



Oregon

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October 21, 2025

Evan Hietpas, Associate Housing Planner
230 NE Second Street
McMinnville, OR 97128
Sent via e-mail



RE: Review of City of McMinnville Housing Production Strategy

Dear Associate Housing Planner Hietpas,

On June 23, 2025, the Department of Land Conservation and Development (DLCD or department) received a submittal from the City of McMinnville 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 June 23, 2025. Upon the close of the public comment period on August 7, 2025, the department received [one comment](#) on the city's HPS.

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 Report, subject to further city review and actions as recommended by the department; or
3. Remand the Housing Production Strategy Report 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 McMinnville's Housing Production Strategy, the department must make a final decision by October 21, 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 McMinnville's Housing Production Strategy against the review criteria established in Oregon Administrative Rule (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 three conditions described below.***

As part of the department's review of the City of McMinnville's 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 (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 McMinnville's 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 McMinnville's 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 McMinnville adopted its HCA in 2024 and adopted its HPS in June 2025, meeting its statutory obligation to adopt these housing planning documents as prescribed by ORS 197A.103 (formerly ORS 197.291).

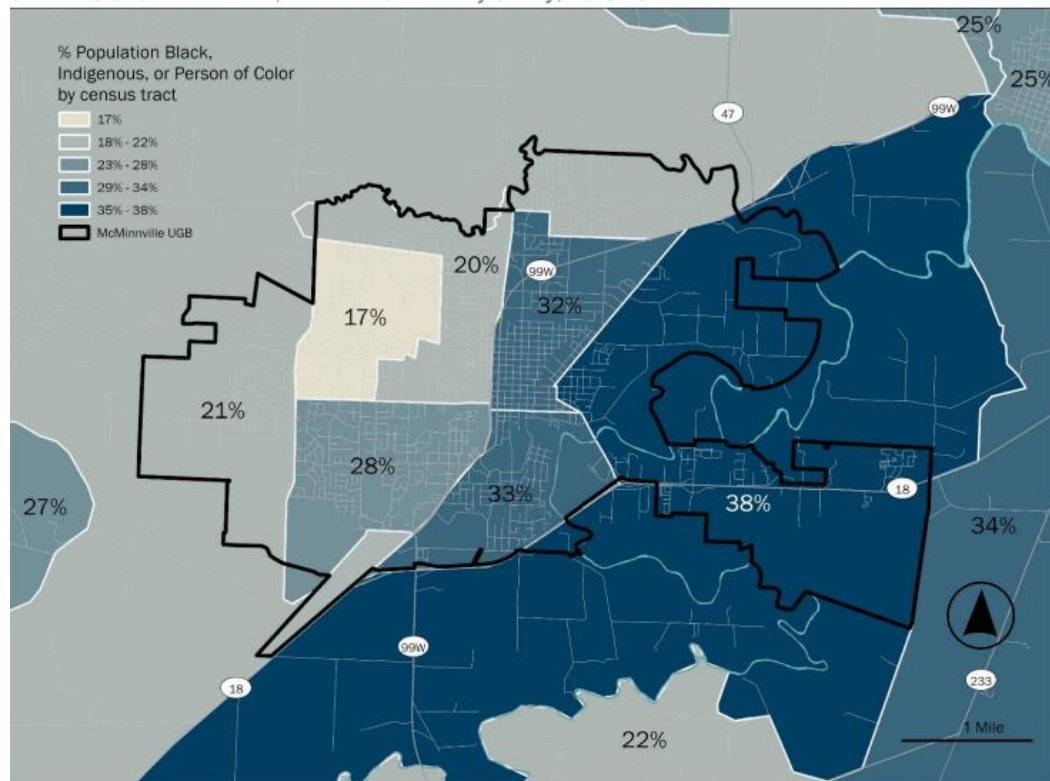
The city's HPS includes a Contextualized Housing Needs (CHN) Analysis as Appendix B, "*Contextualizing McMinnville's Housing Needs*", which provides an overview of the city's demographic and socio-economic characteristics and affordability metrics, disaggregated by race and ethnicity.

In 2022, McMinnville's total population was 34,432. The city had a median household income (MHI) of \$65,318, lower than in Yamhill County (\$80,125) and in the state (\$76,632).

The CHN provides limited disaggregation of households living in existing Needed Housing by race and ethnicity. The “*Race and Ethnicity*” section categorizes residents into three broad groups: “white, non-Hispanic”, “BIPOC (non-Hispanic)”, and “Hispanic (of any race)”, which in 2022 represented 72%, 9%, and 18% of McMinnville’s population, respectively. The CHN also includes the map below (“Exhibit 27. Percent of BIPOC population by Census Tract, McMinnville, 2022”) which while potentially useful, is also unclear on whether the BIPOC category in this case includes Latinx residents. This ambiguity makes it challenging to interpret the data accurately and limits the city’s ability to draw meaningful conclusions about housing disparities across racial and ethnic groups. As a result, the requirements of OAR 660-008-0050(1)(a)(A) appear to be only minimally addressed.

