



Oregon

Tina Kotek, Governor

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June 6, 2025

Joshua Chandler, Community Development Director
City of The Dalles
313 Court St
The Dalles, OR 97058
Sent via e-mail



RE: Review of City of The Dalles Housing Production Strategy

Dear Director Chandler,

On February 5, 2025, the Department of Land Conservation and Development (DLCD or Department) received a submittal from the City of The Dalles notifying the Department of the adoption of the city's Housing Production Strategy (HPS). Per Oregon Revised Statute (ORS) 197A.103(4), the Department posted the city's HPS for a 45-day public comment period on February 7, 2025. Upon the close of the public comment period on March 24, 2025, the Department received one comment on the city's HPS. The public comment received by the department is attached to this letter as Attachment A.

Per ORS 197A.103(6) (formerly ORS 197.291(6)), the Department must review the city's submittal to determine whether to:

1. Approve the Housing Production Strategy Report;
2. Approve the Housing Production Strategy, subject to further city review and actions as recommended by the Department; or
3. Remand the Housing Production Strategy for further modification as identified by the Department.

The Department is required to complete this review and issue a decision within 120 days of the city submittal. In the case of the City of The Dalles' Housing Production Strategy, the Department must make a final decision by June 7, 2025. Per ORS 197A.103(7) (formerly ORS 197.291 (7)), the Department's decision is final and may not be appealed.

Based on the Department's review of the City of The Dalles' Housing Production Strategy against the review criteria established in OAR 660-008 as it was in effect prior to amendments adopted by the Land Conservation and Development Commission in December 2024, which remains applicable to this review pursuant to ORS 197A.025 (Section 9), the Department approves the City's Housing Production Strategy Report with four conditions described below.

As part of the Department's review of the City of The Dalles' HPS, staff evaluated the city's adopted actions against the applicable statutory requirements in ORS 197. The city was actively developing its Housing Capacity Analysis (HCA) and HPS at the time House Bill 2001 (HB

2023) was enacted. Anticipating such situations, HB 2001 included provisions allowing the Land Conservation and Development Commission (LCDC) to allow cities to continue operating under the statutes and rules in effect prior to the bill's changes. Specifically, ORS 197A.025(9)(4) provides:

To avoid interference with current planning activities or to avoid unjust or surprising results, the Land Conservation and Development Commission may postpone, for cities specified by the commission, the applicability of section 13 [ORS 197A.210], 21 [ORS 197A.280], 22 [ORS 197A.270] or 23 [ORS 197A.018], chapter 13, Oregon Laws 2023, and the amendments to ORS 197.286, 197.290, 197.296 [renumbered ORS 197A.350], 197.297 [renumbered ORS 197A.335] and 197.303 [renumbered ORS 197A.348] by sections 12 and 25 to 28, chapter 13, Oregon Laws 2023, until a date that is not later than January 1, 2027.

Accordingly, the Department reviews the City of The Dalles' HPS under the applicable statutory framework in ORS 196 and 197, rather than under the updated statutes in ORS 197A (2023).

The review criteria applicable to the City of The Dalles' HPS are available for reference through the Oregon Secretary of State's Archives Division here:

- *Chapters 196, 197, edition 2021:*
https://www.oregonlegislature.gov/bills_laws/Pages/ORSarchive.aspx
- *Chapter 660, Division 8:*
<https://secure.sos.state.or.us/oard/viewCompDocument.action?compDocRsn=1240>

Department Findings based on OAR 660-008-0050

(1) Contextualized Housing Need – A contextualization and incorporation of information from the most recent Housing Capacity Analysis that describes current and future housing needs in the context of population and market trends.

The City of The Dalles adopted its HCA in May 2023 and its HPS in January 2025, meeting its statutory obligation to adopt these housing planning documents as prescribed by ORS 197A.103 (formerly ORS 197.291).

The city's HPS includes a chapter titled "*The Dalles' Housing Needs*" which provides an overview of the city's demographic and socio-economic characteristics and affordability metrics, disaggregated by race and ethnicity.

The HCA found a total need of 505 new housing units over the next 20 years, including 208 units affordable to households earning less than 80% of the Median Family Income (MFI). The city's MFI is \$59,714, which is lower than Wasco County (\$61,316) and the state (\$76,632). Among the city's residents 73.0% identify as white, 20.8% identify as Hispanic or Latino, and 4.8% identifying as two or more races. In 2022, 38% of the

Dalles' Hispanic or Latino population experienced housing cost burden or severe cost burden, compared to 21% of the city's white population. This information satisfies the requirements of OAR 660-008-0050(1)(a)(A).

OAR 660-008-0050(1)(a)(B) requires a description of measures the city has already adopted to promote the development of Needed Housing. The Department was unable to locate this information in the HPS therefore this rule requirement is not met. The Department will expect the city to address this requirement in its next HPS cycle by providing a narrative description of completed actions.

The chapter "*The Dalles' Housing Needs*" contains a section titled "Housing Market Dynamics" which provides information on the state of both the for-sale and rental housing market. It notes that underproduction has contributed to a serious decline in the residential vacancy rate, from 4.9% in 2010 to 2.3% in 2022. Median gross rent increased over this same period by 15% after adjusting for inflation. The median home value compounded growth rate was 1.6% between 2010 and 2022, below the state average of 2.1%. This section satisfies the requirements of OAR 660-008-0050(1)(a)(C).

The "Existing and Expected Barriers to Production" section summarizes the statewide research and feedback received from local developers. It pointed to an increase in construction costs, high interest rates, labor availability, and the cost of development-ready land as major barriers to housing production. It also cites infrastructure, system development charges (SDCs), and regulatory challenges as moderate barriers. This information satisfies the requirements of OAR 660-008-0050(1)(a)(D).

