," "anticipates, "estimates," "believes," "budget," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause actual results, performance, or achievements described to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. We therefore caution against placing substantial reliance on such forward-looking statements. All forward-looking statements included within any document are made only as of the date such document is labeled current. The City does not expect or intend to issue any updates or revisions to those forward-looking statements.

Piper Sandler & Co., its affiliates, directors, officers, employees, attorneys or agents make no representations or warranties, express or implied as to the business wisdom or propriety of purchasing an interest in the loan, compliance with any lending or regulatory requirements, the credit worthiness of the borrowers or any obligor and the value and security of the collateral or with respect to the solvency, condition (financial or other) or future condition (financial or other) of borrower, any obligor, or the collateral securing any loan or for the due execution, legality, validity, enforceability, genuineness, sufficiency or collectability of the collateral or any loan document relative thereto. Piper Sandler & Co. and its affiliates shall not be responsible for the performance or observance of any of the terms, covenants or conditions of the loan documents.

FORM OF FINANCING AGREEMENT

FORM OF

FULL FAITH AND CREDIT FINANCING AGREEMENT

$[Principal Amount]
City of Hood River, Oregon
Full Faith and Credit Financing Agreement
Series 2025

This Full Faith and Credit Financing Agreement is entered into between the City of Hood River, Oregon (the "Borrower") and [Name of Bank] (the "Lender") as of [Date of Closing], 2025.

1. Definitions.

For purposes of this Financing Agreement, the following capitalized terms shall have the following meanings, unless the context clearly requires otherwise:

"Banking Day" means any day except a Saturday, a Sunday or any other day on which commercial banks in Oregon are authorized or required by law to close.

"Bond Counsel" means Hawkins Delafield & Wood LLP.

"Borrower" means City of Hood River, in Hood River County, Oregon.

"Borrower Official" means City Manager or Finance Director or a person designated by the City Manager to act as City Official under the Resolution.

"Closing Date" means [Date of Closing], 2025.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Event of Default" means the occurrence of any of the following: (i) a failure to pay within 10 days after the due date thereof any principal or interest that is required to be paid under this Financing Agreement; (ii) a final determination by the Internal Revenue Service that interest on this Financing Agreement is includable in gross income under the Code because of actions or omissions of the Borrower; or (iii) a failure by the Borrower to comply with any of its obligations or to perform any of its duties under this Financing Agreement, other than a failure described in clauses (i) or (ii) of this definition, which failure continues and is not cured for a period of more than 60 days after the Lender has made written demand on the Borrower to cure such failure.

"Financing Agreement" means this Full Faith and Credit Financing Agreement, Series 2025.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or as otherwise defined by Oregon law.

"Government Obligations" means direct obligations of the United States, or obligations the principal of and interest on which are fully and unconditionally guaranteed by the United States of America.

"Interest Rate" means a fixed annual interest rate of _____ percent (_____%) per annum, calculated on a [30/360 day] basis.

"Lender" means [Name of Bank], or its successors.

"Maturity Date" means _____, 20__.

"Outstanding Balance" means, at any time, the Principal Amount, less the sum of all principal repayments which have been received by the Lender.

"Principal Amount" means $[Principal Amount].

"Project" means the Projects defined in the Resolution.

"Resolution" means the Borrower's Resolution No. [___] adopted on September 22, 2025, authorizing this Financing Agreement.

2. Loan.

2.1. The Lender shall advance the Principal Amount to the Borrower on the date of this Financing Agreement.

2.2. The Outstanding Balance shall bear interest at the Interest Rate from the date of this Financing Agreement. Interest is payable semiannually on [_____] and [____] of each year, commencing [_____, 2025].

2.3. The Borrower shall repay the Principal Amount in the following installments on the following dates:

Payment Date Principal

2.4. All unpaid principal, plus accrued interest, shall be paid no later than the Maturity Date.

3. Prepayment.

3.1. [To be determined.]

3.2. [Prepayments by the Borrower to the Lender shall be applied first, to pay accrued interest on the principal amount that is prepaid, and second to reduce the Outstanding Balance.]

3.3. [The Lender will apply the prepayments to the final payments or pro rata as directed by the Borrower. The Lender will provide the updated payment schedule promptly to the Borrower.]

4. Security for Financing Agreement.

Pursuant to ORS 287A.315, the Borrower hereby pledges its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the amounts due to the Lender under this Financing Agreement. The Borrower shall pay the amounts due under this Financing Agreement from any and all of its legally available funds. This pledge of the Borrower's full faith and credit and taxing power shall not entitle the Lender to any lien on, or pledge of, specific properties or revenues of the Borrower.

5. Accounting and Billing.

The Lender shall provide the Borrower with a written accounting of all payments and other transactions relating to this Financing Agreement semi-annually. The Lender shall send the Borrower a bill for the amount due on each Financing Agreement payment date not later than seven Banking Days prior to that payment date.

6. Use of Financing Agreement Proceeds.

The Borrower shall apply the amount it receives under this Financing Agreement to finance the Projects and to pay costs related to this Financing Agreement.

7. Tax-Exemption.

7.1. The Borrower agrees to comply with all representations and covenants in the Tax Certificate for this Financing Agreement. The Borrower further covenants for the benefit of the Lender to comply with all provisions of the Code which are required for interest paid pursuant to this Financing Agreement to be excluded from gross income for federal income tax purposes.

7.2. The Borrower has designated this Financing Agreement as a qualified tax-exempt obligation under Section 265(b) of the Code.

7.3. Interest paid pursuant to this Financing Agreement is exempt from State of Oregon personal income taxes.

8. Representations of the Borrower.

By executing this Financing Agreement in the space provided below, the Borrower represents to the Lender that:

8.1. The Borrower is duly created and existing under the laws of the State of Oregon, has all necessary power and authority to enter into this Financing Agreement and perform its duties under this Financing Agreement.

8.2. The adoption of the Resolution, the execution of this Financing Agreement and the performance of the Borrower's obligations under this Financing Agreement does not conflict in any material respect with, or constitute on the part of the Borrower a material breach of or default under, any law, charter provision, court decree, administrative

regulation, resolution or other agreement or instrument to which the Borrower is a party or by which it is bound.

8.3. There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency having jurisdiction over the Borrower that is pending or, to the best of the knowledge of the Borrower, is threatened against the Borrower to restrain or enjoin the execution of this Financing Agreement, the adoption of the Resolution, or the collection and application of the funds as contemplated by the Resolution and this Financing Agreement, which, if such matter were adversely decided against the Borrower would, in the reasonable judgment of the Borrower, have a material and adverse effect on the ability of the Borrower to pay the amounts due under this Financing Agreement.

9. Covenants of the Borrower.

The Borrower covenants for the benefit of the Lender that while this Financing Agreement is in effect and until full payment of the Outstanding Balance and all accrued and unpaid interest and fees:

9.1. The Borrower shall make its audited annual financial statements available on the Borrower's website or the Electronic Municipal Market Access system ("EMMA") not later than 270 days after the end of each Fiscal Year. So long as not otherwise available publicly on the Borrower's website or the EMMA website, the Borrower shall provide the Lender a complete copy of its audited annual financial statements within 270 days after the end of each Fiscal Year.

9.2. The Borrower shall provide the Lender with such additional information as the Lender may reasonably request.

10. Fees, Costs and Expenses.

10.1. Lender Fees and Charges.

(a) [The Borrower will pay the Lender a loan fee of $_____.]

(b) [The Lender will not charge the Borrower any other fees or costs in connection with this Financing Agreement.]

(c) The Borrower may use proceeds of this Financing Agreement to pay the fee described in subsection (a), above.

10.2. Costs of Enforcement. If either party incurs any expenses in connection with enforcing this Financing Agreement, or if the Lender takes collection action under this Financing Agreement, the losing party shall pay to the prevailing party, on demand, the prevailing party's reasonable costs and reasonable attorneys' fees, whether at trial, on appeal or otherwise, including any allocated costs of in-house counsel.

10.3. Other Fees and Costs. The Borrower shall pay the fees and costs of Bond Counsel, and any other expenses and costs which the Borrower incurs in connection with this Financing Agreement.

11. Default.

11.1. Upon the occurrence of any Event of Default the Lender may exercise any remedy available at law or in equity. However, the amounts due from the Borrower under this Financing Agreement shall not be subject to acceleration.

11.2. All rights, powers and remedies of the Lender may be exercised at any time after the occurrence of an Event of Default, are cumulative and shall not be exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.

11.3. The Lender may waive any Event of Default, but no such waiver shall extend to a subsequent Event of Default.

12. Conditions to the Obligations of the Lender.

12.1. The Lender may refuse to advance funds under this Financing Agreement unless the Lender has received:

(a) an opinion of Bond Counsel, with a reliance letter to the Lender, to the effect that:

(i) this Financing Agreement is a valid and legally binding full faith and credit obligation of the Borrower that is enforceable against the Borrower in accordance with its terms subject to customary exceptions;

(ii) interest paid pursuant to this Financing Agreement is excludable from gross income under the Code;

(iii) the Borrower has designated this Financing Agreement as a qualified tax-exempt obligation under Section 265(b) of the Code; and

(iv) interest paid pursuant to this Financing Agreement is exempt from State of Oregon personal income tax.

(b) the certificate of a Borrower Official to the effect that:

(i) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency having jurisdiction over the Borrower that is pending or, to the best of the knowledge of the Borrower, is threatened against the Borrower to restrain or enjoin the execution of this Financing Agreement, the adoption of the Resolution, or the collection and application of the funds as contemplated by the Resolution and this Financing Agreement, which, if such matter were adversely decided against the Borrower would, in the reasonable judgment

of the Borrower, have a material and adverse effect on the ability of the Borrower to pay the amounts due under this Financing Agreement.

(ii) The adoption of the Resolution and the execution and delivery of this Financing Agreement do not and will not conflict in any material respect with or constitute on the part of the Borrower a material breach of or default under any law, charter provision, court decree, administrative regulation, resolution or other agreement or instrument to which the Borrower is a party or by which it is bound.

(c) such additional legal opinions, certificates, proceedings, instruments or other documents as the Lender, its counsel or Bond Counsel may reasonably request to evidence compliance by the Borrower with the legal requirements for execution and delivery of this Financing Agreement and the due performance or satisfaction by the Borrower of all agreements then to be performed and all conditions then to be satisfied by the Borrower.

13. Disclosure; Assignment.

13.1. No official statement or other disclosure document has been prepared in connection with this Financing Agreement and the Borrower has no obligation in connection with this Financing Agreement to provide any disclosure regarding operating information or material events to the Municipal Securities Rulemaking Board or any dissemination agent. The Borrower is obligated to provide information to the Lender in connection with this Financing Agreement only as specifically stated in this Financing Agreement.

13.2. The Lender may not assign its rights and obligations under this Financing Agreement unless the transferee delivers a lender letter in substantially the form attached hereto as Exhibit A which the Lender has also delivered on the Closing Date.

13.3. The Borrower may not assign its rights and obligations under this Financing Agreement without the prior written consent of the Lender.

14. Defeasance.

14.1. The Borrower shall be obligated to pay any Financing Agreement principal or interest payments that are defeased pursuant to this Section 14.1 solely from the money and Government Obligations deposited in escrow in accordance with this Section 14.1 with an escrow agent or independent trustee as provided in this section, and the Borrower shall have no further obligation to make those payments from any source except the amounts deposited in the escrow. This Financing Agreement shall be deemed defeased if the Borrower:

(a) irrevocably deposits money or noncallable Government Obligations in escrow with an independent trustee or escrow agent that are calculated to be sufficient for the payment of the portion of this Financing Agreement that is to be defeased without reinvestment;

(b) files with the escrow agent or trustee a verification from an independent, certified public accountant to the effect that calculation, described above, is correct; and

(a) files with the escrow agent or trustee an opinion of nationally recognized bond counsel that the proposed defeasance will not cause the interest due under this Financing Agreement to be includable in gross income under the Code.

15. Waiver of Jury Trial.

To the extent permitted by applicable law, each of the parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort, or otherwise between the parties arising out of, connected with, related to or incidental to the relationship between any of them in connection with this Financing Agreement or the transactions contemplated hereby. Instead, any such dispute resolved in court will be resolved in a bench trial without a jury.

16. Miscellaneous.

16.1. Any notices required to be given pursuant to this Financing Agreement shall be given to the following addresses:

Borrower: City of Hood River
211 2nd Street
Hood River, OR 97031
Attn: Finance Director

Lender: [Name of Bank]
_____
_____
Attn: _____

16.2. All representations, warranties, and agreements contained in this Financing Agreement shall survive the execution, delivery and payment of this Financing Agreement. This Financing Agreement shall constitute a contract between the Borrower and the Lender. The Lender's extension of credit hereunder is expressly made in reliance on such contract.

16.3. This Financing Agreement shall be governed and interpreted in accordance with the laws of the State of Oregon.

16.4. The Lender and the Borrower each irrevocably consents to the personal jurisdiction of the state and federal courts located in the State of Oregon in any action brought under this Financing Agreement, and in any action based upon the transactions encompassed by this Financing Agreement, whether or not based in contract. Venue for any actions brought in state court shall be brought only in the Circuit Court of Hood River County for the State of Oregon. If a claim is brought in a federal court, it must be brought only in the United States District Court for the District of Oregon; provided, however, that this Section shall not be construed as a waiver by the Borrower of any defense available to it regarding the jurisdiction of the federal court.

17. Severability and Waivers.

If any part of this Financing Agreement is not enforceable, the rest of this Financing Agreement may be enforced. The Lender retains all rights, even if it makes a loan after default. If the Lender waives a default, it may enforce a later default. Any consent or waiver under this Financing Agreement must be in writing.

18. Counterparts.

This Financing Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same agreement.

19. Written Agreements.

Under Oregon law, most agreements, promises and commitments made by the Lender concerning loans and other credit extensions which are not for personal, family or household purposes or secured solely by the borrower's residence must be in writing, express consideration and be signed by the lender to be enforceable.

[The remainder of this page is left blank intentionally.]

DATED as of [Date of Closing], 2025.

[Name of Bank]

By:_____
Authorized Officer

City of Hood River, Oregon

By:_____
Borrower Official

EXHIBIT A

FORM OF QUALIFIED LENDER LETTER

$[Principal Amount]
City of Hood River, Oregon
Full Faith and Credit Financing Agreement
Series 2025

The undersigned, a duly authorized representative of [Name of Bank] (the "Lender"), hereby certifies as follows with respect to the Lender's purchase of the above-captioned Financing Agreement dated [Closing Date] (the "Financing Agreement"), entered into between City of Hood River, Oregon (the "Issuer") and [Name of Bank]:

1. The Lender is an organization that falls within one of the following categories:

(a) a bank as defined in Section 3(a)(2) of the Securities Act of 1933 as amended (the "Securities Act");

(b) a savings and loan association or other institution described in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; or

(c) a "Qualified Institutional Buyer" as that term is defined in Rule l44A under the Securities Act.

2. The Lender has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the loan represented by the Financing Agreement.

3. The Lender has made its own independent and satisfactory inquiry of the financial condition of the Issuer, including inquiry into financial statements and other information relating to the financial condition of the Issuer to which a reasonable lender would attach significance in making lending decisions, and of any other matters deemed to be relevant to a reasonably informed decision to enter into the Financing Agreement.

4. The Lender has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer and the Financing Agreement, all so that as a reasonable lender the Lender has been able to make a reasonably informed decision to make a loan pursuant to the Financing Agreement.

5. The Lender confirms that its investment in the Financing Agreement constitutes an investment that is suitable for and consistent with its investment program and that the Lender is able to bear the economic risk of an investment in the Financing Agreement, including a complete loss of such investment.

6. The Lender is primarily lending under the Financing Agreement for lending purposes only (and not as an "underwriter" or "Participating Underwriter" as defined in the Securities and Exchange Commission Rule 15c2-12, as amended, replaced or supplemented) and does not presently intend to transfer, otherwise distribute or sell the Financing Agreement or any portion thereof to the general public.

7. The Lender acknowledges that the Financing Agreement (a) has not been registered under the Securities Act of 1933, as amended, and has not been registered or otherwise qualified for sale under the securities laws of any state, (b) will not be listed on any securities exchange, and (c) will carry no rating from any rating service. The Lender acknowledges that there is no established market for the Financing Agreement and that none is likely to develop. The Lender understands and acknowledges that (i) the Financing Agreement is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended and (ii) in connection with its purchase of the Financing Agreement, the Issuer has not prepared or caused to be prepared, any official statement, private placement memorandum or other offering document in connection with the Financing Agreement.

8. The Lender is purchasing the Financing Agreement solely for its own account for investment purposes only, with a present intent to hold the Financing Agreement until maturity, early redemption or mandatory tender, and not with a view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of Lender's property will remain at all times within its control).

9. The Lender has been furnished with and has examined the Financing Agreement, the Resolution and other documents, certificates and the legal opinions delivered in connection with the issuance of the Financing Agreement.

10. The Lender agrees that it will comply with any applicable state and federal securities law in effect with respect to the initial purchase of the Financing Agreement and in effect with respect to any disposition of the Financing Agreement by it, and further acknowledges that any current exemption from registration of the Financing Agreement does not affect or diminish such requirements.

11. Hawkins Delafield & Wood LLP ("Bond Counsel") and Piper Sandler and Co ("Placement Agent") will have no responsibility to the Lender for the accuracy or completeness of information obtained by the Lender from any source regarding the Issuer or its financial condition, or regarding the ability of the Issuer to pay the Financing Agreement, or the sufficiency of any security therefor. The Lender acknowledges that the Lender has assumed responsibility for obtaining such information and making such review as the Lender deemed necessary or desirable in connection with its decision to make a loan pursuant to the Financing Agreement.

12. The Lender understands that the Issuer and Bond Counsel will rely upon the accuracy and truthfulness of the representations and warranties contained herein and hereby consents to such reliance.

Dated as of [Date of Closing], 2025.

[Name of Bank]

By:_____
[Authorized Official]

[Qualified Lender Letter]

FORM OF RESOLUTION AUTHORIZING THE FINANCING AGREEMENT

RESOLUTION NO. ____

A RESOLUTION OF THE CITY OF HOOD RIVER, OREGON AUTHORIZING A FULL FAITH AND CREDIT BORROWING AND RELATED MATTERS.

WHEREAS, the City of Hood River (the "City") is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance real or personal property which the City Council (the "Council") determines is needed so long as the estimated weighted average life of the financing agreement does not exceed the estimated dollar weighted average life of the property that is financed.