Exhibit 27. Percent of BIPOC population by Census Tract, McMinnville, 2022

Source: U.S. Census Bureau, American Community Survey, 2018-2022



OAR 660-008-0050(1)(a)(B) requires a description of measures the city has already adopted to promote the development of Needed Housing. Chapter 3 “*Existing Policies to Address McMinnville Housing Needs*” includes a list of zoning ordinances, land use amendments, and programs to support housing development which were adopted between 2019 and 2023, satisfying this rule requirement.

The CHN contains a section titled “*Housing Market Conditions and Trends*”. It states that of the 1,156 dwelling units permitted between 2018 and 2023, about 66% were for single detached units, 31% were for multi-unit housing, and 3% were for single unit attached houses. McMinnville’s overall housing mix is 70% single detached units, 25% multi-unit, and 6% is single unit attached.

The CHN section titled “*Housing Affordability Considerations*” finds that between May 2023 and May 2024, the median home sales price in McMinnville was \$473,000, lower than many comparable cities in the state. The median sales price in McMinnville increased 121% between 2014 and 2023. Between 2014 and 2023, average multi-unit asking rent per unit increased by 54%, from \$847 to \$1,305 per month. This information collectively satisfies the requirements of OAR 660-008-0050(1)(a)(C).

Chapter 2 “*Unmet Housing Need in McMinnville*” includes a section titled “*Barriers to Addressing Existing and Expected Housing Needs*”. Identified barriers in public policy include limited staff capacity, lack of nonprofit capacity to support affordable housing, a need for area-specific planning, a need for additional high density residential land, a lack of accommodations for accessible housing, state affordable housing policies which are unlikely to affect smaller cities, and a lack of housing choice vouchers. It also identified other challenges such as a lack of buildable and development-ready land, high infrastructure costs, high development costs, market-driven gaps in housing supply, a lack of incentives for development of innovative housing types, and a lack of access to funding for regulated affordable housing. This information satisfies OAR 660-008-0050(1)(a)(D).

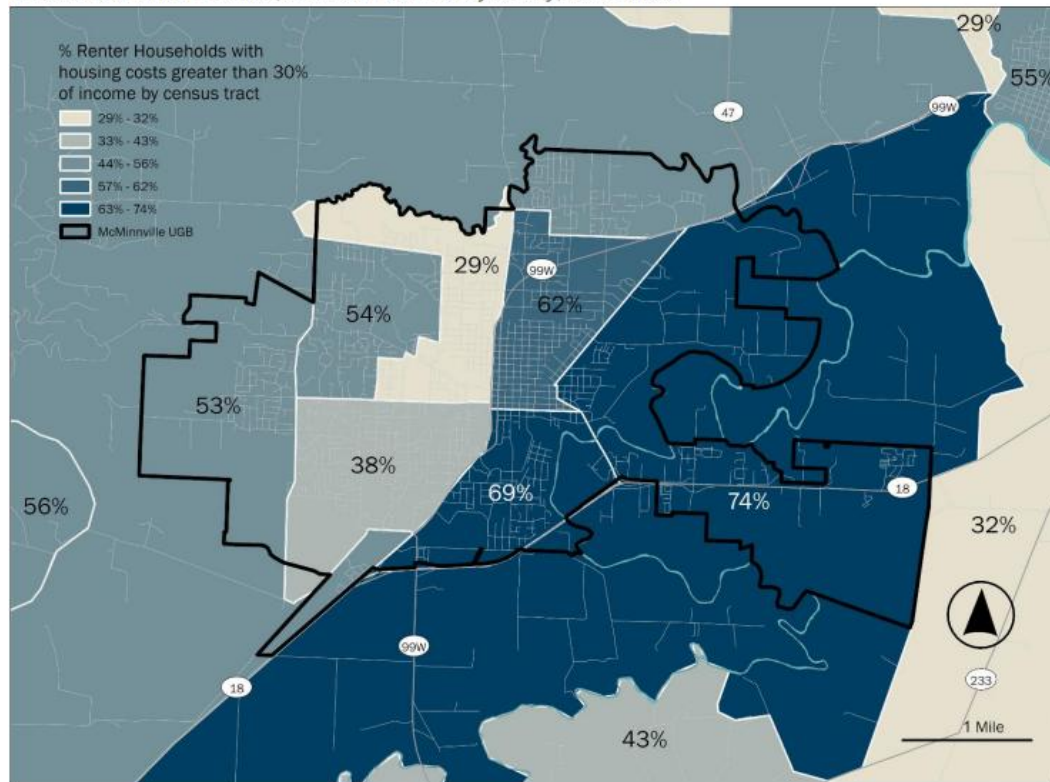
The CHN section titled “*People Experiencing Homelessness*”, reports that in the 2023 Yamhill County point-in-time count, 296 people were experiencing homelessness, of whom 39% were sheltered and 61% were unsheltered. This was a significant decrease from the 2019 point-in-time count, which found that 707 people were experiencing homelessness. Additionally, McKinney-Vento data found that 200 students in the McMinnville School District were experiencing homelessness or housing insecurity during the 2022-2023 school year, up from 173 the year prior. This information satisfies OAR 660-008-0050(1)(a)(E).