The section "Needs of People Experiencing Homelessness" reports that in 2024, 172 people in Wasco County were experiencing homelessness, with over 55% of that total unsheltered. Additionally, individuals identifying as Native American or two or more races were disproportionately represented. According to McKinney-Vento Act reporting, 45 students in the North Wasco County School District 21 were experiencing or at risk of experiencing homelessness. This represents about 1.6% of students, less than the statewide rate of 3.9%. This information satisfies the requirements of OAR 660-008-0050(1)(a)(E).

The section titled "Cost Burden" finds that in 2022, 12.7% of renter households spent more than 30% but less than 50% of their income on rent, and an additional 25.2% spent more than 50% of their income on rent. Combined, this share is lower than the statewide rate of 48%, but higher than the Wasco County rate of 23.9%. The section further states that in 2022, 31.8% of The Dalles households could afford the typical mortgage, down from 54.4% in 2010. This information satisfies the requirements of OAR 660-008-0050(1)(a)(F).

The chapter “*The Dalles' Housing Needs*” states that in 2022, 40.0% of residents were renters, and 60.0% were homeowners. This is a higher percentage of renters than in Wasco County (34.9%) and in the state (36.8%). The section titled “Existing Housing & Who Lives in Different Kinds of Housing” provides detail on the percentage of households living in different housing types by tenure. A significant majority of homeowners lived in detached single unit houses (85%), compared to just 37% of renters. Most renters lived in either multi-unit housing (34%) or middle housing (24%). The Dalles also has a relatively large percentage of manufactured homes, with 13% of homeowners and 4% of renters living in them. This information satisfies the requirements of OAR 660-008-0050(1)(a)(G).

An estimated 19% of individuals in The Dalles have one or more disabilities, with the most common types of disability being ambulatory, cognitive, independent living, and hearing related difficulties. This is higher than the statewide percentage of people who have one or more disabilities (15%). This information satisfies the requirements of OAR 660-008-0050(1)(a)(H).

(2) Engagement – A Housing Production Strategy Report must include a narrative summary of the process by which the city engaged Consumers of Needed Housing and Producers of Needed Housing, especially with regard to state and federal protected classes. A city may conduct engagement for a Housing Production Strategy concurrent with other housing planning efforts within the city including, but not limited to, a Housing Capacity Analysis, Consolidated Plans for Community Development Block Grant Entitlement Communities, and public engagement for Severely Rent Burdened Households as described in OAR 813-112-0010.

The city undertook engagement activities as part of the development of the HPS as required by OAR 660-008-0050(2). This process is outlined in the chapter titled “*Community Engagement*”.

The city established an HPS Advisory Committee consisting of 11 community members, including affordable and market rate housing developers, real estate brokers, property managers, regional policy experts, and community organizers and advocates. Joint Planning Commission and City Council work sessions were held to discuss and receive feedback. Interviews were also conducted with housing producers and representatives of historically marginalized communities. In Fall 2024, a Virtual Open House and survey were launched online, the results of which are included as Appendix B of the HPS. Collectively, this satisfies the requirements of OAR 660-008-0050(2)(a).

The description of each outreach activity also summarizes the feedback received by that group, as required by OAR 660-008-0050(2)(b). Identified needs included more affordable units and more opportunities for aging in place and multigeneration housing.

Recommendations included reducing zoning restrictions, scaling System Development Charges (SDCs), land banking, and adopting a multi-unit property tax exemption (MUPTE).

The city utilized the feedback from the broader community, the HPS Advisory Committee, the Planning Commission and City Council, and the interviews to inform the selection of actions as part of the development of the HPS. This information satisfies OAR 660-008-0050(2)(c).

The HPS contains a section titled “Recommendations for Future Engagement”. It proposes forming a housing committee which will provide ongoing feedback on HPS action. It also outlines ways that the city can build public awareness of the HPS and expand data gathering beyond what is available from the US Census Bureau. OAR 660-008-0050(2)(d) is satisfied.

Note: As part of the Department’s 45-day public comment period initiated in accordance with ORS 197A.103(4), the Department received one comment letter. It was broadly supportive of the HPS and included further recommendations to increase capacity for affordable housing and encourage more adaptive reuse. It also asks the city to address walkability and transit-access in line with Climate-Friendly and Equitable Communities (CFEC) rules (OAR 660-012-0310). While the Department encourages all cities to plan neighborhoods in a way that enhances walkability and transit-access, The Dalles is not in one of the eight regions with populations over 50,000 which the CFEC rules apply to. The public comment is included with this decision letter as Attachment A.

(3) Strategies to Meet Future Housing Need – A Housing Production Strategy Report must identify a list of specific actions, measures, and policies needed to address housing needs identified in the most recent Housing Capacity Analysis. The strategies proposed by a city must collectively address the next 20-year housing need identified within the most recent Housing Capacity Analysis and contextualized within the Report as provided in section (1). A Housing Production Strategy Report may identify strategies including, but not limited to, those listed in the Housing Production Strategy Guidance for Cities published by the Commission under Exhibit B.

The city’s HPS outlines 19 actions for implementation within its eight-year HPS cycle to address identified housing needs. These actions are detailed in the HPS chapter titled “*Actions to Meet Future Housing Needs*”. To provide clarity and structure, the city organized these actions into five categories:

1. Partnership & Communication Actions
2. Regulatory Actions
3. Incentive
4. Investment Actions
5. Land Actions

Each action in the HPS includes a detailed title and description which meets the requirements of OAR 660-008-0050(3)(a). This clarity will be beneficial for reviewing progress on and completion of actions at the Midpoint Review (provided in OAR 660-008-0060, occurring in year four of the HPS cycle) and in the final review at the end of the eight-year HPS planning period.