WHEREAS, the City has identified a need to finance certain projects related to the water, sewer, stormwater facilities (collectively, the "Projects").

WHEREAS, the City may incur expenditures (the "Expenditures") to pay costs of the Projects prior to the issuance of the financing and the City wishes to declare its official intent to reimburse itself for any Expenditures the City may make from its own funds on the Projects from the proceeds of the financing, which may be issued in multiple series, the interest on which may be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").

THE CITY OF HOOD RIVER RESOLVES AS FOLLOWS:

Section 1. Determination of Need. The Council hereby determines that the Projects are needed.

Section 2. Authorization. The City hereby authorizes a borrowing under ORS 271.390 (the "Financing") in a principal amount of not more than $[Principal Amount]. Proceeds of the Financing shall be used to pay costs of the Projects and costs related to the Financing. The Financing may be in the form of a financing agreement, line of credit, credit facility or other structure.

Section 3. Delegation. The City Manager, Finance Director or a person designated by the City Manager to act under this Resolution (each of whom is referred to herein as a "City Official") is hereby authorized, on behalf of the City and without further action by the Council, to:

(1) Determine the final amount, interest rate, payment dates and all other terms of the Financing and execute and deliver the Financing and any related documents;

(2) Select a commercial bank or another lender to provide the Financing;

(3) Covenant to comply with all provisions of the Code which are required for the interest paid under the Financing to be excluded from gross income for federal income tax purposes, if applicable;

(4) Designate the Financing as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code, if applicable;

(5) Enter into additional covenants for the benefit of the lender of the Financing that the City Official determines are desirable to obtain favorable terms for the Financing; and

(6) Execute and deliver any other certificates or documents and take any other actions that the City Official determines are desirable to carry out this Resolution.

Section 4. Security. The obligation of the City to make payments under the Financing shall be unconditional. Pursuant to ORS 287A.315, the City Official may pledge the City's full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution, and may agree to pay the Financing from any and all of the City's legally available funds. The City is not authorized to levy additional taxes to pay the amounts due under the Financing.

Section 5. Reimbursement Declaration. The City hereby declares its official intent to reimburse itself with the proceeds of the Financing, which may be issued in multiple series, for any of the Expenditures incurred prior to the issuance of the Financing. This Resolution is adopted as official action of the City in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Expenditures of the City incurred prior to the date of issue of the Financing.

Section 6. Effective Date. This Resolution takes effect immediately upon passage.

Approved, adopted and effective this 22nd day of September, 2025.

ATTEST:	APPROVED:
_____	_____
Jennifer Gray, City Recorder	Paul Blackburn, Mayor

RESOLUTION 2025-20

A RESOLUTION OF THE CITY OF HOOD RIVER, OREGON AUTHORIZING A FULL FAITH AND CREDIT BORROWING AND RELATED MATTERS.

WHEREAS, the City of Hood River (the "City") is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance real or personal property which the City Council (the "Council") determines is needed so long as the estimated weighted average life of the financing agreement does not exceed the estimated dollar weighted average life of the property that is financed.

WHEREAS, the City has identified a need to finance certain projects related to the water, sewer, stormwater facilities (collectively, the "Projects").

WHEREAS, the City may incur expenditures (the "Expenditures") to pay costs of the Projects prior to the issuance of the financing and the City wishes to declare its official intent to reimburse itself for any Expenditures the City may make from its own funds on the Projects from the proceeds of the financing, which may be issued in multiple series, the interest on which may be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").

THE CITY OF HOOD RIVER RESOLVES AS FOLLOWS:

Section 1. Determination of Need. The Council hereby determines that the Projects are needed.

Section 2. Authorization. The City hereby authorizes a borrowing under ORS 271.390 (the "Financing") in a principal amount of not more than $7,575,000. Proceeds of the Financing shall be used to pay costs of the Projects and costs related to the Financing. The Financing may be in the form of a financing agreement, line of credit, credit facility or other structure.

Section 3. Delegation. The City Manager, Finance Director or a person designated by the City Manager to act under this Resolution (each of whom is referred to herein as a "City Official") is hereby authorized, on behalf of the City and without further action by the Council, to:

(1) Determine the final amount, interest rate, payment dates and all other terms of the Financing and execute and deliver the Financing and any related documents;

(2) Select a commercial bank or another lender to provide the Financing;

(3) Covenant to comply with all provisions of the Code which are required for the interest paid under the Financing to be excluded from gross income for federal income tax purposes, if applicable;

(4) Designate the Financing as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code, if applicable;

(5) Enter into additional covenants for the benefit of the lender of the Financing that the City Official determines are desirable to obtain favorable terms for the Financing; and

(6) Execute and deliver any other certificates or documents and take any other actions that the City Official determines are desirable to carry out this Resolution.

Section 4. Security. The obligation of the City to make payments under the Financing shall be unconditional. Pursuant to ORS 287A.315, the City Official may pledge the City's full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution, and may agree to pay the Financing from any and all of the City's legally available funds. The City is not authorized to levy additional taxes to pay the amounts due under the Financing.

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Section 6. Effective Date. This Resolution takes effect immediately upon passage.

Approved, adopted and effective this 22nd day of September, 2025.

ATTEST:

_____
Jennifer Gray, City Recorder

APPROVED:

_____
Paul Blackburn, Mayor

CITY OF HOOD RIVER CITY COUNCIL

DATE: September 22, 2025

TO: Honorable Mayor Paul Blackburn and City Council

FROM: Abigail Elder, City Manager

SUBJECT: Resolutions 2025-21, 2025-22, 2025-23, and 2025-24 for the Purpose of Establishing an Official Compensation Package for Food, Beverage and other City Provided Items

CITY COUNCIL GOAL:

- ☐ Equitable and Diverse Housing Inventory
- ☐ Equitable and Inclusive Community
- ☐ Well-Maintained and Safe Community
- ☐ Efficient and Safe Transportation System for all users
- ☐ Environmentally Sustainable and Resilient Community
- ☐ Adequate Parks and Open Space
- ☒ Healthy Organization

BACKGROUND: The Oregon Government Ethics Commission (OGEC) recently issued a letter opinion clarifying that under ORS 244.040, a local government public body, such as a city, may not provide food and beverages to its employees, elected officials, or appointed officials unless those items are expressly included as part of an individual's compensation.

This restriction includes practices such as meals provided during meetings, swearing-in ceremonies, retirement parties and other celebrations that include food and beverages, or small gifts. While not explicit, the interpretation may also apply to items such as city-logo clothing, pens, and other tokens.

To ensure compliance, City Council must adopt policies applicable to:

- City employees (covered by the employee handbook)
- Mayor
- City Councilors
- Appointed Officials, including members of the Planning Commission, Budget Committee, Urban Renewal Advisory Committee, Mayor's Equity Advisory Group, ad hoc committee members, and volunteers

DISCUSSION:
Under ORS 244.020, elected officials are prohibited from participating in decisions in which they have an actual conflict of interest—that is, a financial interest for themselves, their relatives, or household members. When voting on matters that could be considered "official compensation," such as food or beverage provisions, these conflicts must be addressed in accordance with ethics law.

To address the potential conflict, staff recommend a series of resolutions and the following structure:

1. **Resolution 2025-21** – Official Compensation Package for Appointed Officials

2. **Resolution 2025-22** – Mayor Official Compensation Package
   - Mayor must declare an actual conflict of interest and refrain from discussion and vote.
   - Councilors seeking to run for Mayor in the future should declare a potential conflict of interest; however, they may vote.

3. **Resolution 2025-23** – Official Compensation Package for Council Seats expiring in 2026
   - Councilors whose terms expire in 2026 must declare an actual conflict of interest and refrain from discussion and vote (Mitchell, Polson, Stepina)
   - Mayor, Councilors whose terms expire in 2028 may vote.

4. **Resolution 2025-24** – Official Compensation Package for Council Seats expiring in 2028
    - Councilors whose terms expire in 2026 must declare an actual conflict of interest and refrain from discussion and vote (Cavaleri, Goeke, Rivera)
    - Mayor, Councilors whose terms expire in 2026 may vote.

STAFF RECOMMENDATION: Adopt the proposed resolutions.

SUGGESTED MOTION:

- I move to adopt Resolution 2025-21 Official Compensation Package for Appointed Officials, and Other City Volunteers, effective September 23, 2025."

- I move to adopt Resolution 2025-22 Official Compensation Package for Mayor, effective September 23, 2025.

- I move to adopt Resolution 2025-23 Official Compensation Package for Council Seats expiring in 2026 and their successors, effective September 23, 2025.

- I move to adopt Resolution 2025-24 Official Compensation Package for Council Seats expiring in 2028 and their successors, effective September 23, 2025.

ALTERNATIVES: Decline to adopt the proposed resolutions and provide other direction to staff.

FISCAL IMPACT: None

ATTACHMENTS:
OGEC Opinion – Advisory Opinion Food and Beverage (May 9, 2025)
Resolution 2025-21
Resolution 2025-22
Resolution 2025-23
Resolution 2025-24

Oregon
Tina Kotek, Governor

Government Ethics Commission
3218 Pringle Rd SE, Ste 220
Salem, OR 97302-1680
Telephone: 503-378-5105
Fax: 503-373-1456
E-mail: mail@ogec.oregon.gov
Website: www.oregon.gov/ogec

May 9, 2025

Sent via email

Jayme Pierce, General Counsel
League of Oregon Cities
1201 Court St. NE, Ste. 200
Salem, Oregon 97302-4194

Dear Jayme Pierce:

At its May 9, 2025 meeting, the Oregon Government Ethics Commission (Commission) adopted the following advisory opinion in response to your request to the Commission, dated January 16, 2025. The Commission extended the period for this advisory opinion by an additional 60 days, as authorized by ORS 244.280(2).

OREGON GOVERNMENT ETHICS COMMISSION ADVISORY OPINION NO. 25-126A

SYNOPSIS OF FACTS AS PRESENTED TO THE COMMISSION:

On September 2, 2024, the Commission, through its Executive Director, issued a letter of advice to Lacy Beaty, Mayor of Beaverton (Advice No. 24-406I). This letter of advice addressed how the Oregon Government Ethics Laws in ORS Chapter 244 applied to a "team at a team-building event" where individual public officials, and their relatives or household members, consumed food and beverages provided by the city, and the alcoholic beverages provided by the Mayor personally.

Following issuance of Advice No. 24-406I, you submitted a request for a Commission Advisory Opinion, on behalf of the League of Oregon Cities, addressing a number of hypothetical situations involving city staff and the provision of food and beverages. In your request, you note that city officials and employees may attend various city-sponsored meetings and events where food and beverages are provided. Examples of such meetings and events could include:

- City staff attend a lunch hour staff meeting and the city provides attendees with lunch.

- City staff are celebrating an employee's personal milestone, such as a baby shower that occurs during working hours. City funds are utilized to provide light snacks and refreshments for those in attendance.

- The city hosts a holiday party to celebrate city staff and volunteers. Food and beverages are provided by the city for those in attendance.

- A department hosts a teambuilding event for department staff. Food and beverages are provided by the city for those in attendance.

QUESTIONS:

Your request for a Commission Advisory Opinion seeks to clarify how the Commission would apply the provisions in and ORS 244.040 and ORS 244.025 to a public official's receipt of food and beverages, under the following circumstances:

(1) If a city staff member attends any of the above situations and consumes the food and beverages provided by the city, do they violate ORS 244.040 or any other provisions of ORS Chapter 244?

(2) If the city's personnel manual contains the following as part of staff compensation, does ORS 244.040(2)(a) and related OAR 199-005-0005(3) apply?

"Food, beverage, and other related items provided by the city to employees including any of their relatives or household members who are accompanying them during work-related events such as, but not limited to meetings, team building activities, and conferences, are provided as part of the employee's official compensation package."

(3) If an individual or multiple staff members provide the food and beverages at any of the above-described situations (i.e., potluck), and no city funds are utilized to purchase said food and beverage, if a city staff member consumes the food and beverages provided by other staff, do they violate ORS 244.025, or any other provisions of ORS Chapter 244?

(4) The city wants to provide a meal for their elected officials for a gathering prior to a public meeting, for purposes not related to city business, but rather team building. Does an elected official who consumes the food or beverages provided by the city violate ORS 244.040, or any other provisions of ORS Chapter 244?

(5) If individual city elected officials provide the food and beverage (i.e., potluck) during a gathering prior to a public meeting for purposes not related to city business but rather team building, does an elected official who consumes the food or beverages provided violate ORS 244.025, or any other provisions of ORS Chapter 244?

ANALYSIS:

We first clarify that the Commission cannot provide guidance or opine on how a city chooses to allocate its resources, whether a city may lawfully provide food and beverages to its officials and employees in the scenarios described above, or whether any provision of such food and beverage is taxable. Rather, the Commission's guidance in this Opinion is limited to how the laws in ORS Chapter 244 would apply to a public official's acceptance of food and beverages in the circumstances described.

There are three separate laws that relate to whether a public official may accept food and beverage. The first is the use of office provisions set forth in ORS 244.040. The second and third relate are the gift laws and include ORS 244.020(7), defining "gift," and ORS 244.025, which establishes the gift limits. However, because ORS 244.040 incorporates the gift laws and its exceptions, your questions can be fully answered by analyzing ORS 244.040. See ORS 244.040(2)(e)-(g).

Use of Office Prohibitions

ORS 244.040(1) provides that a public official may not use or attempt to use their office or position to obtain a financial gain or avoid a financial detriment, for themselves or for their relatives, household members, or any businesses with which they are associated, if that financial gain or avoidance of detriment would not otherwise be available but for the fact they hold their office or position. Importantly, the statute prohibits a public official from either using or attempting to use their office for personal gain. In other words, an attempt is sufficient to violate the statute.

When a public body offers its elected officials and employees something of value, the financial gain or avoidance of detriment is being made available to the officials and employees because they hold their positions as public officials with that public body. Under ORS 244.040, the default is that any acceptance of free food or beverage by virtue of one's position as a public official is a violation of ORS 244.040(1). However, ORS 244.040(2)(a) through (h) provides several exceptions to the general prohibition in ORS 244.040(1). The relevant exceptions in ORS 244.040(2) applicable to food and beverage consumed by a public official are subsections (a), (e), (f), and (g). These subsections establish that the use of office prohibitions do not apply to:

> (a) Any part of an official compensation package as determined by the public body that the public official serves.
>
> * * *
>
> (e) Gifts that do not exceed the limits specified in ORS 244.025 received by a public official or a relative or member of the

> household of the public official from a source that could reasonably be known to have a legislative or administrative interest.
>
> (f) Gifts received by a public official or a relative or member of the household of the public official from a source that could not reasonably be known to have a legislative or administrative interest.
>
> (g) The receipt by a public official or a relative or member of the household of the public official of any item, regardless of value, that is expressly excluded from the definition of "gift" in ORS 244.020.

Therefore, we analyze the relevant provisions in ORS 244.040(2) to determine if a public official may accept food and beverage.

A. Official Compensation – ORS 244.040(2)(a)

ORS 244.040(2)(a) allows a public official to accept "[a]ny part of an official compensation package as determined by the public body that the public official serves." The Commission adopted a definition of "official compensation package" in OAR 199-008-0005(3), which provides:

> The term "official compensation package" means the wages and other benefits provided to the public official. To be part of the public official's "official compensation package", the wages and benefits must have been specifically approved by the public body in a formal manner, such as through a union contract, an employment contract, or other adopted personnel policies that apply generally to employees or other public officials. "Official compensation package" also includes the direct payment of a public official's expenses by the public body, in accordance with the public body's policies.

This administrative rule is consistent with Oregon's employment laws and tax laws. See, e.g., ORS 652.210(1)(a)(" 'Compensation' includes wages, salary, bonuses, benefits, fringe benefits and equity-based compensation."); ORS 652.210(14)(" 'Wages' means all compensation for performance of service by an employee for an employer, whether paid by the employer or another person, or paid in cash or any medium other than cash."); ORS 653.010(10) (" 'Wages' means compensation due to an employee by reason of employment, payable in legal tender of the United States or check on banks convertible into cash on demand at full face value, subject to such deductions, charges or allowances as are permitted in ORS 653.035."); ORS 653.010(11)(" 'Work time' includes both time worked and time of authorized attendance."); ORS 657.105 (1) ("* * * 'wages' means all remuneration for employment, including the cash value, as determined by the Director of the Employment Department under the regulations of the director, of all remuneration paid

in any medium other than cash.”); ORS 653.035 (1) (“Employers may deduct from the minimum wage to be paid employees under ORS 653.025, 653.030 or 653.261, the fair market value of lodging, meals or other facilities or services furnished by the employer for the private benefit of the employee.”); IRC § section 3401(c) (an officer, employee, or elected official of government is an employee for income tax withholding purposes.)

As set forth in rule, “official compensation package” includes the “direct payment of a public official's expenses by the public body, in accordance with the public body's policies.” When a public body is paying for a meal for its officials or employees, the public body, acting as an employer, is paying the direct meal or beverage expenses for its officials or employees. Therefore, for the public official to be allowed to accept the food and beverage, the public body must have formally adopted a union contract, employment contract, policy, or other compensation authorization provision that authorizes the public official to accept the food and beverage provided by the public body.

Both ORS 244.040(2)(a) and OAR 199-008-0005(3) require the compensation to be determined by the “public body” that the public official serves. Requiring that a public official accept food and beverage only as provided by a policy or contract formally adopted by a public body is wholly consistent with the requirements of ORS Chapter 244 and the public trust ORS Chapter 244 is intended to protect. The broad policy of the ethics laws is to ensure that government employes do not gain personal financial advantage through their access to the assets and other attributes of government. See *Davidson v. Oregon Gov't Ethics Comm'n*, 300 Or 415, 422 (1985). We find no countervailing policy in ORS Chapter 244 that argues against a requirement that a public official accept food and beverage from its public body *only* when such compensation has been formally adopted by the public body. The concept of public trust extends to all matters within the duties of public office.

Therefore, if the public body adopted an ordinance, resolution, collective bargaining agreement, human resource policy, or applicable contract provision (Policies), authorizing the provision of food and beverage to its employees and elected officials, the employee or elected official is authorized to accept the food and beverage consistent with the Policies the public body adopted. The public official will need to review the applicable Policies authorizing their acceptance to determine if they can accept the food and beverage. If the public official accepts food and beverage that is not authorized by the Policies adopted by the public body, the public official violates ORS 244.040(1).