The CHN section titled “*Housing Cost Burden*” states that in 2022, about 39% of McMinnville households pay more than 30% of their income on housing costs, including 17% who spend more than 50% of their income. This rate is higher than in Yamhill County (36%) and the state (34%). McMinnville renters were much more likely to be cost burdened than homeowners, with 30% paying 30-50% of their income (16% of homeowners) and 26% paying more than 50% (11% of homeowners). This information

satisfies the requirements of OAR 660-008-0050(1)(a)(F). The CHN also includes the following map (“Exhibit 69. Percent of Cost Burdened Renter Households by Census Tract”) identifying the geographical distribution of cost-burdened renter households:

Exhibit 69. Percent of Cost Burdened Renter Households by Census Tract, McMinnville, 2022

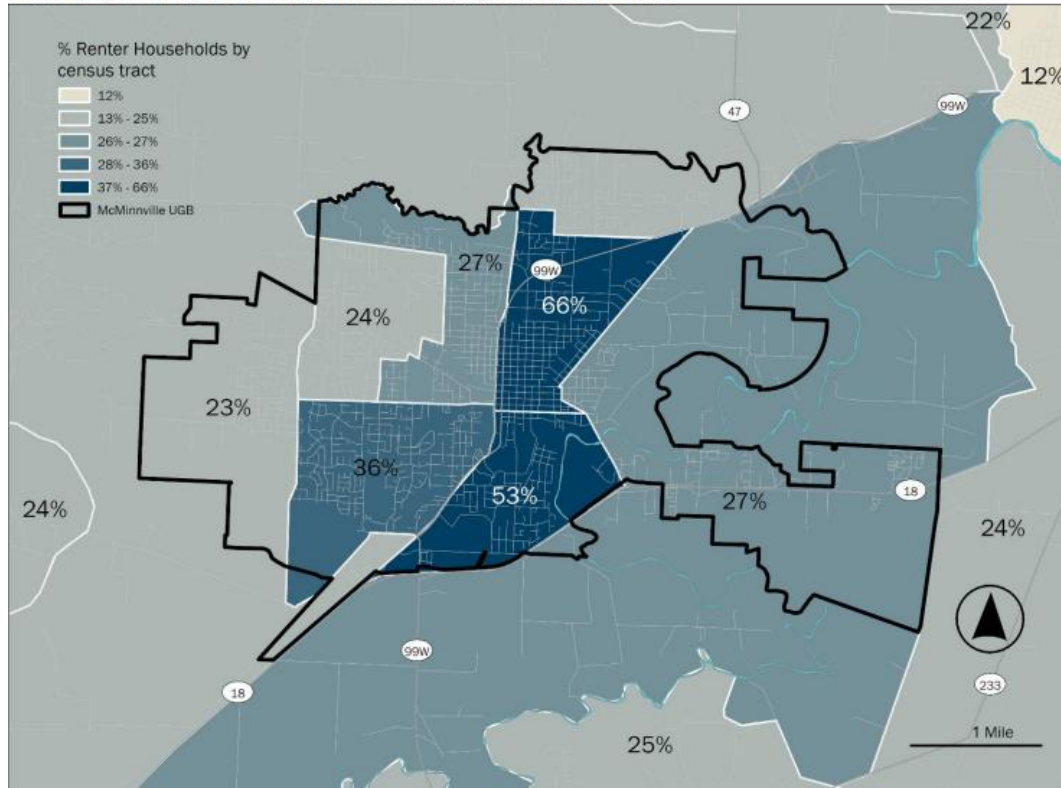
Source: U.S. Census Bureau, American Community Survey, 2018-2022



The CHN section titled “*Housing Tenure*” finds that in 2022, 62% of occupied units were owner occupied, somewhat lower than in Yamhill County (69%) and in the state (63%). Ninety-six percent (96%) of homeowner-led households were in single unit detached homes and 3% were in single unit attached homes. Among renter households, 28% lived in single unit detached homes, 9% lived in single unit attached homes, and 62% lived in multi-unit homes. This information satisfies the requirements of OAR 660-008-0050(1)(a)(G). The CHN includes the following map (“Exhibit 52. Percent of Renter Households by Census Tract, McMinnville, 2022”), which shows the total percentage of renter households by census tract.

