

IN THE CITY COUNCIL  
FOR THE CITY OF HOOD RIVER, OREGON

**ORDINANCE NO. 2098**

**An Ordinance amending Hood River Municipal Code Title 12 (Public Utilities), Chapter 07 (System Development Charges), Section 12.07.090 to exempt Accessory Dwelling Units (ADU) from water and sewer system development charges.**

The Hood River City Council finds as follows:

**WHEREAS**, ORS Chapter 223 authorizes cities to assess System Development Charges (SDCs) to finance capacity increasing system improvements needed to serve new development; and

**WHEREAS**, the City has implemented its authority from ORS Chapter 223 by the adoption of Hood River Municipal Code Chapter 12.07 (System Development Charges), pursuant to which the City has adopted, and from time to time amended its SDCs; and

**WHEREAS**, the City of Hood River amended Hood River Municipal Code Title 17 (Zoning) Chapter 17.23 Accessory Dwelling Units (Ordinance 2050) to promote accessory dwellings as an economical way to provide additional housing choices; and

**WHEREAS**, the City of Hood River waived water & sewer SDCs for ADU development if the unit shares a connection with a primary residence to assess the impact of the adopted zone change and now seeks to codify this waiver; and

**WHEREAS**, at its September 14, 2026 meeting City Council initiated a duly noticed public hearing at which time the Council accepted written and oral testimony; deliberated and voted to approve a modification to Title 12 (Public Utilities), Chapter 07 (System Development Charges), Section 12.07.090 as set forth in Exhibit A.

**NOW, THEREFORE**, based on the foregoing findings, which are incorporated herein by this reference, the Hood River City Council Ordains as follows:

**Section 1 – Amendment**. Title 12 (Public Utilities) Chapter 07 (System Development Charges) Section 12.070.090 (Partial and full exemption) of the Hood River Municipal Code shall be amended as set forth in Exhibit A, attached hereto and incorporated herein by this reference.

**Read for the First Time** this 14 day of September, 2026.

**Read for the Second Time** and approved this \_\_\_\_ day of September 2026. This Ordinance shall take effect on the 31<sup>st</sup> day following the second reading.

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Paul Blackburn, Mayor

ATTEST:

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Jennifer Gray, City Recorder

Approved as to form:

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Daniel Kearns, City Attorney

## **EXHIBIT A**

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### **12.07.090 Partial and full exemption.**

The uses listed and described in this section shall be exempt, either partially or fully, from payment of one or more SDCs that are otherwise due. Any applicant seeking an exemption under this section shall specifically request that exemption before issuance of a permit, or within 180 days after issuance of a permit, for the new development. Where new development consists of only part of one or more of the uses described in this section, only that/those portion(s) of the development that qualify under this section are eligible for an exemption. The balance of the new development that does not qualify for any exemption under this section shall be subject to the full SDC. Should the applicant dispute any decision by the City regarding an exemption request, the applicant must apply for an alternative exemption determination under HRMC [12.07.110](#). The applicant has the burden of proving entitlement to any exemption so requested.

- A. Any use allowed by the City pursuant to a transient use permit or a special event permit.
  - B. Low-income housing that receives state, private, or federal funding, whether directly or through tax credits, and for which a deed restriction is recorded for each housing unit that preserves the unit as affordable housing for people earning no more than 120 percent of the area median income for no less than 40 years.
  - C. Alteration permits for tenant improvements, new construction or remodeling are exempt where:
    - 1. No additional dwellings are created. "Dwelling" means any building or portion thereof that serves or could serve as a separate living facility, with areas for sleeping, eating, cooking and sanitation; or
    - 2. If the new development is not reasonably expected to result in an increase in person-trips as compared to the trip generation of the previous use, it is exempt from transportation SDC.
  - D. The construction of accessory buildings or structures that will not create additional dwelling units or do not create additional demands on the City's capital improvement systems.
  - E. For any ADU established pursuant to Chapter 17.23, and which share water and sanitary sewer connections with a primary dwelling, an exemption from water and sanitary sewer SDC.
  - F. For new development that includes a mix of exempt and non-exempt forms of development, the applicable exemption(s) shall apply only to that portion of the new development to which the exemption applies. (Ord. 2094, 2025; Ord. 2087, 2025)
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