City elected officials would also need to be mindful of, and comply with, the conflicts of interest provisions in ORS 244.120(2) and ORS 244.020(1) and (13) when adopting any food and beverage policy that would or could apply to themselves as elected officials.

B. Gifts and Gift Exceptions – ORS 244.040(2)(e), (f), and (g); ORS 244.020(7); and ORS 244.025.

1. Gift Laws Inapplicable to Employer Provided Food and Beverage.

The gift laws and relevant gift exceptions in ORS 244.040(2)(e), (f), and (g), ORS 244.020(7), and ORS 244.025 are not applicable to the situation where a public official accepts food and beverage from their own public body. An analysis of Oregon Government Ethics law governing gifts and the relevant gift exceptions applies only when someone other than the public official's own public body provides the food and beverage. This is because, under ORS 244.020(7)(a), something qualifies as a "gift" if the thing provided is either "[w]ithout valuable consideration of equivalent value" or for "valuable consideration less than that required from others who are not public officials." ORS 244.020(7); See also, Honorable Fred W. Heard Honorable Grattan Kerans, 40 Or. Op. Atty. Gen. 371, p. 5-6 (1980) (whether something is a gift "requires that a determination be made whether the official provided something of substantially equivalent economic value in exchange, or whether the item received was available to non-public officials on the same terms.").

When a public body provides food and beverage to an employee or elected official, it is doing so in exchange for the valuable consideration of public service that the employee or elected official provides to the public body itself, which value far exceeds the value of the food and beverage provided. Additionally, when food and beverage is provided by a public body only to its public officials, the food and beverage is not available to non-public officials at all and not on the same terms. Therefore, the food and beverage provided by a public body to its own public officials is not a "gift" that should be analyzed under the gift laws. Rather, it is "compensation" and analyzed under the official compensation provisions in ORS 244.040(2)(a), as outlined above.

2. Gift Laws Applicable to Food and Beverage.

ORS 244.040(2)(e), (f), and (g) govern when a public official may accept food and beverage from a person, business, or other entity that are not the public body that the public official serves. ORS 244.040(2)(e), (f), and (g) cross-reference the gift provisions in ORS 244.0020(7) and ORS 244.025. Therefore, we analyze those relevant provisions using the four-step process set forth below.

Step 1 – Is the Food and Beverage Provided a "Gift?"

The first step in the analysis of whether a public official may accept food and beverage from a person, business, or other entity (Source) is to determine whether the food and beverage being offered qualifies as a "gift" for purposes of ORS Chapter 244. ORS 244.020(7)(a) defines a gift as:

> "Gift" means something of economic value given to a public official, a candidate or a relative or member of the household of the public official or candidate:
>
> (A) Without valuable consideration of equivalent value, including the full or partial forgiveness of indebtedness, which is not extended to others who are not public officials or candidates or the relatives or members of the household of public officials or candidates on the same terms and conditions; or
>
> (B) For valuable consideration less than that required from others who are not public officials or candidates.

In other words, a "gift" is something of economic value given to a public official, or their relative or household member, without equivalent consideration or at a discount, and that is not offered to others who are not public officials on the same terms and conditions. Consequently, if the food and beverage being offered to the public official is being provided to non-public officials on the same terms and conditions, then the public official may accept the food and beverage, regardless of value. If it is not being offered to non-public officials on the same terms and conditions, then the food and beverage is a "gift" for purposes of ORS Chapter 244 and the public official must proceed to the next step of the analysis.

Step 2 – Is Food and Beverage Provided from a Source that has Given the Public Official $50 or Less in Value in a Calendar Year?

If the food and beverage being offered is a "gift," then the next step in the analysis is to determine whether it is a gift that the public official can accept. ORS 244.040(2)(e) authorizes a public official to accept the food and beverage if the gift "do[es] not exceed the limits specified in ORS 244.025 received by a public official or a relative or member of the household of the public official from a source that could reasonably be known to have a legislative or administrative interest." ORS 244.025(1) provides that a public official, and their relatives or household members, may not solicit or receive any gift or gifts with an aggregate value in excess of $50 in a calendar year from a Source that could reasonably be known to have a legislative or administrative interest in the public official's decisions or votes. To determine the value, the public official must consult OAR 199-005-0005.

Therefore, the second step in the analysis requires the public official to determine the value of the food and beverage being provided, as well as the value of any other gifts that the public official received from that Source during the calendar year, using the method prescribed by OAR 199-005-0005. If the cumulative value of the food and beverage and all other gifts received from that Source during the calendar year is $50 or less, the public official may accept the food and beverage from that Source. If, however, the cumulative value of the food and beverage and all other gifts received from that Source in a calendar

year exceeds $50, then it is necessary for the public official to proceed to the third step in the analysis.

Step 3 – Is the Food and Beverage from a Source Reasonably known to have a Legislative or Administrative Interest in the Public Official's Decision or Votes?

ORS 244.040(2)(e) prohibits a public official from accepting a gift if the cumulative value of all gifts from that Source exceeds $50 in a calendar year *and* the source could reasonably be known to have a legislative or administrative interest. Likewise, ORS 244.040(2)(f) authorizes a public official to receive gifts "from a source that *could not* reasonably be known to have a legislative or administrative interest." (emphasis added). Therefore, these two provisions together outline the third step of the analysis, which requires the public official to determine whether the source of the gift has a legislative or administrative interest.

The term "legislative or administrative interest" means an economic interest, distinct from that of the general public, in any matter subject to the decision or vote of the public official, acting in their official capacity. See ORS 244.020(10)(a). OAR 199-005-0003 provides examples of what constitutes a legislative or administrative interest and further clarifies that the term does not include "recommendations" made by the public official. By way of example, an entity that contracts with the city would have a legislative or administrative interest in city officials who approve the contract or vote on the budget; a person who owns residential or commercial property in a city would have a legislative or administrative interest in a planning commissioner or city councilor who could make land-use decisions concerning that property; and a city employee would have a legislative or administrative interest in the city administrator or city councilors, as those public officials could make decisions (on matters such as salary, promotions, or leave) that would have an economic impact on the employee.

When it comes to gifts provided by one's colleagues, a key factor is whether the person receiving the gift is in a position where they could make a decision that could financially impact those colleagues providing the gift. In most cases, city staff could accept gifts from their colleagues because city staff are not in positions where they could make decisions that could financially impact their colleagues. For the same reasons, city staff could accept gifts from their supervisors, managers, the city administrator, or the city councilors (i.e., their appointing authorities). The analysis is different, however, when it is the appointing authorities who are accepting gifts from their employees or subordinates, as those employees could have legislative or administrative interests in the decisions that those appointing authorities could make.

The final aspect of Step 3 is the standard that must be used by a public official to determine whether the person providing the food and beverage has a legislative or administrative

interest in the public official's decision or votes. If it "could not reasonably be known" by the public official that the person has a legislative or administrative interest in the public official's decision or votes, then ORS 244.040(2)(e) and (f) would authorize the public official to accept the food and beverage, regardless of its value. In other words, the analysis is factually dependent under a reasonableness standard. If the facts establish that the public official could have reasonably known that the person providing the food and beverage has a legislative or administrative interest in the public official's decisions or votes, the public official is prohibited from accepting the food and beverage. The only exception to this prohibition is if gift exception applies, as described in Step 4.

Step 4 – Does a Gift Exception Apply?

ORS 244.040(2)(g) authorizes a public official to receive any item, regardless of value, that is expressly excluded from the definition of "gift" in ORS 244.020. Therefore, the next step is for the public official to determine whether the food and beverage being provided falls within one of the gift exceptions in ORS 244.020. If it does, then the public official may accept the food and beverage, regardless of value.

ORS 244.020(7)(b) establishes a list of exceptions to the definition of gift. Many of the gift exceptions relate to food and beverage in specific circumstances. For purposes of this analysis, it appears the relevant gift exceptions are ORS 244.020(7)(b)(E), (I), and (L)

We examine each relevant exception separately.

(E) - Food and Beverage Consumed by a Public Official At a Reception, Meal or Meeting.

ORS 244.020(7)(b)(E) authorizes a public official to be provided food and beverage "at a reception, meal or meeting held by an organization when the public official represents state government as defined in ORS 174.111, a local government as defined in ORS 174.116 or a special government body as defined in ORS 174.117." Several administrative rules elucidate the meaning of this statute:

- First, OAR 199-005-0001(8) defines "reception" as "a social gathering." The rule goes on to explain that "[r]eceptions are often held for the purpose of extending a ceremonial or formal welcome and may include private or public meetings during which guests are honored or welcomed. Food and beverages are often provided, but not as a plated, sit-down meal."
- Second, OAR 199-005-0001(4) defines "Meeting" as "an event that includes multiple attendees who are members of an organization or members of the general public who have been invited to the event. The purpose or agenda for the meeting would be included in any advance notice of the event."

- Third, OAR 199-005-0001(6) defines "Organization" as "any public body, corporation, partnership, proprietorship, firm, enterprise, franchise, association, trust, or other entity other than an individual."
- Fourth, OAR 199-005-0001(7) defines "representing government" as "a public official is representing a state or local government or a special government body when the public official attends an event on behalf of the government agency." The rule then provides multiple examples of when a public official represents government, including a fire chief attending an event to honor protection services representatives who attends on behalf of the station in an official capacity and a department manager in their official capacity attending a conference sponsored by a vendor that sold products to the agency in the past.
- Fifth, OAR 199-005-0015, establishes a list of factors for consideration in determining compliance with ORS 244.020(7)(b)(E). Those factors include: "(1) A large number of people or groups are invited. For example, all members of an organization are invited. (2) The invitations or programs are sent in advance. (3) The event is publicized. (4) The reception, meal, or meeting is open to the public. [and] (5) Written materials such as a printed program are available."
- Sixth, OAR 199-005-0015 specifically provides that "private meals where the participants engage in discussion" is not authorized.

Together, these statutes and rules authorize a public official to consume food and beverage if the public official is representing their government agency in an official capacity and they attend a reception, meal or meeting held by an organization that is not their employing government agency. However, private meals where the participants engage in discussion is prohibited. For example, a city councilor or city employee would be authorized to consume food and beverages when attending the local chamber of commerce breakfast. However, they would be prohibited from consuming food and beverage with a vendor at a private lunch meeting between only them and the vendor.

Importantly, and as detailed above, this analysis *does not* apply to the public body's own public meetings or to the public body providing food and beverage to their own public officials. A public body's provision of food and beverage to their own public officials is a form of "compensation," not a gift, and must be analyzed under the official compensation provisions set forth in ORS 244.020(2)(a) as described in Section A above.

(l) - Food or beverage consumed by a public official acting in an official capacity involving certain financial transactions.

ORS 244.020(7)(b)(l) authorizes a public official acting in an official capacity to consume food and beverage while involved with certain financial transactions. Specifically, the consumption of food and beverage is not considered a gift if it is provided:

> (i) In association with the review, approval, execution of documents or closing of a borrowing, investment or other financial transaction, including any business agreement between state government as defined in ORS 174.111, a local government as defined in ORS 174.116 or a special government body as defined in ORS 174.117 and a private entity or public body as defined in ORS 174.109;
>
> (ii) While engaged in due diligence research or presentations by the office of the State Treasurer related to an existing or proposed investment or borrowing; or
>
> (iii) While engaged in a meeting of an advisory, governance or policy-making body of a corporation, partnership or other entity in which the office of the State Treasurer has invested moneys.

A determination of whether this exception applies would be dependent on the factual circumstance. If the factual circumstances establish compliance with this section, the public official may consume the food and beverage provided. Given the limited nature of this provision, it will not be applicable to many public officials.

Like the other gift exceptions, this exception does not apply to the public body's own public meetings or to the public body providing food and beverage to their own public officials. A public body's provision of food and beverage to their own public officials is a form of "compensation," not a gift, and must be analyzed under the official compensation provisions set forth in ORS 244.020(2)(a) as described in Section A above.

> **(L) - Food and beverage consumed at a reception and that is provided as an incidental part of the reception and no cost is placed on the food and beverage.**

ORS 244.020(7)(b)(L) authorizes a public official to consume food and beverage "at a reception where the food or beverage is provided as an incidental part of the reception and no cost is placed on the food or beverage." As noted previously, OAR 199-005-0001(8) defines reception as "a social gathering" and provides that "[r]eceptions are often held for the purpose of extending a ceremonial or formal welcome and may include private or public meetings during which guests are honored or welcomed. Food and beverages are often provided, but not as a plated, sit-down meal." This exception is further clarified by OAR 199-005-0005(5), which establishes that food and beverage provided under this exception is permitted without regard to the fair market value of the food and beverage.

Under this exception, if the public official is attending a social gathering and the food and beverage does not include a sit-down meal, then the public official may accept the food and beverage. We note there is some overlap between ORS 244.020(7)(b)(E) and (L).

However, only ORS 244.020(7)(b)(E), outlined above, could allow the public official to consume the food and beverage if the event is a sit down meal or a meeting.

Like the exception in ORS 244.020(7)(b)(E), this exception does not apply to the public body's own public meetings or to the public body providing food and beverage to their own public officials. A public body's provision of food and beverage to their own public officials is a form of "compensation," not a gift, and must be analyzed under the official compensation provisions set forth in ORS 244.020(2)(a) as described in Section A above.

ANSWERS

In light of the above analysis, the answers to your specific questions are as follows:

Questions (1) and (2)

Question (1) asks whether city staff members accepting food and beverages provided by the city would violate ORS 244.040 or any other provision of ORS 244. Question (2) then asks whether the exception in ORS 244.040(2)(a) and OAR 199-008-0005(3) would apply if the city's personnel manual included the following policy statement:

> *"Food, beverage, and other related items provided by the city to employees including any of their relatives or household members who are accompanying them during work-related events such as, but not limited to meetings, team building activities, and conferences, are provided as part of the employee's official compensation package."*

Assuming the policy was formally adopted by the public body as outlined above, city staff members may accept food and beverages paid for or provided by the city, consistent with the specifications of the policy. Such acceptance is authorized under ORS 244.040(2)(a). As for whether such actions may violate any other provisions in ORS Chapter 244, the facts you present do not allow us to analyze *all* of ORS Chapter 244. However, we note that it is certainly possible for factual circumstances involving the provision of food and beverage to implicate other violations. For instance, if the person in charge of purchasing the food for the city purchases the food from their relative's restaurant, such action may violate the use of office provisions in ORS 244.040 and the conflict of interest provisions in ORS 244.020. Likewise, if the compensation of the meal is taxable and a city human resources or finance employee in charge of ensuring the city complies with tax laws fails to report their own receipt of a meal, this action may violate ORS 244.040 as using their position to avoid a taxable gain. The determination of whether ORS 244 is violated is dependent on the particular factual circumstances involved.

Question (4)

Question (4) asks whether city elected officials may consume a meal at a gathering provided by the city prior to a public meeting. You indicate that the purpose of the gathering is not for conducting city business but rather for team building. You ask whether an elected official who accepts the city provided food and beverages at such an event would violate ORS 244.040 or any other provisions of ORS Chapter 244.

This analysis would also fall under ORS 244.040(1) and (2)(a). If the meal is authorized as part of the elected officials' official compensation packages, then the exception in ORS 244.040(2)(a) would apply and the elected officials could accept the city paid or provided meals. If the city has not adopted an official compensation package that includes meals for their elected officials, then accepting food and beverage violates ORS 244.040(1). If the city has not adopted an official compensation package that includes meals for their elected officials, but is thinking of doing so, city elected officials need to be mindful of, and comply with, the conflicts of interest provisions in ORS 244.120(2) and ORS 244.020(1) and (13) when adopting the official compensation policy.

Questions (3) and (5)

These two questions ask about city staff members and elected officials accepting food and beverages provided not by the city but by other city staff or officials, such as at a potluck. You ask whether the city staff members or the elected officials would violate ORS 244.025 or any other provisions in ORS Chapter 244 by accepting the food and beverages at such a potluck.

When the food and beverages are being provided by persons or entities other than an employing public body, the analysis falls under ORS 244.040(2)(e), (f), and (g). As explained above, each city staff and official attending the potluck would need to determine: (1) whether the food and beverage qualifies as a gift; (2) the value of the gift and the cumulative value of all other gifts received in the calendar year by the Source providing the food and beverage; (3) whether the Source providing the food and beverage could be reasonably known to have legislative or administrative interest in the city employee's or city official's decisions or votes; and (4) whether any of the gift exceptions apply.

As also noted above, for the majority of city employees, mere participation in a city potluck would not result in a violation of the statutes discussed above because the employees attending do not have a legislative or administrative interest in their fellow employees' decisions or votes. However, that is not the case for elected officials, supervisors, and managers who receive food and beverage from their subordinate public officials. Elected officials, supervisors, and managers will need to proceed through the steps above to determine if they can accept the food and beverage items provided at the potluck from their subordinates. That said, in the majority of circumstances an elected official, supervisor, or

manager participating in a potluck likely falls within the gift exception in ORS 244.020(7)(b)(L).

THIS OPINION IS ISSUED BY THE OREGON GOVERNMENT ETHICS COMMISSION PURSUANT TO ORS 244.280. A PERSON SHALL NOT BE LIABLE UNDER ORS CHAPTER 244 FOR ANY GOOD FAITH ACTION OR TRANSACTION CARRIED OUT IN ACCORDANCE WITH THIS OPINION. THIS OPINION IS LIMITED TO THE FACTS SET FORTH HEREIN.

Issued by Order of the Oregon Government Ethics Commission at Salem, Oregon on the 9th day of May, 2025.

David M. Fiskum

David Fiskum, Chairperson

Sean Brady

Sean T. Brady, Senior Assistant Attorney General

RELEVANT STATUTES AND ADMINISTRATIVE RULES: The following Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OAR) are applicable to the issues that are addressed in this opinion:

ORS 244.020(7)(a): "Gift" means something of economic value given to a public official, a candidate or a relative or member of the household of the public official or candidate:

(A) Without valuable consideration of equivalent value, including the full or partial forgiveness of indebtedness, which is not extended to others who are not public officials or candidates or the relatives or members of the household of public officials or candidates on the same terms and conditions; or

(B) For valuable consideration less than that required from others who are not public officials or candidates.

* * * * *

ORS 244.020(7)(b): "Gift" does not mean:

* * * * *

(E) Admission provided to or the cost of food or beverage consumed by a public official, a relative of the public official accompanying the public official, a member of the household of the public official accompanying the public official or a staff member of the public official accompanying the public official, at a reception, meal or meeting held by an organization when the public official represents state government as defined in ORS 174.111, a local government as defined in ORS 174.116 or a special government body as defined in ORS 174.117.