Each action in the city's adopted HPS includes an "Implementation Timeline", as required by OAR 660-008-0050(3)(c). However, the HPS did not include a timeline for the adoption of each action (OAR 660-008-0050(3)(b)) or a time frame indicating when each action is expected to impact needed housing (OAR 660-008-0050(3)(d)(D)). In response to the Department's request for clarification, the city provided us with the following timeline:

Actions by Implementation Timeline and Impact

Action Group	Action Title	Timeline (Years Since HPS Adoption)				Action Impact
		1-2	3-4	5-6	7-8	
Partnership Actions	Action 1.1: Housing Working Group		→	→	→	High
	Action 1.2: Pre-Approved Plans	A				High
	Action 1.3: Technical Assistance		→	→	→	Low
Regulatory Actions	Action 2.1: Middle Housing	A				High
	Action 2.2: Maximum Density				A	High
	Action 2.3: Zoning Incentives		A			Medium
	Action 2.4: Alternative Housing Types		A			Medium
	Action 2.5: Mixed-Use Development		A			Medium
	Action 2.6: Adaptive Reuse			A		Medium
Incentive Actions	Action 3.1: Tax Exemption Incentive	A				High
	Action 3.2: Scaling SDCs		A			Medium
	Action 3.3: SDC Deferral		A			Low
Investment Actions	Action 4.1: Tax on New Construction					High
	Action 4.2: Urban Renewal Areas			→	→	High
	Action 4.3: Downtown Plan			A		Medium
	Action 4.4: Infrastructure Prioritization		A			Medium
Land Based Actions	Action 5.1: Inventory and Assess Land		→	→	→	Medium
	Action 5.2: Land Agreements			A		Medium
	Action 5.3: Land Banking				→	High
Legend for Timeline						
	Timeline to begin implementation of action	A	Timeline for adoption of action			
	Time frame when action will impact needed housing	→	Implementation ongoing and action will impact needed housing over that time frame			

The comprehensive timeline provided by the city did not change the adoption schedule of any action as presented in the adopted HPS but rather clarified the actions' implementation and expected impact timelines in important ways. Therefore, the Department is applying the following condition of approval:

Condition of Approval 1: The city will only consider the updated timeline for the purposes of adoption, implementation, and review of the impact of each action on needed housing. The Department will consider this timeline for the purpose of this approval as well as at the Midpoint Review. Should the city need to amend the timeline, it must

notify the Department at the time of the Midpoint Review, as provided in OAR 660-008-0230(4).

The city's Housing Production Strategy includes "Action 3.2 Evaluate the feasibility of scaling SDCs", "Action 4.1 Explore implementing a Construction Excise Tax", "Action 4.2 Explore creating new urban renewal areas", "Action 4.3 Create a downtown strategic plan", and "Action 4.4 Continue to prioritize infrastructure to support housing" that consist primarily of feasibility studies or other forms of preliminary planning. These items do not necessarily contain committal implementation steps. As such, the Department does not consider them to meet the definition of an action under OAR 660-008-0050(3), which requires that each action directly address identified housing need through adoption, implementation, estimated magnitude of impact, and specific outcomes. DLCD recognizes that exploratory work like those described in Action Group 4 "Investment Actions", may play an important role in shaping future planning efforts. However, the work described in Action Group 4 "Investment Actions" remains noncommittal in nature. Accordingly, these items do not satisfy the city's current obligation to adopt actions that respond to identified housing need during the 8-year HPS cycle.

However, Action 4.1 merits closer attention. Though exploratory in its current form, it is the only "action" in the HPS that attempts to address the city's deeply affordable housing needs by identifying a potential source of local funding - a Construction Excise Tax (CET). Further, the "action" description on page 39 outlines it as having a particularly high impact on meeting deeply affordable housing needs.

The "Action 4.1" description also states:

"While the funds often fill a small portion (a 'gap') of overall costs, some level of local funding is often a required agreement for larger sources of affordable housing, and communities without the ability to contribute some level of local funding can be locked out of the opportunity to secure larger state and federal funding sources for affordable housing."

This narrative suggests that without a local funding mechanism, like a CET, the city may be unable to leverage state or federal funding to produce deeply affordable housing. Despite this urgency, the CET study is not scheduled until years 7–8 of the 8-year cycle, and no follow-up implementation action is identified. Because no other committal action in the HPS addresses deeply affordable housing from a funding perspective—and because "Action 4.1" is described as both high-impact and foundational to enabling state and federal investment—the Department applies the following condition of approval to ensure meaningful progress:

Condition of Approval 2: By the City’s Midpoint Report deadline under OAR 660-008-0060(1) (December 2028), the city complete the CET study described in “Action 4.1”. In the Midpoint Report, the city must:

- Provide a summary of the outcomes of the CET study, as outlined in the description of Action 4.1;
- Reflect on the efficacy, feasibility, and appropriateness of the CET strategy in addressing deeply affordable housing needs, in accordance with OAR 660-008-0060(2)(a)–(b); and
- Identify whether the city will adopt a CET or pursue an alternative action to address its deeply affordable housing need, consistent with OAR 660-008-0050(3)(d)(A)–(D).

The city may, based on the information and findings that result from completing the “Action 4.1” CET study, determine that further implementation of a CET program is not advisable or will not be effective in meeting the identified housing need. However, if the city chooses not to advance adoption of a CET, it must then identify an alternative action of appropriate magnitude to meet the identified deeply affordable housing need to be implemented during the second half of the HPS cycle.