Exhibit 52. Percent of Renter Households by Census Tract, McMinnville, 2022

Source: U.S. Census Bureau, American Community Survey, 2018-2022



An estimated 22% of individuals in McMinnville have one or more disabilities, much higher than the state's rate of 15%. The most common types of disabilities were related to ambulatory (12%), cognitive (10%), independent living (8%), hearing (6%), vision (5%), and self-care (4%) difficulties. This information satisfies OAR 660-008-0050(1)(a)(H).

Finally, the city also included the following table ("Exhibit 7. Populations with Unmet Housing Needs based on McMinnville's Median Household Income") in Chapter 2 "*Unmet Housing Needs and Identification of Barriers*" to summarize the housing needs of different community groups based on their CHN analysis and the corresponding conclusions for how those needs can be addressed. This table serves as a great model for presenting the results of a CHN analysis in a concise format that provides a foundation for the next step of the HPS process: the selection of focused and actionable actions responsive to housing needs.

Exhibit 7. Populations with Unmet Housing Needs based on McMinnville's Median Household Income

Target Population	Scale of Need	Meeting Future Need
Extremely Low Income (<30% MHI) up to \$19,600	16% of total households 2,008 existing households 722 new households Afford up to \$490 per month 33% of Renters of Color (BIPOC) had income below 30% of Yamhill County MFI in McMinnville, compared to the overall renter average of 34%	New subsidized housing; preserving existing income-restricted housing
Very Low Income (30% to 60% MHI) \$19,600 to \$39,100	15% of total households 1,885 existing households 675 new households Afford up to \$980 per month 24% of Renters of Color (BIPOC) had income between 30% and 50% of MFI in McMinnville, compared to the overall renter average of 21%	New subsidized housing; preserving existing "naturally occurring affordable housing"
Low Income (60% to 80% MHI) \$39,100 to \$52,250	10% of total households 1,278 existing households 466 new households Afford up to \$1,310 per month 29% of Renters of Color (BIPOC) had income between 50% and 80% of MFI in McMinnville, compared to the overall renter average of 29%	New subsidized housing; preserving existing "naturally occurring affordable housing"
Middle Income (80% to 120% MHI) \$52,250 to \$78,400	18% of total households 2,327 existing households 838 new households Afford up to \$1,960 per month	New market-rate rental housing and smaller market rate homes for ownership; preserve existing smaller, older homes

Target Population	Scale of Need	Meeting Future Need
People of Color (POC), including Latinx	27% of existing households The largest community of color is Latinx, accounting for 6,369 or 18% of people in McMinnville Latinx and most other Households of Color were more likely to occupy a multi-unit (29% BIPOC including Hispanic compared to 15% white alone) and more likely to rent than white households in 2022 (Renters: 41% Hispanic, 43% BIPOC, non-Hispanic, and 38% white alone). People of Color (BIPOC) were more likely to have income below 80% of MFI and be renters than the overall average for McMinnville. About 69% of BIPOC households had low, very low, or extremely low income compared 54% of white alone (non-Hispanic) households. Approximately 43% of renters were BIPOC compared to 36% of renters being white alone, non-Hispanic in 2022.	Increased access to affordable housing options; housing for multigenerational households; access to housing in areas with services and public transportation; access to housing without discrimination
People with a Disability	22% of McMinnville's population has one or more disabilities (about 7,552 people) in 2022. Housing need for 8-year period: approximately 410 new units (22% of total need).	Housing with design standards that meet their needs; access without discrimination; access to services; access to public transportation
Seniors	26% of McMinnville's population is over the age of 60. This group is forecasted to increase by 34%, or by more than 9,700 people by 2044. Yamhill County is forecast to have growth of more than 9,700 people 60 years and older through 2045. People over 60 years old were more likely to be homeowners than people younger than 60 in McMinnville (72% homeowners in 2022).	Housing with design standards that meet their needs; smaller housing that is easier to maintain; access to services; access to public transportation
People Experiencing Homelessness	Estimated 296 individuals experiencing homelessness in Yamhill County as of 2023. Estimated 202 students experiencing homelessness in the McMinnville School District in 2023.	Emergency assistance and shelter; permanent supportive housing; deeply affordable units

(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), building on its prior work in *City of McMinnville Housing Strategy* in 2019 and the *Housing Needs Analysis* in 2023. These engagement processes are detailed in Chapter 4, “*Public Engagement*” and Appendix C “*Stakeholder Engagement*”.