(I) Food or beverage consumed by a public official acting in an official capacity:

(i) In association with the review, approval, execution of documents or closing of a borrowing, investment or other financial transaction, including any business agreement between state government as defined in ORS 174.111, a local government as defined in ORS 174.116 or a special government body as defined in ORS 174.117 and a private entity or public body as defined in ORS 174.109;

(ii) While engaged in due diligence research or presentations by the office of the State Treasurer related to an existing or proposed investment or borrowing; or

(iii) While engaged in a meeting of an advisory, governance or policy-making body of a corporation, partnership or other entity in which the office of the State Treasurer has invested moneys.

(L) Food or beverage consumed by a public official or candidate at a reception where the food or beverage is provided as an incidental part of the reception and no cost is placed on the food or beverage.

ORS 244.020(10): "Legislative or administrative interest" means an economic interest, distinct from that of the general public, in:

(a) Any matter subject to the decision or vote of the public official acting in the public official's capacity as a public official; or

(b) Any matter that would be subject to the decision or vote of the candidate who, if elected, would be acting in the capacity of a public official.

* * * * *

ORS 244.020(11): "Member of the household" means any person who resides with the public official or candidate.

* * * * *

ORS 244.020(15): "Public official" means the First Partner and any person who, when an alleged violation of this chapter occurs, is serving the State of Oregon or any of its political subdivisions or any other public body as defined in ORS 174.109 as an elected official, appointed official, employee or agent, irrespective of whether the person is compensated for the services.

* * * * *

ORS 244.020(16): "Relative" means:

(a) The spouse, parent, stepparent, child, sibling, stepsibling, son-in-law or daughter-in-law of the public official or candidate;

(b) The parent, stepparent, child, sibling, stepsibling, son-in-law or daughter-in-law of the spouse of the public official or candidate;

(c) Any individual for whom the public official or candidate has a legal support obligation;

(d) Any individual for whom the public official provides benefits arising from the public official's public employment or from whom the public official receives benefits arising from that individual's employment; or

(e) Any individual from whom the candidate receives benefits arising from that individual's employment.

* * * * *

ORS 244.025(1) Gift Limit: During a calendar year, a public official, a candidate or a relative or member of the household of the public official or candidate may not solicit or receive, directly or indirectly, any gift or gifts with an aggregate value in excess of $50 from any single source that could reasonably be known to have a legislative or administrative interest.

ORS 244.040 Prohibited use of official position or office; exceptions; other prohibited actions:

(1) Except as provided in subsection (2) of this section, a public official may not use or attempt to use official position or office to obtain financial gain or avoidance of financial

detriment for the public official, a relative or member of the household of the public official, or any business with which the public official or a relative or member of the household of the public official is associated, if the financial gain or avoidance of financial detriment would not otherwise be available but for the public official's holding of the official position or office.

(2) Subsection (1) of this section does not apply to:
(a) Any part of an official compensation package as determined by the public body that the public official serves.
* * * * *
(e) Gifts that do not exceed the limits specified in ORS 244.025 received by a public official or a relative or member of the household of the public official from a source that could reasonably be known to have a legislative or administrative interest.
(f) Gifts received by a public official or a relative or member of the household of the public official from a source that could not reasonably be known to have a legislative or administrative interest.
(g) The receipt by a public official or a relative or member of the household of the public official of any item, regardless of value, that is expressly excluded from the definition of "gift" in ORS 244.020.

* * * * *

OAR 199-005-0001 Definitions. The following definitions are provided for works or terms as they are used in ORS Chapter 244, especially in the exceptions to the definition of a gift in ORS 244.020(7)(b):

* * * * *

(4) A "Meeting" is an event that includes multiple attendees who are members of an organization or members of the general public who have been invited to the event. The purpose or agenda for the meeting would be included in any advance notice of the event.

(5) "Official capacity" means that the public official attends an activity while engaged in duties or responsibilities that are customary to their office or position.

(6) "Organization" means any public body, corporation, partnership, proprietorship, firm, enterprise, franchise, association, trust, or other entity other than an individual.

(7) "Representing Government" means that a public official is representing a state or local government or a special government body when the public official attends an event on behalf of the government agency. The following examples are offered to illustrate the meaning of "representing government," but are not meant to be the only circumstances that would define representing government:

(a) A fire chief attends an event to honor protection services representatives and attends on behalf of the station in an official capacity.

(b) A department manager attends a conference being sponsored by a vendor that has in the past sold products to the agency in which the manager is employed. The

manager's official duties include the responsibility of attending conferences on behalf of the governing body.

(c) An executive director for a state agency attends ceremonial events; the director's official duties include representing the agency at such events.

(d) A state employee who works in the IT department whose responsibilities include reviewing and recommending software attends a workshop on software applications held by a professional membership organization.

(e) A planning commissioner speaks to a non-profit organization on behalf of the county planning department.

(f) A volunteer for a city park department attends an event representing the department at a meeting to discuss issues surrounding volunteerism.

(g) A legislator attends an event being sponsored by a Native American tribe on behalf of a legislative committee on which the legislator serves.

(h) A city councilor attends the local chamber of commerce breakfast.

(8) "Reception" means a social gathering. Receptions are often held for the purpose of extending a ceremonial or formal welcome and may include private or public meetings during which guests are honored or welcomed. Food and beverages are often provided, but not as a plated, sit-down meal.

OAR 199-008-0005(3) Definitions of terms in ORS Chapter 244:

(1) The purpose of this rule is to define certain terms and to clarify substantive provisions of ORS Chapter 244.

* * * * *

(3) The term "official compensation package" means the wages and other benefits provided to the public official. To be part of the public official's "official compensation package", the wages and benefits must have been specifically approved by the public body in a formal manner, such as through a union contract, an employment contract, or other adopted personnel policies that apply generally to employees or other public officials. "Official compensation package" also includes the direct payment of a public official's expenses by the public body, in accordance with the public body's policies.

City of Hood River, Oregon

Resolution No. 2025-21

A RESOLUTION FOR THE PURPOSE OF ESTABLISHING AN OFFICIAL COMPENSATION PACKAGE FOR CITY VOLUNTEERS AND APPOINTED OFFICIALS FOR FOOD, BEAVERAGES, AND OTHER CITY RELATED ITEMS

WHEREAS, the City benefits from the individuals who volunteer their time to support the City in various capacities, including service on City boards, commissions, and ad-hoc committees; and,

WHEREAS, the Oregon Government Ethics Commission has issued an advisory opinion that under ORS 244.040 a local government public body, such as a city, may not provide food and beverages to its employees, elected officials, or appointed officials unless those items are expressly included as part of an individual's compensation; and,

WHEREAS, compensation provided as part of an official compensation package may be subject to income tax per the IRS rules on taxable fringe benefits. Provided food and beverage are not intended to be taxable fringe benefits; and,

WHEREAS, this resolution does not apply to items that are considered gifts under ORS 244.020(7); and,

THEREFORE, BE IT RESOLVED by Hood River City Council that as part of the official compensation package as that term is used in ORS 244.040(2), volunteers and appointed officials may receive the following from the City:

- Food, beverages, and other related items provided by the City to covered individuals including any relative or household member who are accompanying them to a City related event such as, but not limited to meetings, team-building activities, potlucks, lunches, retreats, and conferences.
- Items with the City logo provided in an official capacity, such as clothing, water bottles, or pens.

Approved and Effective this 22nd of September 2025 by the Hood River City Council.

Paul Blackburn, Mayor

Attest:

Jennifer Gray, City Recorder

Approved as to form:

Daniel Kearns, City Attorney

City of Hood River, Oregon

Resolution No. 2025-22

A RESOLUTION FOR THE PURPOSE OF ESTABLISHING AN OFFICIAL COMPENSATION PACKAGE FOR THE OFFICE OF MAYOR FOR FOOD, BEAVERAGES, AND OTHER CITY RELATED ITEMS

WHEREAS, the Oregon Government Ethics Commission has issued an advisory opinion that under ORS 244.040 a local government public body, such as a city, may not provide food and beverages to its employees, elected officials, or appointed officials unless those items are expressly included as part of an individual's compensation; and,

WHEREAS, compensation provided as part of an official compensation package may be subject to income tax per the IRS rules on taxable fringe benefits. Provided food and beverage are not intended to be taxable fringe benefits; and,

WHEREAS, this resolution does not apply to items that are considered gifts under ORS 244.020(7); and,

WHEREAS, under ORS 244.020 elected officials are prohibited from participating in decisions in which they have an actual conflict of interest, the City Council will vote on multiple resolutions to avoid any conflicts of interest;

THEREFORE, BE IT RESOLVED by Hood River City Council that as part of the Mayor's official compensation package as that term is used in ORS 244.040(2), the Mayor may receive the following from the City:

- Food, beverages, and other related items provided by the City including any relative or household member who are accompanying them to a City related event such as, but not limited to meetings, team-building activities, potlucks, lunches, retreats, and conferences.
- Items with the City logo provided in an official capacity, such as clothing, water bottles, or pens.

Approved and Effective this 22nd of September 2025 by the Hood River City Council.

Gladys Rivera, Council President

Attest:

Jennifer Gray, City Recorder

Approved as to form:

Daniel Kearns, City Attorney

City of Hood River, Oregon

Resolution No. 2025-23

A RESOLUTION FOR THE PURPOSE OF ESTABLISHING AN OFFICIAL COMPENSATION PACKAGE FOR THE OFFICE OF CITY COUNCILOR FOR FOOD, BEAVERAGES, AND OTHER CITY RELATED ITEMS

WHEREAS, the Oregon Government Ethics Commission has issued an advisory opinion that under ORS 244.040 a local government public body, such as a city, may not provide food and beverages to its employees, elected officials, or appointed officials unless those items are expressly included as part of an individual's compensation; and,

WHEREAS, compensation provided as part of an official compensation package may be subject to income tax per the IRS rules on taxable fringe benefits. Provided food and beverage are not intended to be taxable fringe benefits; and,

WHEREAS, this resolution does not apply to items that are considered gifts under ORS 244.020(7); and,

WHEREAS, under ORS 244.020 elected officials are prohibited from participating in decisions in which they have an actual conflict of interest, the City Council will vote on multiple resolutions to avoid any conflicts of interest;

WHEREAS, this resolution will apply to the elected City Councilors whose terms expire in 2026: Ben Mitchell, Grant Polson, and Doug Stepina and their successors;

THEREFORE, BE IT RESOLVED by Hood River City Council that as part of a City Councilors' official compensation package as that term is used in ORS 244.040(2), City Councilors may receive the following from the City:

- Food, beverages, and other related items provided by the City including any relative or household member who are accompanying them to a City related event such as, but not limited to meetings, team-building activities, potlucks, lunches, retreats, and conferences.
- Items with the City logo provided in an official capacity, such as clothing, water bottles, or pens.

Approved and Effective this 22nd of September 2025 by the Hood River City Council.

Paul Blackburn, Mayor

Attest:

Jennifer Gray, City Recorder

Approved as to form:

Daniel Kearns, City Attorney

City of Hood River, Oregon

Resolution No. 2025-24

A RESOLUTION FOR THE PURPOSE OF ESTABLISHING AN OFFICIAL COMPENSATION PACKAGE FOR THE OFFICE OF CITY COUNCILOR FOR FOOD, BEAVERAGES, AND OTHER CITY RELATED ITEMS

WHEREAS, the Oregon Government Ethics Commission has issued an advisory opinion that under ORS 244.040 a local government public body, such as a city, may not provide food and beverages to its employees, elected officials, or appointed officials unless those items are expressly included as part of an individual's compensation; and,

WHEREAS, compensation provided as part of an official compensation package may be subject to income tax per the IRS rules on taxable fringe benefits. Provided food and beverage are not intended to be taxable fringe benefits; and,

WHEREAS, this resolution does not apply to items that are considered gifts under ORS 244.020(7); and,

WHEREAS, under ORS 244.020 elected officials are prohibited from participating in decisions in which they have an actual conflict of interest, the City Council will vote on multiple resolutions to avoid any conflicts of interest;

WHEREAS, this resolution will apply to the elected City Councilors whose terms expire in 2028: Anna Cavaleri, Amanda Goeke, and Gladys Rivera and their successors

THEREFORE, BE IT RESOLVED by Hood River City Council that as part of a City Councilors' official compensation package as that term is used in ORS 244.040(2), City Councilors may receive the following from the City:

- Food, beverages, and other related items provided by the City including any relative or household member who are accompanying them to a City related event such as, but not limited to meetings, team-building activities, potlucks, lunches, retreats, and conferences.
- Items with the City logo provided in an official capacity, such as clothing, water bottles, or pens.

Approved and Effective this 22nd of September 2025 by the Hood River City Council.

Paul Blackburn, Mayor

Attest:

Jennifer Gray, City Recorder

Approved as to form:

Daniel Kearns, City Attorney

CITY OF HOOD RIVER CITY COUNCIL

DATE: September 8, 2025

TO: Honorable Mayor Paul Blackburn and City Council

FROM: Christopher Longinetti, Finance Director

SUBJECT: Transportation Network Companies Fee Schedule

CITY COUNCIL GOAL:

- ☐ Equitable and Diverse Housing Inventory
- ☐ Equitable and Inclusive Community
- ☒ Well-Maintained and Safe Community
- ☒ Efficient and Safe Transportation System for all users
- ☐ Environmentally Sustainable and Resilient Community
- ☐ Adequate Parks and Open Space
- ☐ Healthy Organization

BACKGROUND: Starting in summer 2023, City Council directed staff to identify the potential barriers to allowing Uber, Lyft and other web-based ride hailing and ride share companies – collectively known as Transportation Network Companies ("TNCs") - to operate inside the City of Hood River. As the existing code regulating taxicabs did not expressly address TNCs, City Council and staff coordinated feedback from multiple stakeholders including taxicab owners/drivers, business owners, social service providers, the public, and area residents. In subsequent meetings, City Council received reports from taxicab representatives and information collected from Columbia Area Transit (CAT) to further understand concerns regarding insurance, accessibility, background checks, vehicle requirements, driver education, and the potential impact on traditional taxi businesses.

At its March 24, 2025 meeting, informed by this research and stakeholder feedback, City Council adopted Ordinance 2091 amending the Hood River Municipal Code Section 5.20 to provide for and promote the welfare of the general public by regulating vehicles for hire within the City of Hood River which includes TNCs.

DISCUSSION: Section 5.20.030 of the amended HRMC regulating vehicles for hire provides for the license, application and fees required for both taxi companies and TNCs. These fees are traditionally adopted by annual resolution as part of the comprehensive fee schedule. The addition of TNCs regulation to the amended HRMC require City Council to adopt a separate resolution establishing fees for both the TNCs corporate applicant, plus each driver as described in Section 5.20.030(D).

Vehicle for Hire – Fee Schedule

Resolution 2025-25 Establishes an annual license fee for TNCs of $1,000 for the corporate applicant, plus a fee of $100 for each driver accessing the company's digital network to operate in the City. Licenses issued under Section 5.20 of the amended HRMC are valid for the calendar year. Annual license fees for taxi cab companies and taxi cab permit fees for drivers remain unaffected by the resolution.

DESCRIPTION	FY 2025-26 Fee Amount
BUSINESS REGISTRATION	
TRANSPORTATION NETWORK COMPANIES [HRMC 5.20]	
TNC License-Annual /Renewal Fee	$1,000
TNC Driver Permit -Annual /Renewal (Per Driver)	$100

STAFF RECOMMENDATION: Establish and approve the annual TNC license fee for corporate applicants, plus a fee for each driver accessing the company's digital network to operate in the City as required by amended Section 5.20 of the Hood River Municipal Code.

SUGGESTED MOTION: "I move that the City Council adopt Resolution 2025-25, establishing the annual TNC license and driver fee as required by amended Section 5.20 of the Hood River Municipal Code and incorporating those fees into the Consolidated Schedule of Fees, Rates, and Charges for the 2025-26 Fiscal Year".

ALTERNATIVES: The City Council may reject the proposed TNC fee schedule or request additional changes.

FISCAL IMPACT: Fees for TNCs are established by this resolution and will provide a new revenue source for the City, although the resulting proceeds are not anticipated to be significant.

ATTACHMENTS:
Resolution 2025-25

Resolution 2025-25

A Resolution adopting new Transportation Network Companies Corporate License & Driver Fees into the approved Consolidated Schedule of City Fees, Rates, and Charges for Services

WHEREAS, the City Council establishes the fees, rates, and charges for all city services, permits and applications by resolution, and most recently by the adoption of Resolution 2025-07; and

WHEREAS, the City has adopted Ordinance No. 2091 repealing in its entirely Title 5 (Business Taxes Licenses and Regulation), Chapter 5.20 (Taxicabs), of the Hood River Municipal Code and adopting a new Title 5 (Business Taxes Licenses and Regulation), Chapter 5.20 (Vehicles for Hire), to allow and regulate Transportation Network Companies ("TNCs") in addition to traditional taxicabs and pedicabs; and

WHEREAS, Section 5.20.030 of the adopted Chapter 5.20 of the Hood River Municipal Code provides that any taxi companies or TNCs license application include a fee for the corporate applicant, plus a fee for each driver, to account for the City's costs in administration of taxi companies or TNCs licensing; and

WHEREAS, all existing taxicab operator permits issued prior to the effective date of the amended ordinance will automatically expire on December 31, 2025 and the new taxicab corporate license and taxicab driver fees effective January 1, 2026 have been previously established in the adoption of Resolution 2025-07; and

WHEREAS, the City desires to enable TNCs to obtain licenses under Chapter 5.20 of the adopted Hood River Municipal Code by establishing fees for the TNCs corporate applicants, plus a fee for each of the drivers, for the current operating calendar year ending December 31, 2025, as well as for the operating calendar year commencing January 1, 2026, and to incorporate those fees into the current consolidated schedule of fees, rates, and charges for services.

NOW, THEREFORE, BE IT RESOLVED by the Hood River City Council that the fees set forth in Exhibit A, which is incorporated herein by this reference, are hereby adopted, and amend the consolidated schedule of fees, rates and charges for services implemented in Resolution 2025-07 and shall apply starting as of the effective date of this Resolution 2025-20:

Approved, adopted and effective this 8th day of September, 2025.