OAR 660-008-0050(3)(d)(A) requires an assessment of the housing need addressed by each action, categorized by tenure and income. The “Impact Targets” section of each action contains this information under the headings “Affordability” and “Tenure”, in compliance with this rule. The HPS also includes a table from the 2023 HCA which further defines the affordability targets:

Affordability Target	Percent of Median Family Income (MFI)	Monthly Housing Cost Range
Subsidized	Less than 30%	\$700 or less
Affordable	30% to 80%	\$700 to \$1,200
Workforce	80% to 120%	\$1,200 to \$1,900
Market Rate	Over 120%	\$1,900 or more
<i>Source: City of The Dalles Housing and Residential Land Needs Assessment 2023-2043, Table 4.4</i>		

OAR 660-008-0050(3)(d)(C) requires an analysis of the income and demographic populations that are anticipated to receive benefit or burden for each action, including:

- (i) Low-income communities;
- (ii) Communities of color;
- (iii) People with disabilities; and
- (iv) Other state and federal protected classes

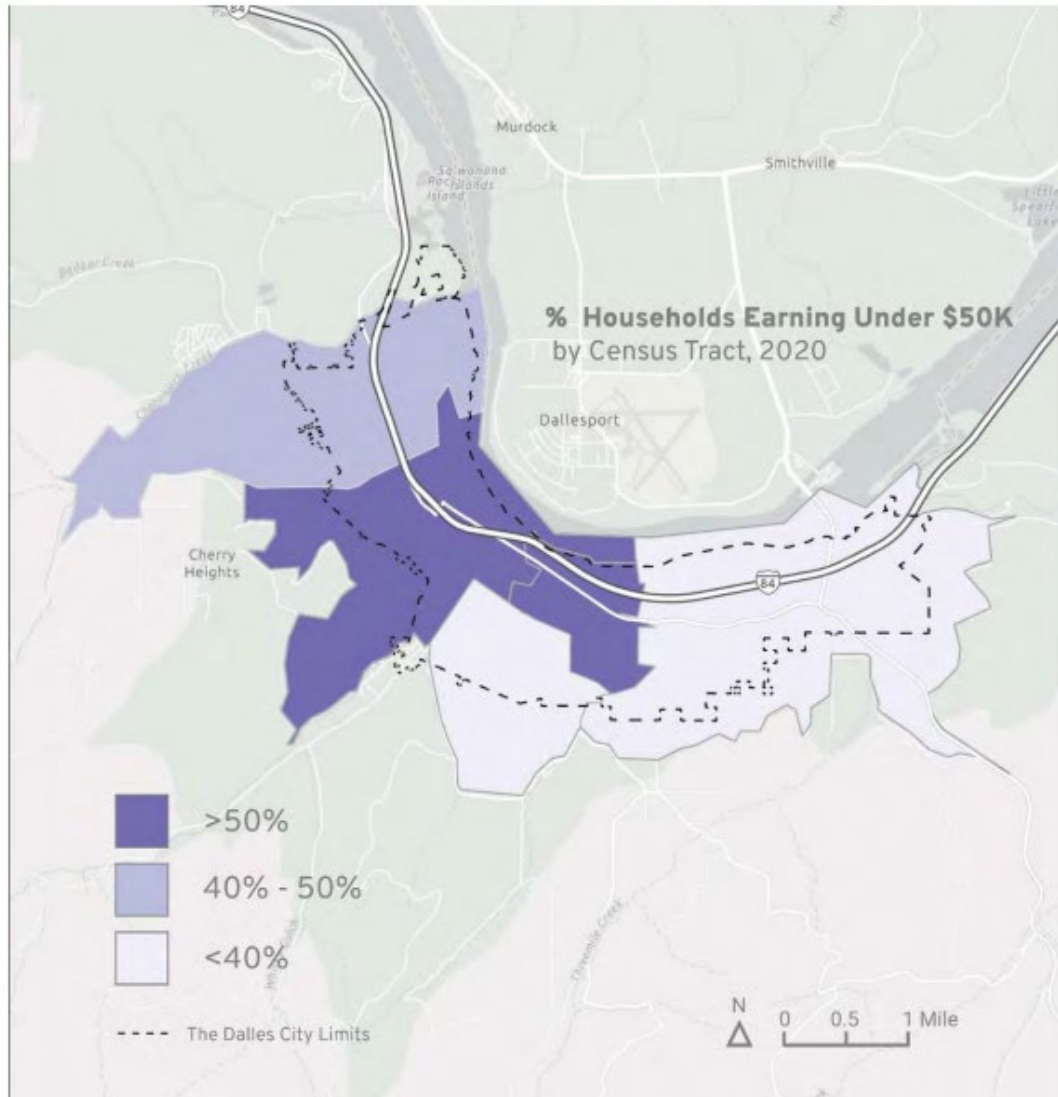
In the city's HPS, this rule requirement is addressed in the "Impact Targets" section of each action under the heading "Demographic". The chapter "*Fair and Equitable Housing Outcomes*" contains further analysis of the potential benefits and burdens resulting from each action. While the rule is minimally met, the Department requests that in future HPSs, the city provides a narrative within each action which more clearly connects to the needs identified in the Contextualized Housing Need (CHN).

(4) Achieving Fair and Equitable Housing Outcomes – A Housing Production Strategy Report must include a narrative summarizing how the selected Housing Production Strategies, in combination with other city actions, will achieve equitable outcomes with regard to the following factors:

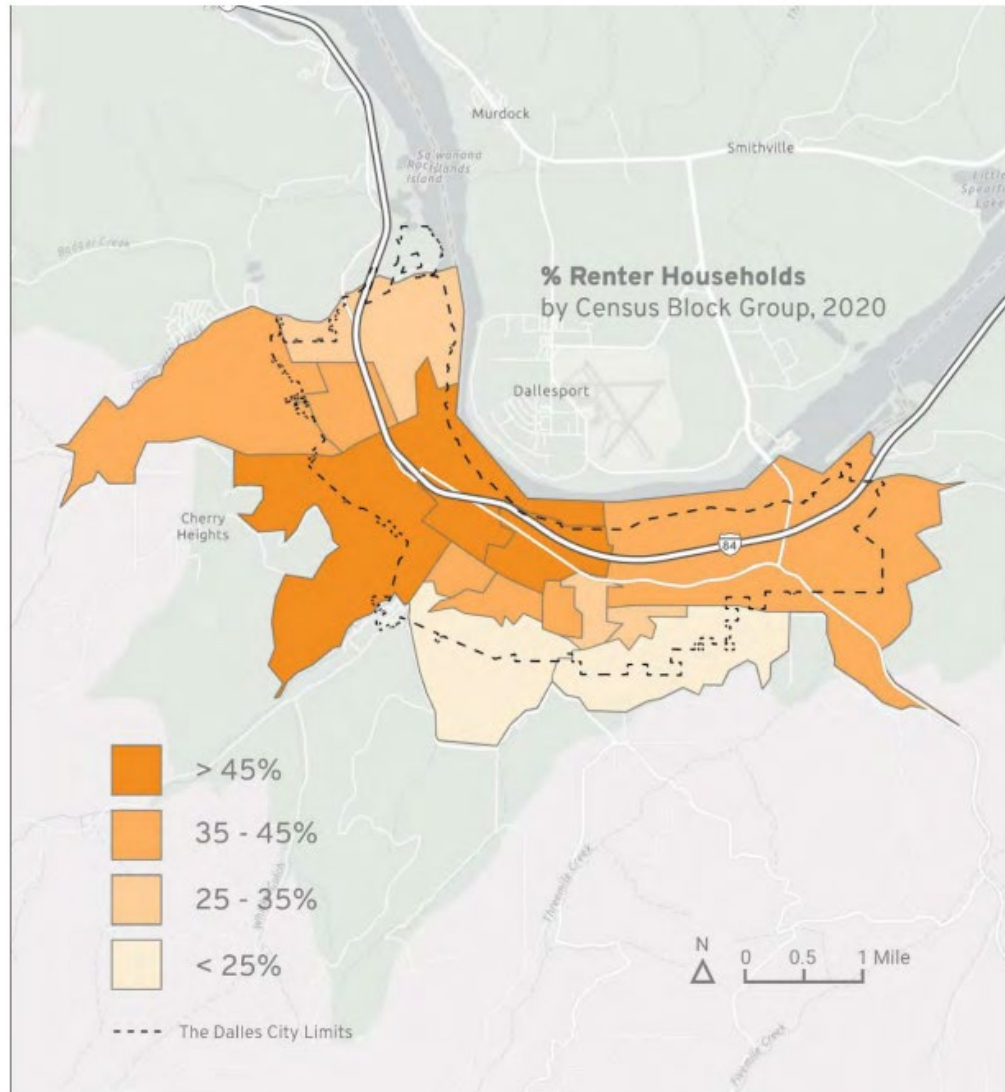
(a) Location of Housing – How the city is striving to meet statewide greenhouse gas emission reduction goals, established under Executive Order No. 20-04, by creating compact, mixed-use neighborhoods available to people who are members of state and federal protected classes. Within Metro, cities subject to this rule shall describe actions taken by the city to promote the production of regulated affordable units, as defined in ORS 456.586(1)(b); to promote the production of accessible dwelling units; to mitigate or avoid the displacement of members of state and federal protected classes; and to remove barriers and increase housing choice for members of state and federal protected classes within Region 2040 centers.

To meet the requirements of OAR 660-008-0050(4)(a-f), the HPS includes maps showing the distribution of three target populations – by income, tenure, and race/ethnicity – in the chapter "*Fair and Equitable Housing Outcomes*":

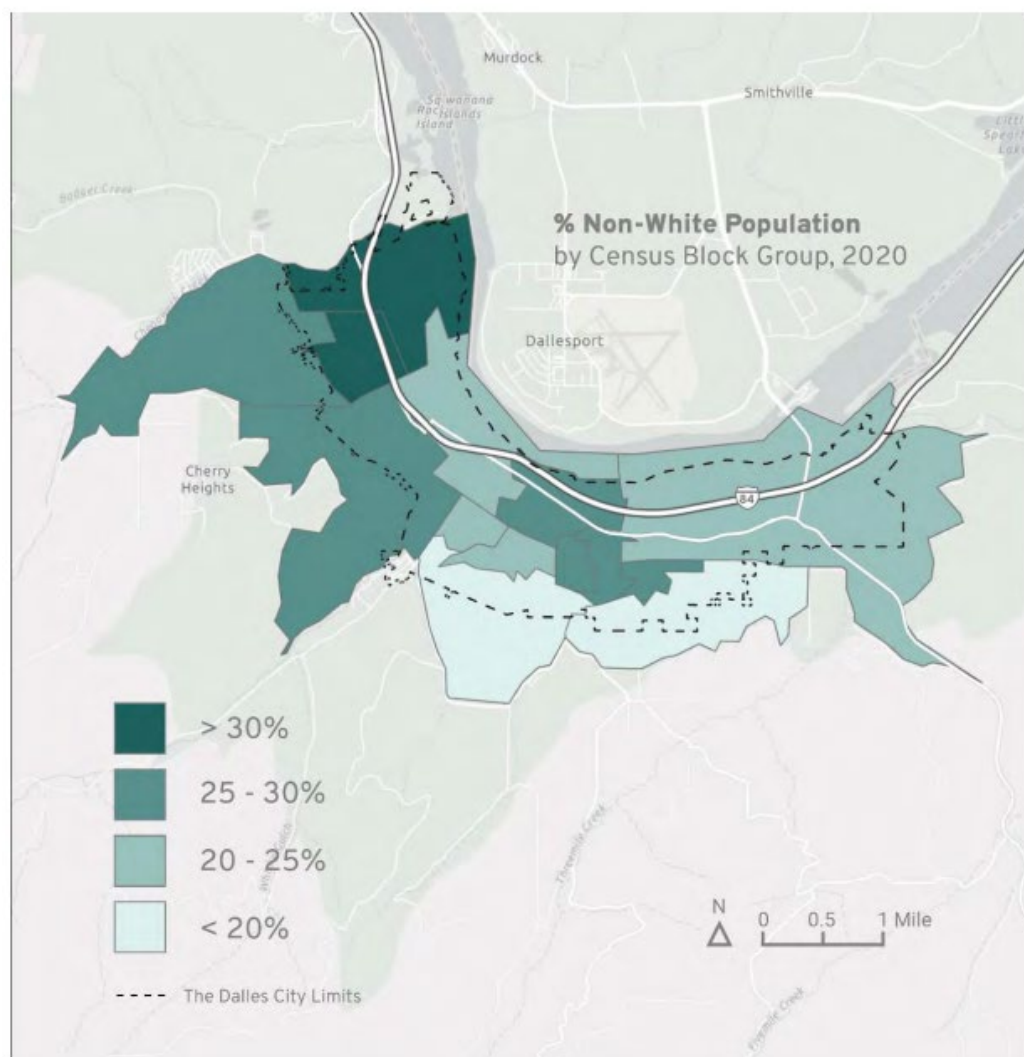
Map 1. Households Earning Under \$50,000 (Census Tract, 2020)