Appendix C summarizes the themes of the 2019 engagement work, which included a Project Advisory Committee, a focus group of realtors, developers, and housing providers, and an open house for the broader community. The identified themes included: a desire to improve access to parks, pedestrian, and bike friendly facilities, increase access to well-serviced land for housing development, more support for a wider array of housing types, more affordable housing, increased infrastructure for housing development, actions which support housing for people with disabilities or experiencing homelessness, address the needs of historically marginalized populations, and educate residents about the benefits of different housing types. This work led to the development of the city’s “Great Neighborhood Principles”, which influenced several actions in the adopted HPS. The HPS lists these principles as:

1. Natural Feature Preservation
2. Scenic Views
3. Parks and Open Spaces
4. Pedestrian Friendly
5. Bike Friendly
6. Connected Streets
7. Accessibility
8. Human Scale Design
9. Mix of Activities
10. Urban Rural Interface
11. Housing for Diverse Incomes and Generations
12. Housing Variety
13. Unique and Integrated Design Elements

The section “*Engagement in the HPS*” describes the methods used to advertise engagement opportunities, as well as describing each engagement event conducted. This included four meetings of a Project Advisory Committee, which was made up of residents of the city and surrounding areas, real estate and construction representatives, and other “informed stakeholders”. The city’s Affordable Housing Committee, which includes representatives from government agencies, non-profits, developers, real estate, financing, and youth advocates, met three times to discuss the HPS. The McMinnville Planning Commission and City Council held four joint meetings on the HPS throughout its development. The project team held a Latinx community focus group and a regional

workforce and employers workgroup, as well as interviewing stakeholders and service providers on the housing needs of historically marginalized populations. Finally, a community survey was conducted from October through December 2024 on housing needs and barriers. Collectively, this satisfies the requirements of OAR 660-008-0050(2)(a).

A description of the findings from the various activities were included in Appendix C “*Stakeholder Engagement*”. Overall themes included an interest in a greater variety of sizes of homes, more flexible zoning, increasing the available land in the Urban Growth Boundary, incentivizing diverse housing types, establishing a rental referral network, increasing down payment programs, enforcing fair housing laws, developing Spanish-language materials, increasing financial education, strengthening tenant protections, and expediting review for shelters and transitional housing. There was also a particular focus on locating new housing in amenity- and employment-rich areas, expanding accessible design options, and improving housing stability through weatherization, maintenance, and upkeep programs. This information satisfies the requirements of OAR 660-008-0050(2)(b).

Chapter 4 “*Public Engagement*” includes a section titled “*Influence on the Housing Production Strategy*” which connects the major themes heard during engagement activities to the actions in the adopted HPS. This is further elaborated on in Chapter 5 “*Details of HPS Actions*”, where each action includes a subsection labelled “Stakeholder Input for this Action”. This information satisfies OAR 660-008-0050(2)(c).

Chapter 4 also includes a section titled “*Continued Public Engagement Efforts for Housing Actions*” which recommends that the city continue to engage with the people who advised on the development of the HPS as the actions are implemented. It specifically notes that the housing developers who were consulted could provide input on streamlining housing development, and that service providers could give feedback on how the city could better support their work. The section additionally states that the city could identify and work with community land trusts and community-based organizations to expand their capacity as well as developing relationships with underrepresented populations. This information satisfies the requirements of OAR 660-008-0050(2)(d).

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](#), which was from 1000 Friends of Oregon. The comment letter argues that the city incorrectly identifies the percentage of new housing needed for households making under 120% AMI. However, the DAS methodology for allocating housing production targets does not apply to HPSs evaluated under the pre-ORS 197A rules. The city correctly cites the estimates provided

by its most recently adopted HCA. The comment letter further makes specific recommendations:

- Actions which concern land in the Urban Holding Plan Designation only count towards meeting the city's HPS obligations if they are reasonably likely to result in housing being constructed within the eight-year HPS cycle
- Actions 5 and 6 (which concern housing type mix) apply to all areas within the city rather than just the Urban Holding Plan Designation
- The city should apply higher density residential zoning sooner and across a greater area
- The city should apply residential densities which will result fulfill the estimated need for accessible units
- Several actions could be adopted sooner

(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 16 actions for implementation within its eight-year HPS cycle to address identified housing needs. For clarity and organization, the HPS groups these into five categories:

- Long-Range Planning
- Regulatory Amendments
- Incentives for New Housing
- Land Based Programs
- Housing Choice and Preservation

These actions are described in Chapter 5 "*Details of HPS Actions*". This meets the requirements of OAR 660-008-0050(3)(a).

Chapter 6, "*Proposed Actions to Meet Future Housing Need*", includes a section titled "*Implementation Schedule*" which outline the following timeline ("Exhibit 11. HPS Actions: Implementation Schedule"). The timeline uses the labels "Action" to indicate when the city will take official action to adopt an action, as required by OAR 660-008-0050(3)(b), and "Implementation", to indicate when the action will be available for use, as required by OAR 660-008-0050(3)(c).