_____
Paul Blackburn, Mayor

_____
Jennifer Gray, City Recorder

EXHIBIT A

Transportation Network Companies Annual License and Driver Permit Fees

For the operating calendar year ending December 31, 2025

DESCRIPTION	FEE AMOUNT
TRANSPORTATION NETWORK COMPANIES [HRMC 5.20]	
TNC License-License Fee	$1,000
TNC Driver - Permit Fee (Per Driver)	$100

For the operating calendar year commencing January 1, 2026

DESCRIPTION	FEE AMOUNT
TRANSPORTATION NETWORK COMPANIES [HRMC 5.20]	
TNC - License-Annual New/Renewal Fee	$1,000
TNC Driver - Permit -Annual New/Renewal Fee (Per Driver)	$100

CITY OF HOOD RIVER CITY COUNCIL

DATE: September 22, 2025

TO: Honorable Mayor Paul Blackburn and City Council

FROM: Will Norris, Urban Renewal Administrator

SUBJECT: General Obligation Bond Planning – Prior Capital Planning Engagement

CITY COUNCIL GOAL:

- ☒ Equitable and Diverse Housing Inventory
- ☒ Equitable and Inclusive Community
- ☒ Well-Maintained and Safe Community
- ☒ Efficient and Safe Transportation System for all users
- ☒ Environmentally Sustainable and Resilient Community
- ☒ Adequate Parks and Open Space
- ☒ Healthy Organization

BACKGROUND:

The 2025-26 City Council Workplan includes planning for a November 2026 Bond Election to address major unfunded community needs. Potential funding targets identified in the Council Workplan include Transportation, Housing, City facilities, and Parks. The City Council received a primer on bond campaigns at their September 8th Regular Meeting. A Special Meeting to review potential projects for bonding will be on September 29th.

DISCUSSION:

This report provides a summary of the prior public engagement that influenced the City's existing capital plans. This information is intended to help the City Council consider what additional public engagement should inform a bond campaign. New engagement efforts can provide a sounding board for current residents, but they can also obscure the public input already embodied in adopted plans. This can have the unintended result of confusing the public about how/when to engage to effectively influence decisions. Frequent course corrections or new projects based on ad hoc engagement efforts can frustrate progress towards multi-year objectives and overweight the influence of those with the most time/resources for advocacy.

Below is a summary of prior public engagement for the City's existing capital plans. Excerpts on the community engagement activities from these plans are attached.

Transportation System Plan (TSP) – The City's TSP was fully rewritten in 2011 and has continued to be a living document with several updates by formal amendment since. The 2011 plan was the product of extensive engagement with partner agencies, advocacy groups, and the public. A TSP Advisory Committee, with a Bicycle-Pedestrian Group sub-committee, led the process. Activities included community workshops, bike tour, focus groups, and surveys. Public Hearings were held at both the Planning Commission and City Council before the plan was adopted.

The TSP has been periodically updated to address emerging needs. The TSP incorporated

elements from the Westside Area Concept Plan in 2021 and the Heights Streetscape Plan in 2024. These geographically focused plans had their own extensive public engagement.

Utility Plans – The City's Water, Sewer, and Stormwater Masterplans are principally technical documents based on engineering determinations. These plans concern issues like system capacity and regulatory compliance. The exception is the Stormwater Plan which places an extra emphasis on passive onsite rainwater treatment as opposed to strict conveyance (aka Low Impact Development). This policy preference came from the participation of a working group that met periodically in the late 2010s and included City Council representation.

Affordable Housing Strategy – The 2022 Affordable Housing Strategy picked up after the strategies identified in the 2015 Housing Needs Analysis had largely been completed (Zoning code updates, short-term rental regulation, and land acquisition for Affordable Housing). The 2022 effort was guided by a Community Advisory Taskforce that included low-income residents, employers, and service providers. This taskforce met regularly to guide plan development. There were also targeted focus groups held with service providers, the Latino community, employers, Affordable Housing developers, local builders, and partner agencies. The draft report was reviewed over three regular City Council meetings to discuss before adoption through Resolution 2022-06.

Police Facilities - The Hood River City Council prioritized planning for a future police facility at its 2018 Goal Setting with multiple Council discussions from 2018-2020 regarding space needs, site planning, and potential locations. City staff also presented the project to the Hood River County Commissioners at their September 2021 meeting. As an additional outreach to the public, the City developed a Police Facility Planning Webpage which included links to these numerous City and County meetings along with Frequently Asked Questions highlighting the public communication messaging.

Multi-jurisdictional Parks Masterplan – The City participated in the 2020 parks planning process led by the Hood River County Parks and Recreation District, accepting the report as guidance through Resolution 2020-14. The engagement process included an open house meeting, focus group discussions, stakeholder interviews, community surveys, online engagement, website content and the project's Technical Advisory Team meetings.

Safe Routes to School (SRTS) – The City of Hood River created a SRTS plan in 2022. The SRTS plan development included a community project management team, school walk audits, community meeting, online public input map and survey, one-on-one interviews, and focus groups. 2022 SRTS plan elements were incorporated in the Heights Streetscape Plan, which in turn was adopted into the City's TSP as noted above.

STAFF RECOMMENDATION:
Consider the information provided. Deliberate on what additional information the City Council needs ahead of the September 29th Special Meeting to review potential projects for bonding.

SUGGESTED MOTION: No motion necessary, information only

ATTACHMENTS:

Selected pages on the engagement process for:

- Transportation System Plan
- Affordable Housing Strategy
- Parks Multi-jurisdictional Master Plan
- Safe Routes to School

TSP Development Process

This plan was prepared with public and agency participation. It was developed in close coordination with City and ODOT staff and received input and direction from a TSP Advisory Committee (TSPAC) comprised of representatives from Columbia Area Transit, the Hood River County School District, Hood River County, the Hood River Valley Residents Committee, the Mid-Columbia Economic Development District, the Port of Hood River, the Historic Columbia River Highway Advisory Committee, the Department of Land Conservation and Development, Hood River Valley Parks and Recreation, the Hood River Downtown and Heights Business Associations, Planning Commission, City Council, and local businesses.

In response to a strong local interest in planning for non-motorized travel needs, a Bicycle-Pedestrian Group was formed as an advisory group to the TSP Advisory Committee. This group included local residents, as well as representatives from the Hood River Valley Residents Committee and Hood River Valley Parks and Recreation.

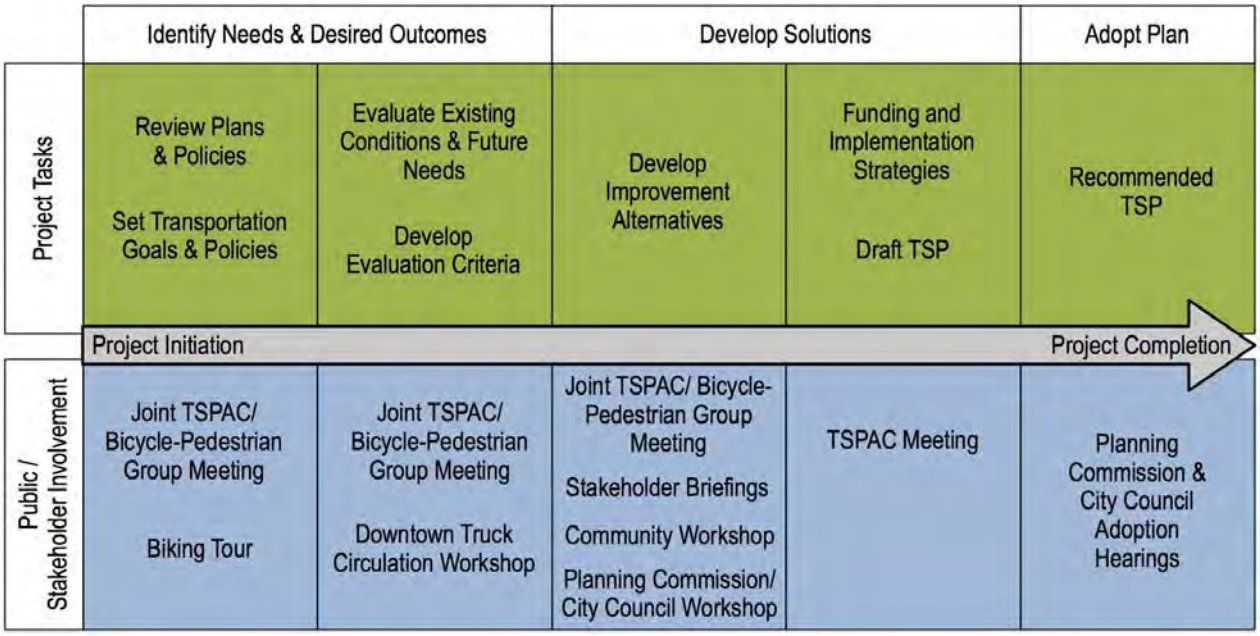
The TSP Advisory Committee met four times during the planning process, including three joint meetings with the Bicycle-Pedestrian Group. Together, participants guided the development of the TSP by reviewing methods and findings, providing input on alternatives considered, and commenting on the draft plan. In addition, the Bicycle-Pedestrian Group was taken on a facilitated biking tour of the city to share firsthand experience of areas where improvements to the bicycle network are needed.

The general public was invited to attend a community workshop where improvement alternatives for all modes of travel were presented and discussed. Their input was received through direct discussions, comment forms, and email. The public was also invited to attend two joint Planning Commission/ City Council work sessions where improvement alternatives, the draft plan, and implementing ordinance amendments were presented and discussed.

Other interest groups were engaged through direct outreach involving targeted stakeholder interviews to review proposed alternatives (Planning Commissioner, Healthy Active Hood River County, Downtown Business Council, local pedestrian advocate, Hood River County Engineer, a local land developer, the Port of Hood River, Heights Business District, downtown business representative, Hood River Valley Parks and Recreation, Hood River County School District) and a workshop with downtown business representatives to discuss truck accessibility for the industrial uses. Healthy Active Hood River County (HAHRC) is a group representing the underserved and the Latino, among other groups. Their response to the greatest need, especially for the Latino's in Hood River was for education about bike and walking safety. The SRTS grants have helped buy bike helmets and provide biker education for a school in Hood River that is a majority Latino. HAHRC believes that safe routes from home to school and from home to shopping is imperative to allow access for the Latino and other underserved populations to healthy lifestyle choices. The City will continue to work with HAHRC on this goal.

The City of Hood River's 2011 TSP development process is summarized in Figure 1.

Figure 1: City of Hood River 2011 TSP Development Process



2021 Amendment

In 2015, when the City's Buildable Lands Inventory and Housing Needs Analysis was being completed, the City applied for a grant to prepare a land use and transportation plan that became known as the Westside Area Concept Plan. The study area focused on approximately 450 acres between Frankton Road to the west, I-84 to the north, Rand Road to the east and Belmont Avenue to the south, where most of Hood River's buildable land is located. The Concept Plan was developed over a period of about 18 months to address workforce and affordable housing needs, future neighborhoods and commercial districts, streets, bikeways, pedestrian paths, parks, transit, utilities, and infrastructure funding. The Concept Plan Report was published on December 29, 2017, and included a number of proposed TSP amendments to implement the Westside Area Concept Plan.

During public hearings on April 15, May 20, June 3, June 17, July 1, and July 29, 2019, the Planning Commission sought feedback from the public regarding the Westside Area Concept Plan Report's Streets & Transit Framework, Pedestrian & Bicycle Framework and Park & Open Space Framework prior to deliberation. The resulting recommendations from the Planning Commission refined many of the projects included in the Westside Area Concept Plan and included changes to street cross sections for use citywide. These recommendations, along with updates to project costs, were the basis of a set of TSP amendments adopted in 2021.

The 2011 plan included the actions and strategies needed to meet the City's transportation needs through the year 2031. The 2021 Amendment includes additional actions to support growth in west Hood River through the year 2040, consistent with the land use assumptions in the Westside Area Concept Plan. Therefore, this amended TSP includes projects and performance results based on a planning horizon year of 2031 for some areas and on a planning horizon year of 2040 for others (e.g., see Table 14).

2024 Amendment

The Heights Streetscape Plan was initiated to support the City of Hood River and Urban Renewal Agency (URA) in establishing a comprehensive plan for improving the OR 281 couplet through the Heights neighborhood. The project area included 12th Street, 13th Street and the streets and intersections that tie them together at May Street to the north and Belmont Avenue to the south. The project addressed URA and community conversations related to traffic safety, community identity, and other City and stakeholder goals as well as proposed improvements documented in the Heights District Urban Renewal Plan. The plan was approved by the URA in January 2024.

The 2024 TSP Amendment was completed to facilitate implementation of The Heights Streetscape Plan. It included new improvement projects for the streets and intersections within the Heights neighborhood that better balance performance for people walking or biking with those driving and that will help the community achieve its long-range vision for the area.

Equity Framework

Exhibit 1 provides an equity framework to increase the consideration of equity in the project process and implementation (including measuring impact).[3] Creating equitable processes will help ensure that diverse and underrepresented communities (including vulnerable and low-income communities) are able to influence and inform policy and program development.

Exhibit 1. Affordable Housing Strategy Equity Framework

AHS Process		AHS Plan and Adoption	
Identify Unmet Housing Needs	**Engagement Process**	**AHS Plan Development**	**Measurement and Analysis**
Identify unmet housing needs, such as lower-income cost-burdened households Identify vulnerable people within Hood River at risk or who could benefit (about 65% of Hood River's population)	Engage community members to learn about their priorities, needs, and challenges to affordable housing Use engagement findings to inform the development and implementation of the project Build community awareness and support through the engagement process	Identify outcomes within the AHS that respond to community needs and promote housing stability and choice, particularly for those households with the unmet housing need.	Develop measurements to understand the impact and progress toward increasing equity of the strategies

The AHS was developed using this equity framework. The strategies in the AHS are intended to increase equitable housing outcomes as the City implements the recommendations of the AHS. Appendix B describes the process that City staff and ECONorthwest used to employ the equity framework throughout the development of the AHS.

Task Force and Stakeholder Involvement

A key part of the equity framework was consulting community members to learn about their priorities, needs, and challenges related to affordable housing. The community outreach process for developing the AHS was collaborative and included input from the following groups:

- **Project Task Force** – The City of Hood River recruited members to a community advisory Task Force that included renters, housing advocates, service providers, employers, people with lived experience in publicly subsidized affordable rental housing, housing developers (both of affordable housing and market-rate housing), and other community members to ensure diverse perspectives are included in project outcomes. The Task Force met five times over seven months to provide multiple rounds of feedback, advice, and input throughout the development of the AHS, providing greater understanding of unmet housing needs in Hood River, considerations about the

[3] Adapted by ECONorthwest for the Hood River AHS from "*Making Equity Real in Climate Adaptation and Community Resilience Policies and Programs: A Guidebo*ok," The Greenlining Institute, August 2019.

development of housing in Hood River, and priorities for strategies. Some of the feedback provided from Task Force members included:

- Address the need for both rental and ownership units and a variety of unit types to accommodate different household sizes and stages of life
- Identify who is impacted and why it matters to Hood River; connect the data to people in Hood River
- Focus on realistic strategies with most impact and quick implementation
- Consider reducing/removing regulatory barriers – e.g., parking requirements, streamlining permit review
- Help people retain and improve existing housing that is generally more affordable than new market-rate housing, including manufactured homes
- Correlate subsidies to affordability, with priority for the most affordable units
- Ensure existing multifamily rental housing is not converted to short-term rentals

- **Discussions with stakeholders** – The project included seven listening sessions with stakeholder groups to solicit feedback, including two sessions conducted in Spanish. The discussion groups included:
  - **Service providers** for vulnerable populations, to better understand the range of unmet housing needs for seniors, Native peoples, farmworkers, people with disabilities, families with young children, and others. The feedback from this discussion was about the urgent need for affordable housing, especially for low-income people, communities of color, seniors, people with disabilities, and farmworkers. The advice from this discussion for the development of affordable housing was to focus on the development of a variety of types and sizes of affordable housing, create incentives and work with partners, and look for resources from individuals and businesses in the community.
  - **The Latino community** at Spanish language discussion groups, to better understand the unmet housing needs of Hood River's Latino community. The feedback from these discussion groups was about the fact that the current inventory of housing in Hood River does not meet the needs of this community, both in terms of unit sizes (being too small) and unit condition (being in poor condition and lacking weatherization). Obstacles to obtaining housing are affordability, language barriers, documentation status, and disabilities. The advice from these discussions was to ensure there are opportunities for and access to financial education, down payment assistance, and more outreach.
  - **Employers** in the Hood River area, with the purpose of better understanding their challenges hiring and retaining employees and potential partnership opportunities. Employers report that employees at all wage levels struggle to find affordable housing in Hood River, including restaurant or hospitality workers and middle-wage to high-wage employees like health-care workers or manufacturing. The

feedback from this discussion was about the difficulties posed by insufficient housing and lack of affordable housing for employers in attracting and retaining staff, including middle- and high-wage staff. Employers expressed interest in working with the City and nonprofit organizations to support development of affordable housing for employees of businesses in Hood River County.

- **Affordable housing developers** to understand the specific challenges to developing affordable housing, including recommendations about policies to support income-restricted housing development affordable to low-income households. This group discussed the need for focus on equity to amend past harms. The advice from this discussion for development of affordable housing was to focus on the most powerful tools for developing affordable housing, including site control, nonprofit tax exemption, flexible off-site infrastructure requirements, and urban renewal.
- **Local housing developers and builders** to understand the unique challenges in developing market-rate housing in Hood River and recommendations about policies to support market-rate housing development affordable to middle-income households. The advice from this group focused on the need for a faster, more certain City review process to lower development costs.
- **Local governmental agencies** to discuss opportunities for partnering and support for incentives to develop affordable housing, including policies that would have property tax revenue implications. Through this discussion, the local government partners acknowledged a great need to address affordable housing. Some local government agencies had concerns about potential revenue decreases from reduced property taxes with some strategies. They acknowledged the need for additional dedicated revenue source(s) to support development of affordable housing.

In addition to the engagement above, the City Council met with staff (and sometimes consultants) four times to provide guidance and feedback on development of the AHPS. The City Council met on April 26 and August 9 of 2021 and January 24, 2022, to discuss the AHPS. The City Council will meet on April 25, 2022, to discuss the draft AHPS.

Structure of the Report

The structure of this report is organized as follows:

- **Chapter 2. Unmet Housing Need in Hood River** summarizes the findings about housing affordability in Hood River, with a focus on housing need at varying income levels and housing needs of specific groups of people. It includes a discussion of approaches to support affordable housing implemented in Hood River by the City and regional partners.
- **Chapter 3. Implementation Framework and Housing Strategies** presents the proposed implementation framework for the AHS and information about each of the proposed housing strategies.