Map 2. Percentage of Renter Households (Census Block Group, 2020)



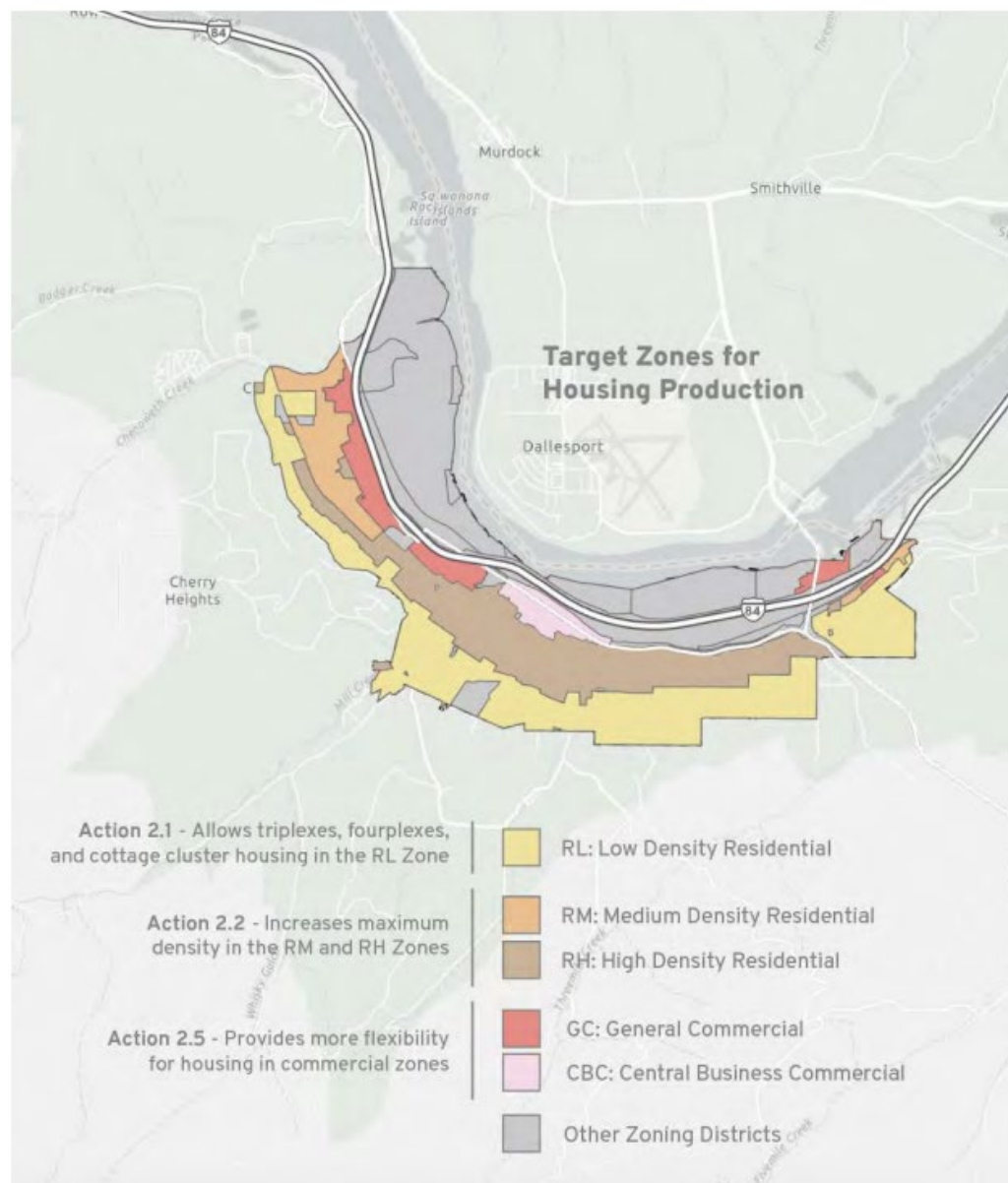
Map 3. Percentage of Non-White Population (Census Block Group, 2020)



The HPS observes a greater concentration of residents of color, renter households, and households earning less than \$50,000 per year in the western portion of the city.

For ease of reference, the chapter also includes a zoning map, noting the areas impacted by zoning-related actions in the HPS:

Map 4. Target Zones for Housing Production



The section “Location of Housing” specifies four actions which directly support the goal of reducing greenhouse gas emissions and promoting compact, mixed-use neighborhoods:

- 2.2 - Increase maximum density in the RM (Medium Density Residential), RH (High Density Residential), and NC (Neighborhood Center) Zones
- 2.5 - Provide more flexibility for housing in commercial zones
- 4.3 - Create a downtown strategic plan for housing development and investment

This section meets the requirements of OAR 660-008-0050(4)(a).

(b) Fair Housing – How the city is affirmatively furthering fair housing for all state and federal protected classes. Affirmatively furthering fair housing means addressing disproportionate housing needs, patterns of integration and segregation, racially or ethnically concentrated areas of poverty, and disparities in access to housing opportunity.

The HPS refers to one primary action to meet the requirements of OAR 660-008-0050(4)(b):

- 2.1 - Allow triplexes, fourplexes, and cottage cluster housing in the RL (Low Density Residential) Zone

The HPS states that existing restrictions on denser housing types in this zone may have contributed to the patterns of racial and economic segregation observed in the maps above. The clear connection between these actions and the fair housing needs of the city meets the intention of the rule. Therefore, OAR 660-00800050(4)(b) is met.