Exhibit 11. HPS Actions: Implementation Schedule

Action Group	Action Name	Implementation Years								
		2026	2027	2028	2029	2030	2031	2032	2033	
Long-Range Planning	1. Use more land in the Urban Holding Plan Designation for housing	Evaluate		Action	Implementation					
	2. Rezone land to R-5 within the existing city limits for housing		Eval.	Action	Implementation					
	3. Develop area plans for Urban Growth Boundary areas	Eval. (SW)	Action (SW)	Imple ment.	Eval. (RSS)	Action (RSS)	Implementation			
	4. Infrastructure planning to support residential development		Eval.	Action	On-Going Re-evaluate/ Implementation					
Regulatory Amendments	5. Implement and codify Great Neighborhood principles	Eval.	Action	Implementation						
	6. Require a mix of housing types for to-be-annexed land		Eval.	Action	Implementation					
	7. Adopt code amendments to support transitional housing	Action	Implementation							
Incentives for New Housing	8. Incentivize and promote accessible design			Eval.	Action	Implementation				
	9. Establish a Multiple-unit tax exemption (MUPTE) program			Eval.		Action	Implementation			
	10. Scaling of systems development charges (SDCs)			Eval.	Action	Implementation				
Land-Based Programs	11. Partner with Community Land Trusts (CLT)	Action (CET)	Implementation						Re-evaluate	
	12. Support affordable housing development through land provision	Action (CET)	Implementation						Re-evaluate	
Housing Choice and Preservation	13. Develop and adopt a Strategic Housing Opportunities Plan					Evaluate		Action	Imple ment.	
	14. Mitigate displacement through the adoption of anti-displacement policies and strategies					Evaluate		Action	Imple ment.	
	15. Implement a fee for demolition of existing affordable homes	Eval.	Action	Implementation						
	16. Preserve and support development of manufactured home parks				Eval.	Action	Implementation			

Each action description includes a section titled “Anticipated Impacts”, as required by OAR 660-008-0050(3)(d). The box titled “Magnitude of New Units Produced” provides an estimate of how many units may be produced by the action as required by OAR 660-008-0050(3)(d)(B). In several actions, the city states that no housing will be directly produced, while those same actions have been evaluated as having a high impact elsewhere. Action 10 “Scaling of systems development charges (SDCs)” states that it will increase affordability of housing it is applied to but is not expected to result in new housing. The department disagrees with this assessment and views the scaling of SDCs as an important tool for increasing production of housing types needed.

The department finds that Action 1 “Use more land in the Urban Holding Plan Designation for housing” does not, on its own, meet an identified housing need. This is because it addresses the allocation of land in the Urban Holding Plan Designation to residential purposes in a broad sense, rather than outlining specific actions that would directly impact Needed Housing. However, when considered alongside Action 3 “Develop area plans for Urban Growth Boundary areas” and Action 4 “Infrastructure planning to support residential development”, the department commends the city for taking steps within its local authority to facilitate annexation within the eight-year HPS

cycle. Taken together, these actions represent meaningful approaches under ORS 197.290.

Notably, the inclusion of long-term actions that require follow-up actions beyond the eight-year housing production target to realize their potential supports the HPS as a coordinated housing planning document. While the department generally prioritizes actions that are likely to be fully implemented and yield housing outcomes within the eight-year HPS planning period, longer term efforts, when clearly linked to identified housing needs as identified in the CHN and supported by implementation steps, are also valuable. These actions help establish a foundation for sustained progress and are reviewed in the context of the city's broader housing production strategy.

OAR 660-008-0050(3)(d)(A) requires an assessment of the housing need addressed by each action, categorized by tenure and income. The "Populations Served", "Income", and "Housing Tenure" headings within the "Anticipated Impact" section of each action includes this information, satisfying this rule requirement.

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

The section of Chapter 6 "*Proposed Actions to Meet Future Housing Need*" titled "*Benefits, Burdens, Opportunities, Risks*" includes a table with columns labelled "Equity Benefits" and "Equity Burdens". These provide detail on the benefits and burdens arising from each action. A burden is only identified for Action 9 "Establish a Multiple-Unit Tax Exemption (MUPTE) Program", that being the potential for displacement due to the redevelopment of housing. It states that this risk may be addressed by Action 14 "Mitigate displacement through the adoption of anti-displacement policies and strategies". However, the specific measures listed in Action 14 largely concerns preservation of naturally occurring affordable housing through tools such as acquisition, low-interest loans, and code enforcement, so it is unclear how this may be used to mitigate an action focused on redevelopment. Additionally, Action 14 is not scheduled for adoption until 2032, two years after Action 9. To resolve this, the department is applying the following conditions:

Condition of Approval 1: The city will advance the adoption of Action 14 “Mitigate displacement through the adoption of anti-displacement policies and strategies” to the first half of the HPS cycle (by December 2029).

Condition of Approval 2: During the evaluation period of Action 9 “Establish a MUPTE Program”, which the Implementation Schedule states will occur in 2028 and 2029, the city will identify and commit to mitigation measures for displacement which may occur. The city will present these measures to the department in its Midpoint Report (by December 2029).