Appendix C: Advisory Community Task Force Summary

At the outset of the project, the City Council formed an advisory community task force to provide important community feedback on strategies for this report. The City advertised the opportunity to serve on the task force in both English and Spanish via the City's website, social media, and direct outreach. The City received applications or interest from 34 people with myriad backgrounds and perspectives. The Council appointed 12 people from the pool of applicants who are representative of the community and with an interest in supported affordable housing including:

- Residents of workforce or income-restricted housing,
- Employers with workforces that are impacted by lack of local housing opportunities,
- Service providers that serve residents of affordable and area housing,
- Housing industry providers or producers, and
- Interest groups or informed housing advocates.

This Affordable Housing Production Strategy Advisory Community Task Force met via Zoom five times between September 2021 and March 2022 to discuss potential strategies and provide input on priorities. ECONorthwest staff led presentations and discussions at each of the meetings with City staff participating to answer questions. Meeting agendas and presentations are provided on the City's website.

Overall, the feedback from task force members included:

- The strategies should address the need for both rental and ownership units and a variety of unit types to accommodate different household sizes and stages of life.
- Identify who is impacted and why it matters to Hood River; connect the data to people in Hood River.
- Focus on realistic strategies with most impact and quick implementation
- Consider reducing/removing regulatory barriers – e.g., parking requirements, streamlining permit review.
- Help people retain and improve existing housing that is generally more affordable than new market-rate housing, including manufactured homes.
- Subsidies should correlate to affordability, with priority for the most affordable units.
- Mixed thoughts about whether to package a bond for affordable housing with other city needs.

- Consensus support for taking quick action to ensure long-term rentals in commercial zones are not converted to short-term rentals.
- Highest priority strategies: land banking, affordable housing ordinance, nonprofit tax exemption, and project subsidies for new construction.

In summary, the five Task Force meetings included:

Task Force Meeting #1 – September 15, 2021

Agenda

- Project overview – Project purpose, goals
- Task Force & Project Charter
- Discussion: Hopes for the Project; Concerns about the Project

Discussion Takeaways: Task Force members suggested the report connect the data to people and jobs in Hood River and to varying household sizes. Taskforce members expressed a desire that the project include: worker retention, actionable solutions for increasing density for market-rate and rental housing, more housing that is affordable and sustainable, accounts or stories of people in the community, clarity about how to explain the strategies, an increased focus on rental housing, improved assistance for people to get out of poverty, improved community attitudes and understanding about affordable housing, achievable incentives for affordable housing development, a broader outlook of what of home ownership can look like, and a focus on legally defensible strategies.

Task Force Meeting #2 – October 13, 2021

Agenda

- Overview of Existing Affordable Housing Programs – City & Partner Agencies
- Discussion: Potential Strategies

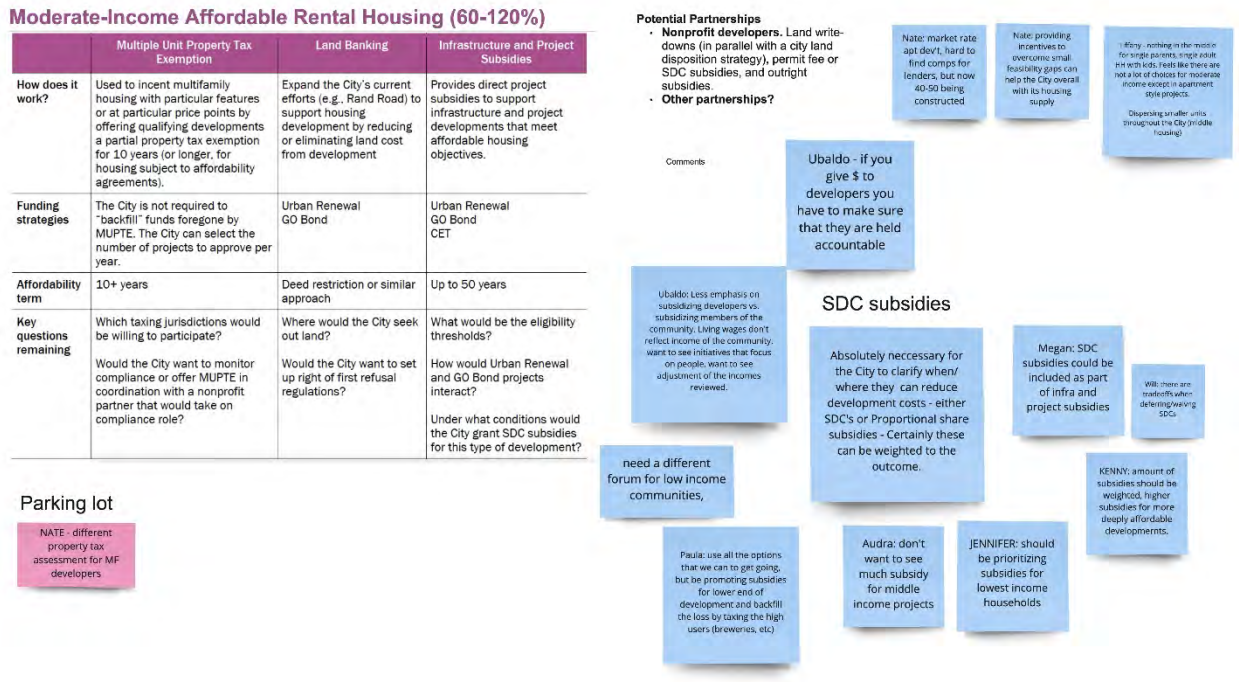
Discussion Takeaways: The Task Force members' initial preferences for strategies included: tax exemptions and reduced parking requirements, land banking, Homebuyer Opportunity Limited Tax Exemption (HOLTE), Urban Renewal tax increment financing, land trusts, appropriate zoning (for increased density and multi-family residential), reductions in System Development Charges (SDCs) and permit fees, scaling SDCs to size of unit, increased Construction Excise Tax (CET), General Obligation bonds, density bonuses, expedited permitting, preservation and improvement of existing housing including manufactured homes, grants and loans for affordable housing, leveraging partnerships, and education about housing resources. Several members also asked questions about tiny homes and the City's Rand Road development.

Task Force Meeting #3 – December 8, 2021

Agenda

- Introduction to Four Housing Initiatives and Strategies for each Initiative
  - Explore Opportunities for Affordable Homeownership
  - Remove Barriers to Producing Moderate-Income Rental Housing
  - Encourage New Regulated Housing Production
  - Preserve Existing Low-Cost Market Rate Housing
- Miro whiteboard tool for discussion
- Affordable Housing Ordinance concept

Discussion Takeaways: Task Force members wanted clarification about whether the initiatives are prioritized. Members expressed general support for the housing ordinance concept, recommended weighing subsidies more heavily toward more affordable (prioritize subsidies for lower-income levels), stated a need for some focus on housing just above 60% AMI, wanted to explore opportunities for loans to low-income people/access to capital, and voiced concern for the condition of existing mobile homes.



Moderate-Income Affordable Rental Housing (60-120%)

	Multiple Unit Property Tax Exemption	Land Banking	Infrastructure and Project Subsidies
How does it work?	Used to incent multifamily housing with particular features or at particular price points by offering qualifying developments a partial property tax exemption for 10 years (or longer, for housing subject to affordability agreements).	Expand the City's current efforts (e.g., Rand Road) to support housing development by reducing or eliminating land cost from development	Provides direct project subsidies to support infrastructure and project developments that meet affordable housing objectives.
Funding strategies	The City is not required to "backfill" funds foregone by MUPTE. The City can select the number of projects to approve per year.	Urban Renewal GO Bond	Urban Renewal GO Bond CET
Affordability term	10+ years	Deed restriction or similar approach	Up to 50 years
Key questions remaining	Which taxing jurisdictions would be willing to participate? Would the City want to monitor compliance or offer MUPTE in coordination with a nonprofit partner that would take on compliance role?	Where would the City seek out land? Would the City want to set up right of first refusal regulations?	What would be the eligibility thresholds? How would Urban Renewal and GO Bond projects interact? Under what conditions would the City grant SDC subsidies for this type of development?

Parking lot

NATE - different property tax assessment for MF developers

Potential Partnerships
- **Nonprofit developers.** Land write-downs (in parallel with a city land disposition strategy), permit fee or SDC subsidies, and outright subsidies.
- **Other partnerships?**

Nate: market rate apt dev't, hard to find comps for lenders, but now 40-50 being constructed

Nate: providing incentives to overcome small feasibility gaps can help the City overall with its housing supply

Tiffany - nothing in the middle for single parents, single adult kit with kids. Feels like there are not a lot of choices for moderate income except in apartment style projects.

Dispersing smaller units throughout the City (middle housing)

Comments

Ubaldo - if you give $ to developers you have to make sure that they are held accountable

Ubaldo: Less emphasis on subsidizing developers vs. subsidizing members of the community. Living wages don't reflect income of the community. want to see initiatives that focus on people, want to see adjustment of the incomes reviewed.

SDC subsidies

Absolutely neccessary for the City to clarify when/ where they can reduce development costs - either SDC's or Proportional share subsidies - Certainly these can be weighted to the outcome.

Megan: SDC subsidies could be included as part of infra and project subsidies

Will there are tradeoffs when deferring/waiving SDCs

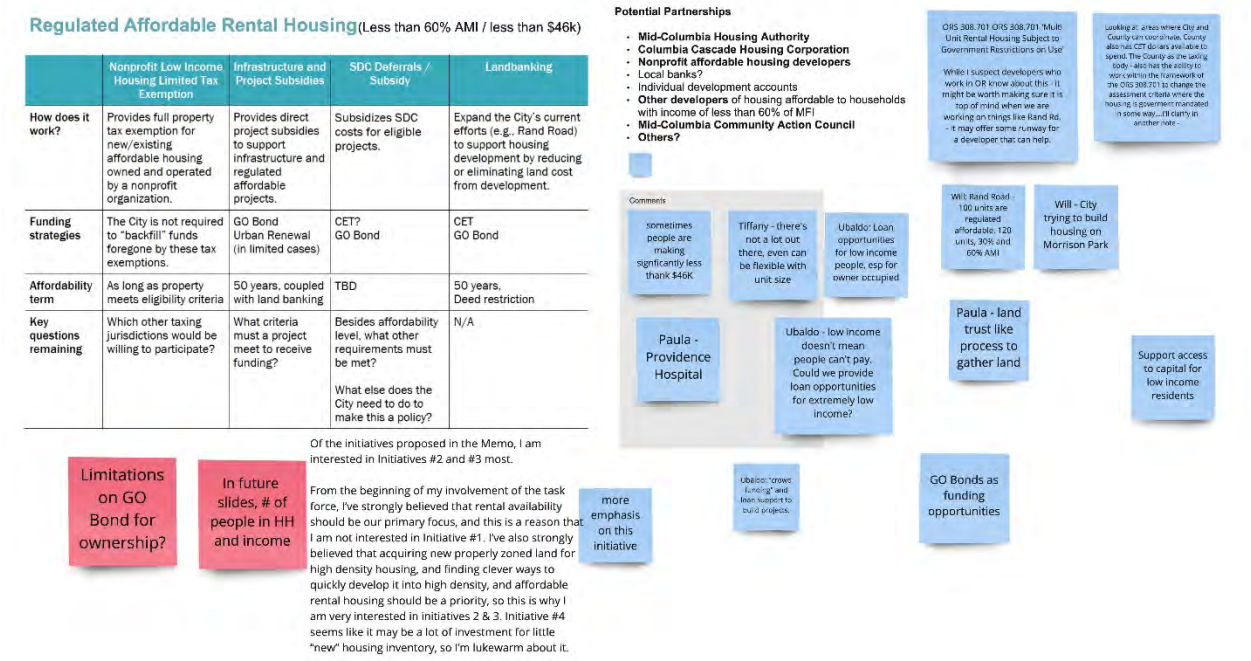
need a different forum for low income communities,

KENNY: amount of subsidies should be weighted, higher subsidies for more deeply affordable developmemts.

Paula: use all the options that we can to get going, but be promoting subsidies for lower end of development and backfill the loss by taxing the high users (breweries, etc)

Audra: don't want to see much subsidy for middle income projects

JENNIFER: should be prioritizing subsidies for lowest income households



Regulated Affordable Rental Housing (Less than 60% AMI / less than $46k)

	Nonprofit Low Income Housing Limited Tax Exemption	Infrastructure and Project Subsidies	SDC Deferrals / Subsidy	Landbanking
How does it work?	Provides full property tax exemption for new/existing affordable housing owned and operated by a nonprofit organization.	Provides direct project subsidies to support infrastructure and regulated affordable projects.	Subsidizes SDC costs for eligible projects.	Expand the City's current efforts (e.g., Rand Road) to support housing development by reducing or eliminating land cost from development.
Funding strategies	The City is not required to "backfill" funds foregone by these tax exemptions.	GO Bond Urban Renewal (in limited cases)	CET? GO Bond	CET GO Bond
Affordability term	As long as property meets eligibility criteria	50 years, coupled with land banking	TBD	50 years, Deed restriction
Key questions remaining	Which other taxing jurisdictions would be willing to participate?	What criteria must a project meet to receive funding?	Besides affordability level, what other requirements must be met? What else does the City need to do to make this a policy?	N/A

Limitations on GO Bond for ownership?

In future slides, # of people in HH and income

Of the initiatives proposed in the Memo, I am interested in Initiatives #2 and #3 most.

From the beginning of my involvement of the task force, I've strongly believed that rental availability should be our primary focus, and this is a reason that I am not interested in Initiative #1. I've also strongly believed that acquiring new properly zoned land for high density housing, and finding clever ways to quickly develop it into high density, and affordable rental housing should be a priority, so this is why I am very interested in initiatives 2 & 3. Initiative #4 seems like it may be a lot of investment for little "new" housing inventory, so I'm lukewarm about it.

more emphasis on this initiative

Potential Partnerships

- **Mid-Columbia Housing Authority**
- **Columbia Cascade Housing Corporation**
- **Nonprofit affordable housing developers**
- Local banks?
- Individual development accounts
- **Other developers** of housing affordable to households with income of less than 60% of MFI
- **Mid-Columbia Community Action Council**
- **Others?**

ORS 308.701 ORS 308.701 'Multi Unit Rental Housing Subject to Government Restrictions on Use'

While I suspect developers who work in OR know about this - it might be worth making sure it is top of mind when we are working on things like Rand Rd. - it may offer some runway for a developer that can help.

Looking at areas where City and County can coordinate. County also has CET dollars available to spend. The County as the taxing body - also has the ability to work within the framework of the ORS 308.701 to change the assessment criteria where the housing is government mandated in some way....I'll clarify in another note -

Comments

sometimes people are making signficantly less thank $46K

Tiffany - there's not a lot out there, even can be flexible with unit size

Ubaldo: Loan opportunities for low income people, esp for owner occupied

Will: Rand Road - 100 units are regulated affordable, 120 units, 80% and 60% AMI

Will - City trying to build housing on Morrison Park

Paula - Providence Hospital

Ubaldo - low income doesn't mean people can't pay. Could we provide loan opportunities for extremely low income?

Paula - land trust like process to gather land

Support access to capital for low income residents

Ubaldo: "crowd funding" and loan support to build projects.

GO Bonds as funding opportunities

Task Force Meeting #4 – February 9, 2022

Agenda

- Recap of Stakeholder Outreach
- Discuss Draft Strategies
- Discuss Funding Tools

Discussion Takeaways: There was general support for land banking and an affordable housing ordinance. For off-site Infrastructure Subsidies, the task force requested the city prioritize subsidies for low-income housing. For direct project subsidies, the task force suggested the subsidies align with the City's top needs and include equity standards with some consideration for workers in priority sectors such as health care. With respect to preservation, there were questions about ability to preserve the mobile home park use on some lands and concerns about how to ensure housing for residents of mobile home parks. A post-meeting survey indicated the highest priorities for Task Force members are: land banking, affordable housing ordinance, nonprofit tax exemption, and project subsidies for new construction.

Affordable Housing Strategy

Task Force Meeting #5 – March 30, 2022

Agenda

- Draft Affordable Housing Strategy Report

Discussion Takeaways: The Task Force offered consensus support for the draft report and the recommended strategies as those with potential for biggest impact. One member suggested referencing community housing or worker housing instead of affordable housing. A couple members expressed concern about feasibility of implementing all the strategies given staff bandwidth and recommended Council prioritize the strategies and take action. There was a suggestion to add more detail about how to operationalize the strategies. Members agreed with prioritizing support for housing for those whose income is less than 60% AMI. A couple members noted agreement that communication with community and community partners is very important. Several members suggested additional graphics in the final report and suggested naming the final report: Affordable Housing Strategy (or Plan) and dropping the word "Production." There was general consensus support for the concept that government has an obligation to ensure affordability when public funds are invested into the housing and clear consensus support for quick action on "one person, one license" for short-term rentals in multi-family development in commercial zones. Members expressed a mix of thoughts about whether to package a General Obligation bond for affordable housing with other city needs but all agreed that specificity and clarity about how the funds will be used is vital.

Oregon Goal 8 On Recreation Planning

Oregon's Statewide Planning Goal 8 states:

"The requirements for meeting such needs, now and in the future, shall be planned for by governmental agencies having responsibility for recreation areas, facilities and opportunities: (1) in coordination with private enterprise; (2) in appropriate proportions; and (3) in such quantity, quality and locations as is consistent with the availability of the resources to meet such requirements. State and federal agency recreation plans shall be coordinated with local and regional recreational needs and plans."



These elements are reflected in this Plan, which will guide the efforts for the District, City and County.

Local residents are proud of the Hood River area for its sense of small town character and for what has been accomplished in the park system with modest resources, but they also are interested in improvements. This Plan documents those desires and provides a framework for addressing capital development and funding in the near-term.

COMMUNITY INVOLVEMENT PROCESS

Community engagement and input played a important role in revealing the current interests in and needs for park and recreation opportunities, which were explored through a variety of methods to gather feedback on the strengths and limitations of existing park and recreational resources available to Hood River area residents. This planning process leaned on the following community outreach methods to provide a baseline of local demand and need:

- Mail & online-based community survey
- 1 community meeting
- 11 stakeholder discussions
- 3 focus Group Discussions
- 12 tabling events
- Social media content & emails

Throughout this process, the public provided information and expressed opinions about their needs and priorities for parks, trails and recreation facilities and programs in the Hood River area. This feedback played a crucial role in updating policy statements and prioritizing the Capital Project List contained within this Plan.