(c) Housing Choice – How the city is facilitating access to housing choice for communities of color, low- income communities, people with disabilities, and other state and federal protected classes. Housing choice includes access to existing or new housing that is located in neighborhoods with high-quality community amenities, schooling, employment and business opportunities, and a healthy and safe environment.

The HPS identifies four primary actions to enhance housing choice:

- 2.3 - Implement zoning incentives for affordable and accessible housing
- 2.4 - Clarify rules for non-site-built homes such as tiny homes and prefabricated/modular housing
- 3.1 - Adopt a multi-unit property tax exemption (MUPTE) to incentivize needed housing
- 4.1 - Explore implementing a construction excise tax (CET) for an additional affordable housing revenue source

All four of these actions describe how they could result in accessible housing. However, the actions themselves do not firmly commit to an approach which would produce this result. As the CHN notes, nearly one in five residents of The Dalles has one or more disabilities, so it is imperative that city to implements these actions in a way that meets the need for accessible housing.

OAR 660-008-0050(4)(c) is met.

(d) Housing Options for People Experiencing Homelessness – How the city is advocating for and enabling the provision of housing options for residents experiencing homelessness and how the city is partnering with other organizations to promote services that are needed to create permanent supportive housing and other housing options for residents experiencing homelessness.

The HPS identifies two primary actions which help meet the deep affordability needs of residents experiencing homelessness:

- 4.1 - Explore implementing a construction excise tax (CET) for an additional affordable housing revenue source
- 5.3 - Engage in land banking with partner organizations

As noted previously, the Department regards Action 4.1 as written to be exploratory, however Condition of Approval 2 will help ensure that there is funding available to meet this need. OAR 660-008-0050(4)(d) is satisfied.

(e) Affordable Homeownership and Affordable Rental Housing – How the city is supporting and creating opportunities to encourage the production of affordable rental housing and the opportunity for wealth creation via homeownership, primarily for state and federal protected classes that have been disproportionately impacted by past housing policies.

The HPS states over 40% of new housing needs to be affordable to residents to households earning at or below 80% AML. Thus, most of the selected actions focus on expanding affordable housing options. Four actions in particular are highlighted as addressing this need:

- 2.3 - Implement zoning incentives for affordable and accessible housing
- 3.1 - Adopt multi-unit property tax exemption (MUPTE) to incentivize needed housing
- 4.1 - Explore implementing a construction excise tax (CET) for an additional affordable housing revenue source
- 5.3 - Engage in land banking with partner organizations

These findings meet the requirements of OAR 660-008-0050(4)(e).

(f) Gentrification, Displacement, and Housing Stability – How the city is increasing housing stability for residents and mitigating the impacts of gentrification, as well as the economic and physical displacement of existing residents resulting from investment or redevelopment.

The city identifies four HPS actions which could contribute to gentrification or displacement:

- 2.2 - Increase maximum density in the RM (Medium Density Residential), RH (High Density Residential), and NC (Neighborhood Center) Zones
- 2.5 - Provide more flexibility for housing in commercial zones
- 4.2 - Explore creating new urban renewal areas that allocate a significant portion of tax increment and supportable debt to housing
- 4.4 - Continue to target and prioritize infrastructure to support housing

It further elaborates on six actions which mitigate these risks and improve housing stability:

- 1.1 - Convene a housing working group to pursue state funding and implement housing actions
- 3.1 - Adopt a multi-unit property tax exemption (MUPTE) program to incentivize needed housing
- 4.1 - Explore implementing a construction excise tax (CET) for an additional affordable housing revenue source
- 4.2 - Explore creating new urban renewal areas that allocate a significant portion of tax increment and supportable debt to housing
- 4.3 - Create a downtown strategic plan for housing development and investment
- 5.3 - Engage in land banking with partner organizations

The inclusion of these actions as mitigating measures is well-reasoned. However, as noted previously, Actions 4.1, 4.2, and 4.3 are exploratory in nature. It is critical that the city implements all of its actions in a manner which minimizes displacement and enhances stability. This section meets the intent of OAR 660-008-0050(4)(f).

(5) A Housing Production Strategy Report must include the following additional elements:

(a) A description of any opportunities, constraints, or negative externalities associated with adoption of the elements of proposed Housing Production Strategies;

Each action contains a section titled “Implementation Steps and Considerations” which collectively meet the requirements of OAR 660-008-0050(5)(a).

(b) A description of actions that the city and other stakeholders must take to implement the proposed Housing Production Strategies;

OAR 660-008-0050(5)(b) is partially met. While many of the actions describe steps which will be taken during the implementation process, lead agencies are

not identified. Clarity on who is responsible for each task, especially where it is not a city department, is important to ensure that each action is completed and implemented on schedule. Since HPS implementation often requires coordination across multiple city departments and external partners, identifying responsible parties is essential for effective collaboration and accountability, and is a key consideration in informing this rule. As such, the Department is applying the following condition of approval:

Condition of Approval 3: In the Midpoint Report, the city must identify all responsible entities for each action completed up to that point. It must also specify the lead entity responsible for implementing each action that remains incomplete in the HPS cycle.

(c) If the Housing Production Strategy Report is the first produced under this division, a description of how the city will measure strategy implementation and progress;

The HPS includes a chapter titled “*Measuring Progress*” which outlines the information the city will be gathering for its Midpoint Report, specifically to address both whether the actions have been implemented on schedule and the efficacy of each action. It recommends a variety of methods and metrics to track progress in each category of actions.

While these methods are presented as “recommendations”, six of the actions included in the HPS have a 1 to 2-year timeframe for adoption or implementation. It is thus important to establish a clear monitoring framework at this stage.