Conditions of Approval 1 and 2 will help ensure OAR 660-008-0050(3)(d)(C) is met.

OAR 660-008-0050(3)(d)(D) requires a time frame over which each action is expected to impact Needed Housing. This information was not present in the adopted HPS. The intention of the rule is to allow the city to explain that a regulation or program may not impact housing immediately upon adoption but rather require time to set up or come into force. While the department is not requiring a change from the city, the department does request that the city consider this when evaluating the outcomes of each action in its annual and midpoint reports.

(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.

The HPS includes Appendix A “*Evaluation of Achieving Fair and Equitable Housing Outcomes*”, which details how existing and new housing actions respond to OAR 660-008-0050(4).

The “Location of Housing” section specifies two existing actions and programs that support the development of compact, mixed-use neighborhoods and meeting statewide greenhouse gas emission reduction goals:

- Adopting the Great Neighborhood Principles requiring a variety of housing products serving a variety of income levels in all housing developments.
- The code was updated to allow cohousing and “group quarters” in residential and mixed-use zones to provide more opportunities for a broader range of housing choices.

To build on these efforts, the city identified three new actions in the adopted HPS to further these goals:

- Action 2. Rezone land to R-5 within the existing city limits for housing. The new R-5 zone is a multifamily exclusive zone, which intends to provide opportunities for development of more compact areas. To the extent that land is re-zoned to R-5 near commercial corridors (or other commercial areas), this action will provide more development opportunities for compact, mixed-use neighborhoods.
- Action 3. Develop area plans for Urban Growth Boundary areas. Some area plan may include compact, mixed-use area within the planning area.
- Action 9. Establish a Multiple-Unit Tax Exemption (MUPTE) Program. This action supports development of affordable rental housing in compact mixed-use neighborhoods.

The new actions listed as well as other measures the city has undertaken collectively meet the intent of the rule, satisfying 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 “Fair Housing” section specifies nine existing actions and programs that affirmatively further fair housing:

- Adopting a Construction Excise Tax to support affordable housing programs, which can be used to support affordable housing development, such as housing in community land trusts.
- Adopting the Great Neighborhood Principles requiring a variety of housing products serving a variety of income levels in all housing developments. These Principles are intended to make sure that development occurs in neighborhoods with a wide range of amenities. When combined with other code changes that allow a wider range of

housing types across the city, the city is affirmatively furthering fair housing by increasing housing choices in areas with opportunity.

- Amending the development code to allow small lot subdivisions provides more opportunities to develop housing on smaller lots, which can decrease costs of housing by decreasing land costs.
- Amending the development code to allow SROs and Tiny Homes, which allows for smaller, potentially less expensive rental housing.
- Amending the development code to reduce parking requirements for qualifying affordable housing projects. The costs of parking, whether parking lots or parking garages, increase the costs of housing and rents. Reducing parking requirements allows for lower development costs for affordable housing development.
- Code modifications were made to allow Accessory Dwelling Units (ADUs) and tiny homes in single-dwelling residential zones and to allow more housing types including a selection of middle housing types in all residential zones to meet the requirements of House Bill 2001. This allows for development of smaller, potentially less expensive housing.
- Reducing permitting fees by 50% for qualifying affordable housing projects. This lowers the costs of affordable housing development, reducing the likely funding gap for building new affordable rental housing.
- The code was updated to allow cohousing and “group quarters” in residential and mixed-use zones to provide more opportunities for a broader housing choice.
- Waiving transportation and wastewater SDCs for qualifying affordable housing projects. This lowers the costs of affordable housing development, reducing the likely funding gap for building new affordable rental housing.

To build on these efforts, the city identified seven new actions to continue to advance the AFFH principles:

- Action 5. Implement and codify Great Neighborhood Principles. These Principles recognize that all people at all income levels should have access to housing in neighborhoods with high quality amenities, such as parks, pedestrian and bicycle facilities, accessible housing, a mix of activities, housing for diverse incomes and generations, and housing variety. Codifying the Principles in the zoning code ensures they are part of the development process, affirmatively furthering fair housing.
- Action 7. Adopt code amendments to support transitional housing development. In providing opportunities for development of transitional housing, this action helps affirmatively furthering fair housing and provide more housing options for people experiencing homelessness.