Community Surveys

A mail and online survey was conducted between September - October 2018 to identify general sentiment and demand for parks and recreation facilities. The purpose of the survey was to gather input to help determine park, trail, open space and recreation priorities of the community. The planning project team jointly designed a 16-question survey to assess residents' recreational needs, preferences and priorities.

The mail survey was sent to a random sample of 2,500 households within the boundaries of the District on September 14th, and surveys were collected from to October 31, 2018. Reminder postcards were mailed to the 2,500 households on October 2, 2018. In all, 447 survey responses were received from the mail survey. In addition, an online version of the survey was posted to the District's website and made available to the general public. Information on the online survey was posted on September 19th and closed on October 22nd, 2018. An additional 135 surveys were completed online by members of the general public.

In total, 582 surveys were completed, and the two survey datasets were kept isolated to enable comparisons between the two samples. A summary of community survey results appear in Appendix B, and a highlight of survey responses follows.

Major Findings

District residents strongly value their parks and recreation facilities.

- Nearly all respondents think parks and recreation are important to quality of life in the Hood River area; 87% of respondents consider them essential.

Residents visit parks, trails and recreation facilities frequently.

- Nearly two-thirds of respondents visit parks or recreation facilities at least once a week. Nearly all visit at least once per year.

Residents want to see more places to walk and bike and to recreate indoors.

- In multiple ways, respondents indicated their desire for more urban walking and biking trails, road biking routes, and trail biking routes. Respondents, particularly those who live in Hood River, would also like to see more indoor recreation facilities and programs.

Residents would like to see improvements made to the parks & recreation system, including the Aquatic Center, and are willing to pay more to fund it.

- A majority of respondents are supportive of building or expanding trails, acquiring more parkland in west Hood River and in the Mid and Upper Valley, acquiring natural areas, replacing the aquatic center and creating a new community center.
- More than half of respondents said they would vote in favor of bond issues to replace the aquatic center (62%) or expand and develop local trail connections (56%). A majority of respondents (56%) would support a full replacement of the aquatic facility with a new combination aquatic and community center. To support these improvements, nearly half of respondents (48%) would be willing to pay $10 or more per month, with another 26% willing to pay between $6 and $9 per month.

Public Meetings

The project team sought feedback from local residents and program users at a community meeting held at Golden Eagle Park. Summary responses from the meeting is provided in Appendix C.

Community Open House Meeting (June 16, 2018)

The community workshop was held on June 16, 2018, coinciding with the grand opening event of Golden Eagle Park. Stations were set up with displays and interactive activities for people to provide input. The stations provided information about the parks master planning process, the existing parklands and trails, and sought thoughts, ideas and preferences for future parks amenities and activities. Approximately 75 people attended. Activities asked specific questions about the vision for parks and recreation and asked respondents to:

- Select different parks facilities and amenities and locate them on a map,
- Create an imagined park using arts & craft materials, and
- Prioritize 11 different potential park amenities and activities.

The comment forms asked specific questions about the community's vision for parks and recreation. The survey asked participants to:

- Indicate the types of amenities, activities, and programs desired,
- Indicate where additional bicycle and pedestrian trails are needed,
- Indicate how they access parks and rate their experience,
- Indicate how they use their parks, and
- Optional demographic questions.

Comment forms were also available in English and Spanish at tabling events.







Over 1,400 residents provided input to the project - helping shape the direction of the Plan

Stakeholder Interviews

Input about the provision of park and recreation services was sought from specific stakeholders who represent a broad set of user groups. The consultant team interviewed 11 stakeholders to explore how parks and open space are used, and what recreation needs should be considered by the master planning effort. Stakeholders represented residents, non-governmental organizations, local business, Rotary, Community Education, faith communities and activist groups. Stakeholders shared their history and views on the park system with ideas on what's missing and user group needs.

Focus Groups

Three focus groups were conducted at the Aquatic Center in Hood River in August.

- **Wind / Water / Trail Recreation group** - intended to learn and understand how these recreational organizations currently use the parks system and what their key concerns and parks needs are.
- **Sports Fields and Facilities group** - intended to learn and understand how youth and adult sports leagues and organizations currently use the parks systems, the challenges they face in sharing limited facilities, and ideas or preferences for future sports fields and facilities.
- **Latino Community group** – intended to understand the key barriers and needs of the Latino community in the use of parks, fields, and facilities in the Hood River Valley area

Stakeholder comments were often specific to the particular perspective or interest of the stakeholder group. Overall, comments were generally favorable in regard to existing City amenities and the potential for future improvements across the Valley. Stakeholders recognized the limited financial capacity of the partners and were often quick to offer suggestions for potential partnerships or other means to accomplish specific projects. Suggested projects ranged from coordinating the development of trail connections, identifying opportunities to expand sport field capacity, and improving existing park facilities. Specific recommendations are reflected in the Needs Assessment chapter, and stakeholder discussion summaries are provided in Appendix D.

Other Outreach

The Hood River Valley Park & Recreation District website had an existing webpage for the master plan process with updates for the project, along with links to the survey and opportunities to get additional information. An e-newsletter invited the community to the Golden Eagle Park Grand Opening and the June community workshop. HRVPRD used Facebook and Instagram to generate interest in the master plan and its related events. Over 6,400 people were reached and 195 responded to the Facebook event. The local Latino community was specifically engaged through the local Latino radio station, Radio Tierra. HRVPRD also partnered with The Next Door, a local nonprofit providing health and family services for the Latino community, to support outreach and recruitment of participants, in both English and Spanish. Also, staff from the Hood River Valley Park & Recreation District presented information about the plan to the Latinos In Action group to solicit feedback on the best ways to reach and get information from Latinos in Hood River. Project information was also distributed by tabling during 12 summer events throughout Hood River.

Local Outreach Key Themes

- **Park & Trail Locations.** While residents expressed satisfaction with their neighborhood parks, there was a majority opinion that there are not enough parks and recreation opportunities in Hood River area. Of note, the Mid and Upper Valley does not have many park or recreation facilities, and many residents have limited access to existing parks and trails. The westside was also recognized as an important area for locating addition parks and trail connections.
- **Trail Connections.** Through both bike and pedestrian facilities, residents wanted to be able to connect to parks and schools, through neighborhoods, and to local destinations under safe conditions for families and children.
- **Programming Needs.** The need was expressed for youth programming to expand provision of sports leagues/activities, summer camps/after-school programs and nature field trips. In programming for adults and seniors, the interest was highest for fitness and exercise programs.
- **Future Priorities.** Throughout the community engagement, residents cited the most important needs for the park system in the future as a new/expanded community/aquatic center and comprehensive trail connections. These two top priorities were noted as the highest investment needs, with many residents expressing a willingness to fund the major improvement through public revenues.

Figure 1. Word Cloud of park features participants of the June open house would like to see added



A Community-Driven Planning Process

The vision, goals, objectives and actions provided here, as well as the detailed construction project and programmatic recommendations to follow in Chapter 4, were shaped by community input. Community-group representatives and community members had the opportunity to participate in the SRTS planning process and provide feedback in the following ways:

- Participation on the Project Management Team (PMT)
- Participation in a school walk audit and community meeting
- Virtual feedback using the online Public Input Map and survey
- Participation in a one-on-one Zoom or telephone interview with school or district staff
- Participation in a focus group to learn more about barriers to walking, biking, or taking transit for the Latinx community (Columbia Area Transit focus group, Familias Unidas, The Next Door)

The City of Hood River, Mid-Columbia Economic Development District, Bikabout, Hood River County School District, and school leadership from May Street Elementary School and Hood River Middle School worked diligently to spread the word about the walk audits, community meetings, and the online Public Input Map and survey. The two schools promoted the PIP process and opportunities for community input on social media channels and through e-mail listservs. The City of Hood River shared information via social media channels and the City website.

The project team hosted a series of four walk audits in Hood River over a two-day period (May 19-20, 2020). In order to comply with CDC guidance on COVID-19 prevention, in-person gatherings were limited to 12 people, participants were required to stay 6 ft apart, and masks were required on school campus.

Twelve people attended the morning walk audit and community meeting at May Street Elementary School, providing feedback about specific barriers and challenging locations near the school.





Additionally, project team members staffed a table near the bike and pedestrian drop-off location on the east side of the campus, where they were able to speak with parents, gather feedback directly, and also pass out flyers promoting the Public Input Map.

Most members of the PMT, as well as additional community members attended the afternoon walk audit at May Street Elementary. Included in this walk audit was an observation of the Bike Train, led by a parent volunteer. Following the observation of dismissal, members of the project team met to debrief what they'd observed.

Five people attended the morning walk audit at Hood River Middle School, including three parents and several PMT members. The afternoon walk audit was attended by the majority of the PMT and several parents, and the post-audit meeting provided an opportunity for each group to share their insights.

DEMOGRAPHIC REPRESENTATION

To determine who was being reached through online engagement, the project team collected information about respondents the Public Input Map using a short survey. Of the 127 respondents who filled out the survey, 76% were parents or caregivers of students who attend schools in the study area. Another 31% identified as community members. Six percent of respondents indicated that they were School or District staff, and another ten percent chose "Other".

Respondents to the map were overwhelmingly white (81%), and only six survey respondents selected Hispanic/Latino. This prompted the project team to prioritize alternative forms of outreach to connect with Hood River's Latinx community. These engagement activities were much more successful in learning about the needs and concerns of this group.

LATINX COMMUNITY ENGAGEMENT

Engaging the large Latinx community in Hood River is a top priority for the SRTS Plan and the agencies involved. The SRTS planning process enabled community members to participate in all SRTS events seamlessly in either English or Spanish, interpretation was available at all walk audits and community meetings, and flyers and social media messages were circulated in both languages. However, despite the availability of Spanish-language materials and the schools' promotion efforts, initial participation among the Latinx community was low. While the ongoing pandemic created a challenging environment for all parent engagement during spring 2021, this was particularly noticeable among Latinx parents and caregivers.

Starting in the fall of 2021, the project team extended the SRTS Plan timeline to provide time for additional engagement, both generally and with the Latinx community in particular.

During fall 2021, the project team conducted the following:

- Tabling at Back-to-School Night (attended one, two were canceled due to increases in COVID cases)
- Presentation at The Next Door Communications group,
- Presentation and conversation with Familias Unidas Parent Group
- Interview on the school district's Spanish-language radio program
- Spanish-language paid social media promoting the online survey
- 18 one-on-one phone call interviews of Spanish-speaking parents by school district staff
- Two one-on-one interviews with Spanish-speaking parents whose students utilize public transit (CAT bus)

Many participants observe inequities in who feels comfortable walking and biking, noting that these transportation modes (particularly biking) can be more accessible for more affluent, white residents. Through targeted outreach to Latinx parents and caregivers, the project team was able to learn more about their perceptions of safety when walking and biking with children. Most of the families interviewed felt that the roads were generally safe, but some were concerned about the presence of intoxicated or homeless people on the street, which made them nervous about sending their students to school alone. One of the most popular comments when it came to how to make walking and biking safer was for an adult to accompany students to and from school.

Other feedback from Latinx parents included:

- A desire for pedestrian education for students, as well as information about routes for students walking to school
- The need for safer crossings for students at specific intersections
- A preference for off-street paths for students who ride bicycles
- Challenges related to busy streets and vehicles not stopping at crosswalks
- The limits of parents' in-person participation due to challenging work schedules

COMMUNITY ENGAGEMENT KEY THEMES

The comment heat maps on these pages illustrate specific locations of concern and interest that emerged through the online Public Input Map. Particular areas of the Public Input Map received exceptionally high numbers of comments, indicating that parents and caregivers were more concerned with addressing barriers at these locations:

- Pine St and 12th St
- Pine St and 13th St
- Pine St and 9th St
- Wilson/A St and 12th St
- 12th St crossing of Indian Creek
- Fairview Dr and 30th St
- May St and 13th St
- 22nd St from Belmont Dr to May St

Based on the feedback received through all engagement methods, it is clear that the Hood River community values active, healthy lifestyles and seeks to make it safer and more comfortable for all students to walk and bike. Participants who engaged with the SRTS planning process want to see more protected, continuous SRTS routes, particularly along May St, 12th St, and 13th St. Commenters also focused on the need for safer and more accessible connections to the Sieverkropp neighborhood (to the south) and Downtown (to the north).

HOOD RIVER SRTS

PUBLIC INPUT MAP

POINT COMMENTS

High Density of Comments

Low Density of Comments

HOOD RIVER CONTEXT

Railroad

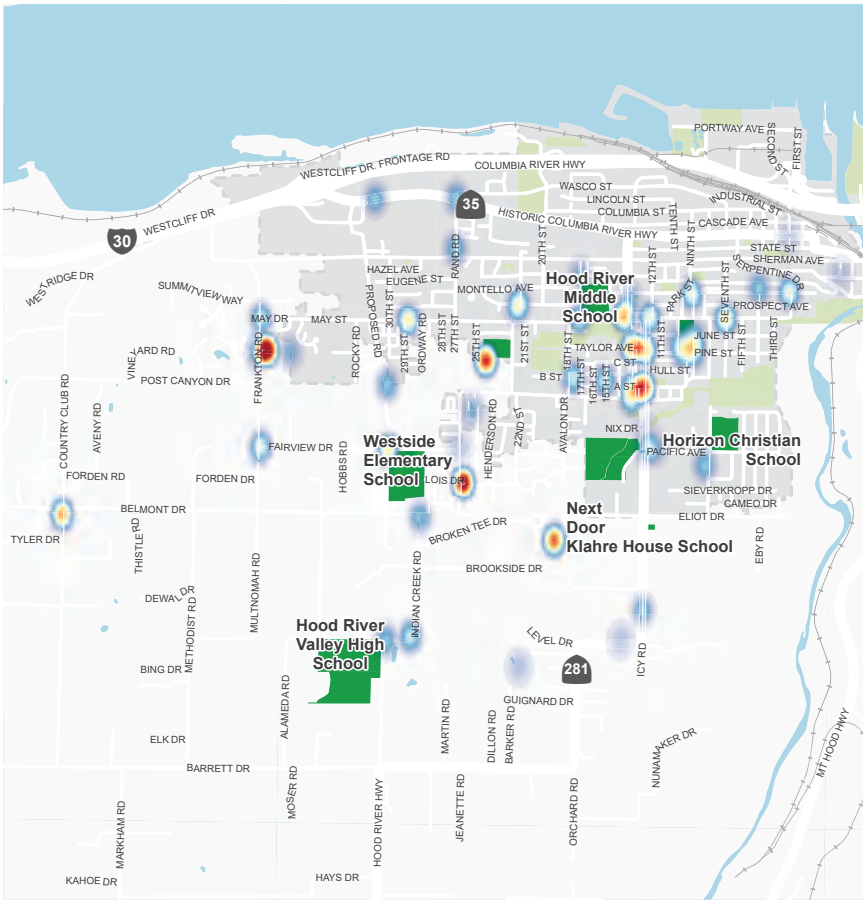
City Boundary

Parks

Water

School Property

57 POINT COMMENTS
263 ENGAGEMENTS (LIKES, DISLIKES)



Themes from the online Public Input Map and survey, as well as the Draft City of Hood River SRTS Plan Public Comment Period, included:

- Improving efficiency for parents by enabling students to safely walk or bike to school, rather than being dropped off or waiting for a bus
- Ensuring safety for visually-impaired pedestrians and other vulnerable users
- Providing a safe place for students to store their bikes during the school day
- Reducing vehicle congestion on roads and near schools
- Reducing bussing needs
- Interest in as much physically protected infrastructure as possible, such as parking- or bollard-protected bike lanes and sidewalks or side paths separated from the road
- Concern about winter safety and the need for snow removal from pedestrian and bike infrastructure
- Requests for further development of a connected citywide active transportation network to build on SRTS routes
- Requests for additional SRTS planning at Westside Elementary, Hood River Valley High School, and other Hood River School District schools

HOOD RIVER SRTS

PUBLIC INPUT MAP

ROUTE COMMENTS

- High Density of Comments
- Low Density of Comments

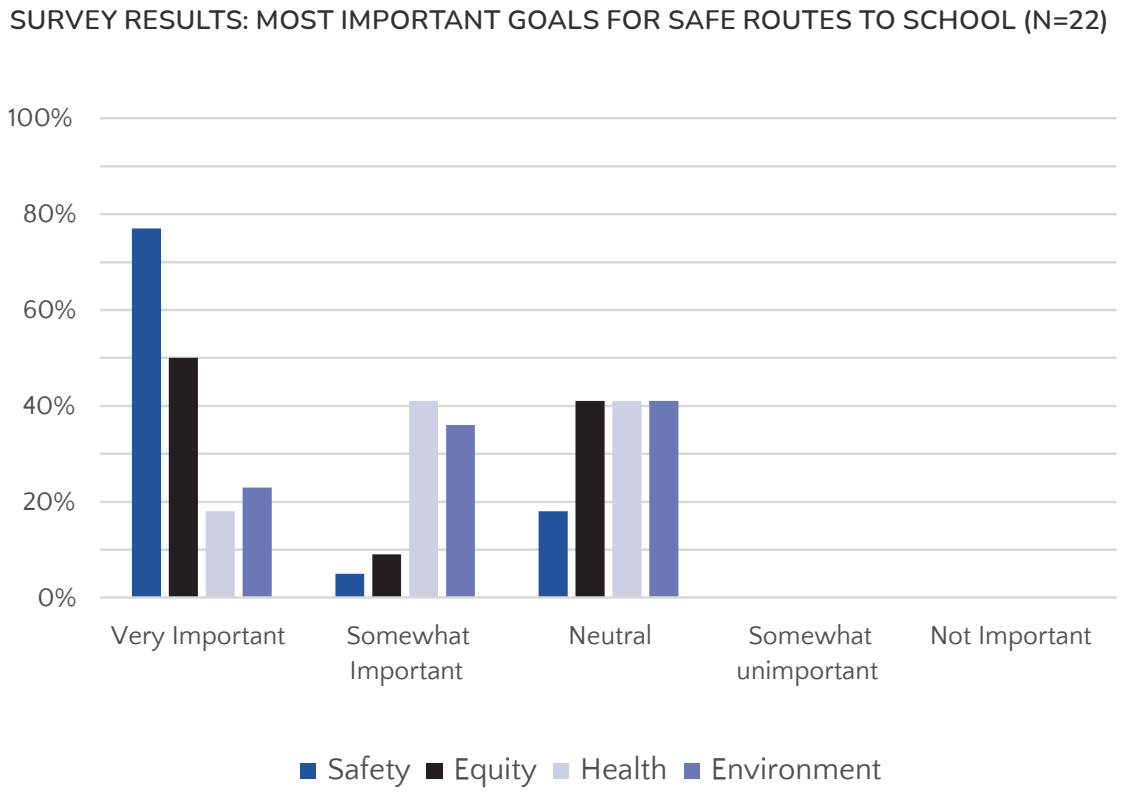
HOOD RIVER CONTEXT

- Railroad
- City Boundary
- Parks
- Water
- School Property

51 ROUTE COMMENTS
90 ENGAGEMENTS (LIKES, DISLIKES)



When asked through the Public Input Map about the most important goal for a Safe Routes to School Plan for Hood River, survey respondents indicated that Safety was their top priority, followed by Equity, Health, and Environment, as illustrated in the chart below.