The Department is also interested in the annual monitoring summaries the city will be producing for informational and educational purposes. As such, the Department is applying the following condition of approval:

Condition of Approval 4: The Department requests that, at the time the city submits its four-year, Midpoint Report (by December 2028) to the department under OAR 660-008-0230, the city provides all annual monitoring summaries thus far to the department. These annual summaries are not required as part of the submittal under OAR 660-008-0230 and will not be used to make any final approval decisions. Rather, they will help the Department better understand local implementation trends and support broader learning across cities.

(d) If the Housing Production Strategy Report is not the first produced under this section, a summary of strategies that the city has previously adopted and implemented, and a reflection on the efficacy of each implemented strategy; and

Not applicable.

(e) A copy of the city's most recently completed survey to meet the requirements of ORS 456.586.

The city did not include a copy of their survey to meet the requirements of ORS 456.586. However, upon request from the Department, the city provided us with a survey of recently adopted measure to meet housing needs which was developed during the HPS process. OAR 660-008-0050(5)(e) is met.

The Department truly appreciates the dedication and hard work the city has invested in the development of the HPS. Our commendations go out to the city for their ongoing commitment to ensuring fair and equitable housing options and outcomes. We are eager to continue our partnership with The Dalles as we work together toward this shared goal. Please reach out to Housing Policy Analyst, Samuel Goldberg, at 971-458-3202, or at samuel.goldberg@dlcd.oregon.gov to discuss this decision further.

Sincerely,

A handwritten signature in black ink, appearing to read "Ethan Stuckmayer", with a stylized flourish at the end.

Ethan Stuckmayer

Housing Division Manager, Department of Land Conservation and Development

Cc: Brenda Bateman, DLCD
Kirstin Greene, DLCD
Angie Brewer, DLCD
Mari Valencia-Aguilar, DLCD
Samuel Goldberg, DLCD
Ingrid Caudel, DLCD



March 24th, 2025

BY EMAIL

The Dalles City Council
313 Court Street
The Dalles, OR 97058

Re: City of The Dalles Housing Production Strategy (HPS)

Dear Council Members,

This letter is submitted by Housing Land Advocates, a non-profit organization that advocates for land use policies and practices that ensure an adequate and appropriate supply of affordable housing for all Oregonians. HLA supports the Oregon Legislative Assembly's stated goal of encouraging the "production of housing to meet the need of Oregonians at all levels of affordability."

HLA commends the staff of the City for their analysis, and believe the HPS overall meets the statutory requirements. The Dalles Geographic Information System (GIS) maps, illustrating the percentage of non-white populations and renters and households earning less than \$50,000, visually ground the City's framework to provide housing solutions for the City's most marginalized populations. This achievements in The Dalles HPS sets a precedent for other Cities to follow.

However, there are several areas in which the HPS has expressed a need of the population, but does not adequately address how to remedy the deficiency. These areas for improvement include serving low-income households through homeownership and multifamily housing geographically distributed throughout the City, encouraging adaptive re-use, and serving the diverse accessibility/mobility needs of both the 19% of the population in the City that lives with disabilities, as well as the 20% senior population.

Recommendation 1. Single-Family Zoning & Affordable Homeownership Opportunities

Although low-income households represent over 40% of the city's need, the HPS impact metrics show that the proposed housing strategies will have more impact upon Workforce and Market-rate housing than on affordable housing.

- As an example, homeownership opportunities in the HPS consist largely of expanding missing middle housing opportunities which will benefit the middle income to upper income brackets; community feedback indicates a need and desire for affordable homeownership opportunities, but only 25% of the affordable dwellings according to the

HPS will be ownership opportunities. The city needs to provide more specific actions for homeownership for the lower income brackets. Action Items 4.1 and 4.2 consider the possibility of allocating a portion of CET and TIF funds to affordable homeownership opportunities – but this could be moot if the affordable homeownership supply is not available.

- As the GIS analysis shows, low-income residents are clustered where already-existing higher-density zones exist. The current HPS, as expressed, does not adequately address this economic segregation. A possible solution would be to upzone a portion of RL-designated zones to further incentivize the development of middle-density dwellings that will be more affordable for low-income residents in other areas of the city. Additional Vertical Unit Housing Credits and SHPO grants could be applied as well to increase affordability.

Recommendation 2. Cost-prohibitive policies in the HPS

Action Item 2.6 seeks to remove the barriers for adaptive reuse with the goal of creating higher density through a variety of code updates. However, the plan admits that the “high costs of adapting these buildings for residential uses will limit the potential for these conversions.”

- The City should consider incentives to encourage adaptive reuse, to alleviate the high cost of conversions through, density bonuses, System Development Charge (SDC) waivers, etc.
- To further incentivize development, in tandem with Action 5.2, the City could consider implementing a taxation on non-development for landowners.

Recommendation 3. Walkability and Sustainability (CFEC)

Action Items 2.2, 2.5, 4.2, and 4.3 target residential development in commercial and mixed-use zones. As 19% of the City’s population identifies as disabled and 20% of the population is senior, we urge the City to more explicitly address walkability and transit-access when describing these new residential types. This is both in accordance with Climate Friendly and Equitable Communities, as well as necessary to address the diverse mobility needs of the City’s identified demographics.

- In particular, Appendix A to Action 4.2 describes ‘walkability’ as an opportunity in a new Columbia Gateway downtown district, and does not address transit-access.
- On pg. 56 of the HPS, the city describes the RM and RH zones as “mixed-use neighborhoods proximate to transit and walkable to goods and services”. These qualities should be included in the language of Action Items 2.2. Existing transit services, such as LINK public transit, available in the Dalles should be more explicitly tied to proposed mixed-use neighborhoods.



Please provide written notice of your decision to, HLA, c/o Jennifer Bragar, at 121 SW Morrison Street, Suite 1850, Portland, OR 97204.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jean Dahlquist", with a long horizontal line extending from the end of the signature.

Jean Dahlquist
Board Treasurer

cc: (by email)
Board