

**The City Council for the
City of Hood River, Oregon**

Resolution No. 2020-06

A Resolution Defining Developer Incentives and Programs and Incentives Related to Affordable Housing for Purposes of Construction Excise Tax Revenue Expenditures Under ORS 320.195(3)(a) & (c) and HRMC 15.17.075(C) & (D).

WHEREAS, the City of Hood River collects a Construction Excise Tax on new development pursuant to ORS 320.192, as codified in Chapter 15.17 (Construction Excise Tax) of the Hood River Municipal Code ("HRMC") for purposes of facilitating affordable housing and developments that provide affordable housing; and

WHEREAS, ORS 320.195 limits expenditures of Construction Excise Tax revenue to funding "developer incentives" and "programs and incentives" of the city related to affordable housing with little clarity as to what incentives and programs qualify for these revenues; and

WHEREAS, the Council has defined in HRMC 15.17.075(C) (Use of Revenue) that "developer incentives" include the funding of system development charge subsidies and land acquisition costs for affordable housing projects, but did not include the cost of land acquisition as part of suitable "programs and incentives" that would also qualify for Construction Excise Tax revenue expenditures under ORS 320.195(3)(c) and HRMC 15.17.075(D); and

WHEREAS, the City Council is in the process of purchasing a significant parcel of vacant, developable land within the city that is suitable for several municipal purposes, including an affordable housing project, and the Council desires to use Construction Excise Tax revenue for part of the land acquisition costs; and

WHEREAS, the expenditure requirements of ORS 320.195 and HRMC 15.17.075 warrant further clarification and definition as to what programs and incentives are sufficiently related to affordable housing to qualify for the use of Construction Excise Tax revenue, including the cost of land acquisition for affordable housing projects; and

WHEREAS, the Council undertook consideration of this matter and the appropriate clarification called for by state law and the local code in its regular meeting on January 27, 2020.

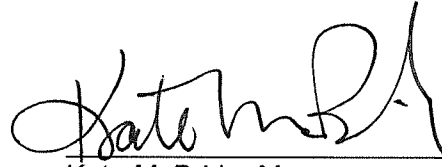
NOW, THEREFORE, BE IT RESOLVED by the Hood River City Council that the cost of land acquisition is a significant and essential step in the development of an affordable housing project and that a subsidy of land acquisition costs is a suitable, appropriate and lawful use of Construction Excise Tax revenues as a developer incentive for affordable housing projects as anticipated by ORS 320.195(3)(a) and HRMC 15.17.075(C).

BE IT FURTHER RESOLVED by the Hood River City Council that a subsidy of land acquisition costs is a suitable, appropriate and lawful use of Construction Excise Tax revenues as part of the City's programs and incentives related to affordable housing projects under ORS 320.195(3)(c) and HRMC 15.17.075(D).

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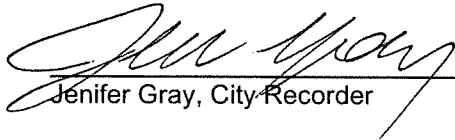
Approved by the Hood River City Council this 27th day of March 2020, to take effect immediately.



Kate McBride, Mayor

Attest:

Approved as to form:



Jennifer Gray, City Recorder

Daniel Kearns, City Attorney