CITY OF HOOD RIVER CITY COUNCIL

DATE: September 22, 2025

TO: Honorable Mayor Paul Blackburn and City Council

FROM: Dustin Nilsen, Director of Planning and Zoning
Kevin Liburdy, Senior Planner

SUBJECT: Development Code Update (Phase 2) – Module 3

CITY COUNCIL GOAL:

- ☒ Equitable and Diverse Housing Inventory
- ☒ Equitable and Inclusive Community
- ☒ Well-Maintained and Safe Community
- ☒ Efficient and Safe Transportation System for all users
- ☒ Environmentally Sustainable and Resilient Community
- ☒ Adequate Parks and Open Space
- ☒ Healthy Organization

BACKGROUND: The City Council's 2023-2024 and 2025-2026 Work Plans include an Audit & Update of the City's Development Code (Titles 16 and 17 of the Municipal Code) on the Critical Projects list. The purpose of this project is not to amend Comprehensive Plan policy issues but to improve the usability of the code, update the standards to be easier to understand and apply, address issues of ambiguity, and ensure consistency with state law. In September of 2023, the Department of Land Conservation and Development (DLCD) awarded the City a Housing Planning Assistance grant to support updates to the code that affect the development of housing.

In 2024, a Code Audit (Phase 1) was performed to identify potential inconsistencies with state land use law and existing City Comprehensive Plan policies, identify internal conflicts as well as grammatical and formatting errors, and include a framework to amend development code provisions that are in need of improvement or clarification. To prepare the audit, interested parties were engaged, and a Diversity, Equity, and Inclusion Assessment was prepared for use throughout the project to ensure equity is considered in decision-making processes, code analyses, and to inform recommendations for code amendments.

The Project Management Team (PMT), including City staff and Matt Hastie of the consulting firm MIG, presented an overview of the Code Audit to the Planning Commission and City Council in July of 2024. The overview summarized the goals, tasks, timeline, suggestions from meetings with interested parties, and initial Code Audit findings. The main suggestions for code improvements include updating definitions, middle housing standards, parking standards, landscaping standards and application review processes; adding provisions for affordable housing development and wireless communication facilities; as well as updating the formatting and organization of the code.

After discussing the Code Audit findings with the Planning Commission and Council, the PMT attended subsequent meetings with Council to discuss the community engagement plan for the Code Update (Phase 2), including objectives, interested parties, activities, and contracting with MIG to complete portions of the Phase 2 Code Update work that will not be funded by DLCD. Community engagement activities for Phase 2 include sharing documents through the project website (https://cityofhoodriver.gov/planning/development-code-audit-and-update/); work sessions and briefings with the City Council and Planning Commission; meetings with interested parties including to Spanish speaking community members; social media communications; online surveys; and,

publishing short explanatory videos. The City Council supported the Code Audit findings and approved the community engagement plan and MIG contract for the Code Update process.

The Code Update process (Phase 2) will be ongoing through Spring of 2026, prior to scheduling public hearings to consider adoption of code amendments. The consultant is drafting code amendments in four batches, or modules. The modules are being organized to follow the structure of the State of Oregon's Model Development Code for Small Cities, which represents the base outline for the City's reorganized Code. The Model Code, developed by Oregon's Transportation and Growth Management Program (TGM), addresses a wide variety of necessary code elements, and it is being updated concurrently to ensure consistency with state law.

The City Planning Commission and City Council each held a work session in June, 2025 to review and comment on Module 1 materials, which included an organizational memo and table, and the first draft of an Introduction and General Provisions for the Development Code. And, the City Council held a work session on July 21, 2025 to review and comment on Module 2 materials, which included Application Review Procedures and Approval Criteria, and an Application Type Table.

DISCUSSION: The purpose of this work session is to obtain feedback from the City Council on the draft Module 3 code, which focuses on allowed uses as well as a variety of development standards, including new provisions for affordable housing development, wireless communication facilities, etc. The document merges elements from the City's existing zoning regulations with the Model Code, as well as recently updated development codes from Oregon cities that comply with state laws for housing.

Reorganization of zoning regulations, including special standards for numerous specific uses, is intended to minimize repetition, improve consistency, and make the code easier to use. As standards and criteria in Modules 3 and 4 are reviewed, refinements will be required to align with the approval procedures discussed in Module 2. And, the table of contents, chapters, and section numbers will be updated after a numbering and naming system is established for the revised development code.

To assist in refining the draft code, the project management team requests input from the Planning Commission and City Council. **Staff highlights the following items for discussion (referencing page numbers from the draft Module 3 code document) and summarizes feedback provided by the Planning Commission's September 15, 2025 work session *(PC feedback)*:**

1. Residential density calculation procedure (pp. 10-12): the Model Code includes a density calculation procedure that differs from the City's current approach by establishing both minimum and maximum density requirements. Currently, a minimum density standard is used only in the City's C-2 Zone. By establishing minimum density requirements in other zones, the density calculation procedure could help spur development of additional housing to meet the community's needs. And, the existing minimum density standard for the C-2 Zone could be tailored to better address circumstances in the Central Business District, Heights Business District and West Cascade Ave. However, staff is hesitant to recommend establishing minimum densities outside the C-2 zone, and requests feedback from the Planning Commission.

   Based on the City's Housing Needs Analysis, the City has a goal of encouraging multifamily residential development in both the R-3 and C-2 Zones. Recent development proposals have included requests for Zone Changes from R-3 to C-2 for purposes of developing multifamily residential. Staff requests feedback from the Planning Commission about whether existing minimum-lot-size requirements and density calculation procedures for the R-3 Zone should be modified to encourage multifamily development.

PC feedback: Commissioners acknowledged that minimum density requirements in residential zones may help address desired housing production by restricting low-density development, but there were concerns that setting the density maximums and minimums may have the potential to become obstacles that prevent projects from moving forward if they cannot achieve a specified minimum density standard, particularly if conditions like parcel size or topography present barriers to compliance. If minimum density standards are adopted, they should be achievable.

The commission also had concerns about the potential for minimum density to create conflicts in the community if higher-density development is required adjacent to existing lower-density neighborhoods. The commission acknowledged that not all land zoned R-3 is the same. For example, it may not be appropriate to develop land zoned R-3 as intensively when it is adjacent to land zoned R-1 vs. when it is adjacent to land zoned C-2.

With respect to maximum density for multifamily residential development in the R-3 Zone, the commission supported relying on performance-based standards rather than specifying a maximum unit count. Development standards addressing issues like maximum building height and coverage, setbacks, minimum parking and landscaping can be the limiting factors to the number of potential multifamily dwelling units. Commissioners also agreed that the current standards in the R-3 often prevent the development of multi-family housing.

2. Table of uses allowed by zoning district (pp. 16-26): The Model Code uses a table to present a list of uses that are Permitted, Permitted with Special Use standards, Conditional Uses and Not Allowed. Staff anticipates refinement of the list of uses in the table to address mini storage facilities, campgrounds and RV Parks, outdoor sales and storage, etc., and to include all uses listed in the City's SDC ordinance.

   PC feedback: The commission supported incorporating a "use table" into the development code. Commissioners shared recommendations for clarifications and refinements.

3. Allowance of commercial uses in the R-3 Zone as a Conditional Use (pg. 22): The Model Code allows commercial uses in the R-3 Zone as a Conditional Use. In order to avoid erosion of the limited amount of land zoned R-3, which is needed for multifamily and other residential development, staff does not recommend the introduction of commercial uses through a Conditional Use process throughout the R-3 Zone. However, there may be locations where commercial uses and mixed-use neighborhood-scale development are desirable outside of commercial zones, such as near intersections of collector and arterial streets.

   PC feedback: The commission agreed that stand-alone commercial uses should not be listed as Conditional Uses in the R-3 Zone. However, the commission supports mixed residential/commercial development in the R-3 Zone with limits on the amount of commercial (e.g., limits on square footage or percentage of the mixed-use development devoted to commercial use).

4. Conditional Use Permit for development on sites of 1.5 acres and greater in C-2 Zone (pg. 22): Currently, a Conditional Use Permit is required for commercial uses on sites of 1.5 acres and greater in the C-2 Zone. Staff recommends reconsidering the threshold based on impacts of proposed development rather that focusing solely site size. Sites of 3 acres and greater are more likely to include multiple uses, greater impacts and phased construction, and should continue to be reviewed through a Conditional Use process. If the current threshold is increased from 1.5 to 3 acres, development of commercial uses on sites less than 3 acres would still be subject to Site Plan Review.

PC feedback: The commission supported increasing the threshold for a Conditional Use Permit for commercial development in the C-2 Zone from 1.5 to 3 acres.

5. Food cart pods/mobile food vendors (pg. 23): Staff recommends special standards should be prepared for food cart pods, and the use should be permitted in the C-2 Zone subject to such standards.

   PC feedback: The commission supported adopting standards for the development of food cart pods in the C-2 Zone. The commission also supported continuing to allow issuance of transient merchant licenses for food carts located outside of pods, and not limiting carts to the C-2 Zone.

6. Maximum lot coverage (pg. 37-40): The Model Code includes standards for Lot Coverage. Staff recommends retaining the City's Maximum Lot Coverage standards (HRMC 17.04.120) rather than applying lot coverage standards from the Model Code. However, staff does recommend incorporating some provisions from the Model Code to improve clarity on how coverage is calculated.

   PC feedback: The commission supported clarifying the City's maximum lot coverage standards by incorporating some provisions from the Model Code, to be drafted by staff and the consulting team for further review. Commissioners suggested updating effective dates for non-conforming development in the ordinance and reducing complexity.

7. Building height transition (p. 41): The Model Code includes building height transition standards, which limit height for new development adjacent to existing single-story residential uses in residential zones to improve compatibility. It is unclear to staff how a development application can provide the necessary details for existing development on sites under different ownership. Staff anticipates and recommends improvements to the City's definition of "Building Height" and discussion of appropriate maximum building height standards in zoning districts. Staff recommends tabling the building height transition standards until building height is addressed.

   PC feedback: The commission does not recommend adopting building height transition standards.

8. Affordable Housing code (pg. 44-51): The City's Affordable Housing Strategy recommends adoption of an affordable housing ordinance to expedite the review and approval of affordable housing development, subject to clear and objective development standards tailored to meet the needs and impacts of affordable housing. The consulting team drafted affordable housing code provisions to address recently adopted state statutes. Staff anticipates further refinement of affordable housing code provisions and requests planning commission input on methods to improve the development and review of affordable housing.

   PC feedback: The commission supports the adoption of code for Affordable Housing, and suggested that the City search for ways to reduce regulatory barriers and provide incentives for housing that is more deeply affordable, including potentially considering standards that may go beyond minimum state requirements.

9. Home Occupation standards (pg. 61-64): The City's current standards for Home Occupations suggest using a ministerial process while applying discretionary standards. Staff recommends a Type I review process for Home Occupations that have negligible impacts to neighboring properties, and a Type II review process for Home Occupations that, for example, have greater traffic impacts. Each approval would include standards for uses to ensure compliance and, in the case of the Type II review, notices to neighboring property owners.

PC feedback: The commission supported implementing Type I and Type II review procedures for Home Occupations, and also clarifying circumstances when a permit would not be required (permitted outright with no City approvals required).

10. Manufactured Dwelling Park standards (pg. 66-71): The City's current standards for Manufactured Homes and Manufactured Dwelling Parks do not comply with state law and must be updated. The current code requires approval by the City Planning Commission (aka Type III review process). Staff recommends a Type II process for review of Manufactured Dwelling Parks, including the use of tailored approval standards.

    PC feedback: The commission supported the use of a Type II process with tailored standards for review of Manufactured Dwelling Parks.

11. Temporary Uses (pg. 71-74): The City's current Development Code does not include regulations for temporary uses. Provisions for temporary uses have been added based on the Model Code.

    PC feedback: The commission generally supported inclusion of code provisions for temporary uses. However, like Home Occupations, the commission suggested clarifying circumstances when a permit is not required (e.g., kids' lemonade stands).

12. Cottage Cluster Housing regulations, general (pg. 77-82): The Model Code includes provisions for Cottage Cluster Housing. Although the City is not required to allow Cottage Cluster Housing as a "middle housing" type based on population size, staff recommends inclusion of such regulations in the City's Development Code along with standards tailored for different zoning districts to address density, setbacks, parking, and open space requirements.

    PC feedback: To expand the number of options for residential uses, the commission supported adding tailored standards for Cottage Cluster development, and clarifying how these standards are different than the existing "Middle Housing Development" standards (HRMC 17.25).

13. Cottage Cluster Housing regulations, parking (pg. 78-79): The Model Code allows credit for on-street parking spaces. If adopting Cottage Cluster Housing regulations, staff does not recommend allowing credit for public on-street parking spaces. Parking the public rights-of-way supports uses on numerous properties, and it cannot be guaranteed to be available to serve a specific use or site.

    PC feedback: This issue was not reviewed by the commission and instead will be discussed with other parking regulations as a part of Module 4.

14. Congregate Living residential use (pg. 83-84:): The City current Development Code includes provisions for congregate care and group residential but does not explicitly describe single room occupancy living. In Oregon, single room occupancy (SRO) housing consists of lockable residential units rented to one person, sharing sanitary or food preparation facilities. State law requires local governments to permit SROs, especially in urban areas, on properties zoned for single-family or multi-unit housing to increase affordable housing options for groups such as low-income individuals, older adults, and people with disabilities. Recent legislation, such as House Bill 2138, has expanded SRO allowances on properties zoned residential. Single Room Occupancy Dwellings are permitted based on state statute, and regulations can be applied to limit the number of units in the R-1 and R-2 Zones (at least 4 but no more than 6 per lot). Staff will work with the consulting team to refine regulations for SROs, Group Residential and Congregate Living facilities.

PC feedback: The commission suggested simplifying the development code and avoiding redundancy by adopting standards for SRO housing only if that is all that is needed. Staff and the consulting team believe it will be helpful to define and clarify differences between SRO units (as defined by the state), congregate care (which is frequently applied to assisted living or similar facilities) and group residential homes.

15. Wireless Communication Facilities (pg. 87-101): The City's current Development Code does not include procedures and standards for Wireless Communication Facilities (cell towers, etc.). The Code Audit identified this as a priority to include in the Code Update. The Model Code does not contain telecom standards, and the Department of Land Conservation and Development does not have guidance documents for land use codes and telecom facilities. The current Module 3 draft code incorporates regulations from the City of Fairview as a starting point for discussion. Staff recommends tailoring standards based on best practices to address use of "stealth" technologies and meet requirements for eligible facilities/collocation under the Spectrum Act.

    PC feedback: The commission supported including tailored standards based on best practices to address the use of "stealth" technologies and meet requirements for eligible facilities/collocation under the Spectrum Act.

STAFF RECOMMENDATION: Council is asked to comment all aspects of the attached draft zoning regulations and special use standards, including the issues highlighted above.

SUGGESTED MOTION: None.

FISCAL IMPACT: Phase 1 of the project was completed with approximately $58,500 in grant funds from DLCD's Housing Planning Assistance program. Phase 2 of the project is estimated to cost approximately $204,012. The City's share is $111,697, and the remaining $92,315 will be paid by DLCD. The City Planning Department budgeted $167,000 for contract services in FY24-25 (largely carried forward from previous budget cycles for this project).

ATTACHMENT:

1. Draft Zoning Regulations and Special Use Standards (Module 3)

See **September 22, 2025 Meeting Packet Part 3** on City of Hood River website for document https://cityofhoodriver.gov/administration/meetings/

CITY OF HOOD RIVER CITY COUNCIL

DATE: September 22, 2025

TO: Honorable Mayor Paul Blackburn and City Council

FROM: Abigail Elder, City Manager

SUBJECT: Communications re: Immigration and Customs Enforcement

CITY COUNCIL GOAL:

- ☐ Equitable and Diverse Housing Inventory
- ☒ Equitable and Inclusive Community
- ☒ Well-Maintained and Safe Community
- ☐ Efficient and Safe Transportation System for all users
- ☐ Environmentally Sustainable and Resilient Community
- ☐ Adequate Parks and Open Space
- ☐ Healthy Organization

BACKGROUND: Since 1987, Oregon has been recognized as the first state in the nation to adopt a statewide Sanctuary Law, prohibiting state and local governments, including law enforcement, from assisting in federal immigration enforcement activities. These protections are outlined in several key Oregon Revised Statutes, including ORS 180.805, 180.810 and 181A.820-181A.829.

In 2021, the Sanctuary Promise Act (HB 3265) was enacted to further strengthen protections for immigrant communities, increase accountability, and ensure transparency in interactions between state and local agencies and federal immigration authorities.

In recent months, U.S. Immigration and Customs Enforcement (ICE) has increased enforcement activities, often with little or no notice to local law enforcement. The Northern Oregon Regional Corrections Facility (NORCOR) does not collaborate with ICE and does not house ICE detainees.

Oregon's sanctuary laws include several key provisions. Law enforcement agencies are prohibited from directly or indirectly participating in immigration enforcement without a judicial warrant, and officers may not inquire about or collect immigration status information except under narrow legal circumstances.

State and local agencies are also restricted from granting federal immigration authorities access to non-public spaces or sharing personal information without a judicial warrant. Additionally, the laws prohibit collaboration with ICE based on non-judicial warrants, prevent arrests in or around courthouses for immigration purposes without judicial authorization, and ensure that services, benefits, and opportunities cannot be denied solely based on immigration status.

DISCUSSION: At its September 8 meeting, City Council members expressed an interest in discussing ICE actions and how the City can best reassure residents that local law enforcement does not coordinate or support ICE, except as required by a judicial order.

STAFF RECOMMENDATION: Provide direction to staff on next steps.

SUGGESTED MOTION: None

ALTERNATIVES: None

FISCAL IMPACT: None

ATTACHMENTS:
None