- Action 8. Incentivize and promote accessible design. This action incentivizes development of accessible housing for people with disabilities, affirmatively furthering fair housing.
- Action 13. Develop and adopt a Strategic Housing Opportunities Plan. This action will focus on opportunities for developing more affordable housing, providing more housing that is affordable, provide more housing options for lower-income households, including people in protected classes. The city will also identify partnership opportunities to promote and enforce Fair Housing laws. Potential partners include Fair Housing Council of Oregon, Housing Authority of Yamhill County, Yamhill Community Action Partnership, and Unidos Bridging Community (a Latinx-led nonprofit that promotes integration, participation, and success of Latinx individuals and families in Yamhill County).
- Action 14. Mitigate displacement through the adoption of new anti-displacement policies and strategies. This action is intended to identify new strategies with a focus on historically marginalized communities, affirmatively furthering fair housing.
- Action 15. Implement a fee for demolition of existing affordable homes. This action disincentivizes loss of affordable housing and replacement with more expensive housing. It will help avoid decreasing housing options for people lower-income households, including people in protected classes.
- Action 16. Preserve and support development of manufactured home parks. This action is intended to help people living in manufactured home parks to avoid displacement and increase their stability. It will help avoid decreasing housing McMinnville Housing Production Strategy 124 options for people lower-income households (who are more likely to live in manufactured home parks), including people in protected classes.

The new actions listed as well as other measures the city has undertaken collectively meet the intent of the rule, satisfying OAR 660-008-0050(4)(b).

(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 “Housing Choice” section specifies six existing actions that help facilitate increased housing access and choice, particularly for communities of color, low-income communities, and people with disabilities:

- Adopting the Great Neighborhood Principles requiring a variety of housing products serving a variety of income levels in all housing developments, with a focus on development of housing that is located in neighborhoods with high-quality community amenities.
- Amending the development code to allow small lot subdivisions provides more opportunities to develop housing on smaller lots, which can decrease costs of housing by decreasing land costs.
- Amending the development code to allow SROs and Tiny Homes, which allows for smaller, potentially less expensive rental housing, increasing housing choice.
- Amending the development code to reduce parking requirements for qualifying affordable housing projects. The costs of parking, whether parking lots or parking garages, increases the costs of housing and rents. Reducing parking requirements allows for lower development costs for affordable housing development.
- Code modifications were made to allow Accessory Dwelling Units (ADUs) and tiny homes in single-dwelling residential zones and to allow more housing types including a selection of middle housing types in all residential zones to meet the requirements of House Bill 2001. This allows for development of smaller, potentially less expensive housing, increasing housing choice.
- The code was updated to allow cohousing and “group quarters” in residential and mixed-use zones to provide more opportunities for a broader range of housing choices.

To build on these efforts, the city identified six new HPS actions intended to expand housing choice:

- Action 3. Develop area plans for Urban Growth Boundary areas. This action will provide high level concept plans for the area, identifying land uses and areas with development of housing at all income levels can be developed, including land for affordable homeownership. The plans will require a mixture of housing types, which increase housing choice in newly developing neighborhoods (following the Great Neighborhood Principles, which envision new housing development in neighborhoods with a range of amenities).
- Action 5. Implement and codify Great Neighborhood Principles. These Principles recognize that all people at all income levels should have access to housing in neighborhoods with amenities that have high quality amenities, such as parks, pedestrian and bicycle facilities, accessible housing, a mix of activities, housing for diverse incomes and generations, and housing variety. Codifying the Principles in the zoning code ensures

that these policies are part of the development process, supporting increased housing choice.

- Action 6. Require a mix of housing types for to-be annexed land. This action can ensure that newly annexed lands allow a mixture of housing types, which increase housing choice in newly developing areas, providing opportunities for development of smaller units (such as middle housing types) that are often more affordable than larger single-family housing.
- Action 8. Incentivize and promote accessible design. The city will provide incentives to support development of accessible housing, increasing housing choice for people with disabilities.
- Action 11. Partner with Community Land Trusts (CLT). This action helps support affordable homeownership opportunities for people, increasing access to affordable homeownership. If the City partners with a CLTs specializes in outreach to lower-income People of Color (or other protected class), this action may also increase opportunities for housing choice and homeownership for this group.
- Action 13. Develop and adopt a Strategic Housing Opportunities Plan. This action will focus on opportunities for developing more affordable housing, with an intention of increasing housing availability for lower-income households and other historically marginalized communities.

The new actions listed as well as other measures the city has undertaken collectively meet the intent of the rule, satisfying OAR 660-008-0050(4)(c).

(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 “Housing Options for People Experiencing Homelessness” section specifies four existing actions or programs which either increase the development of housing options for people experiencing homelessness or stabilize housing for those at risk of homelessness:

- Adopting a Construction Excise Tax to support affordable housing programs, which can be used to support affordable housing development.
- Amending the development code to reduce parking requirements for qualifying affordable housing projects. The costs of parking, whether parking lots or parking garages, increases the costs of housing and rents. Reducing parking requirements allows for lower development costs for affordable housing development.

- Reducing permitting fees by 50% for qualifying affordable housing projects. This lowers the costs of affordable housing development, reducing the likely funding gap for building new affordable rental housing.
- Waiving transportation and wastewater SDCs for qualifying affordable housing projects. This lowers the costs of affordable housing development, reducing the likely funding gap for building new affordable rental housing.

To build on these efforts, the city identified four new actions to reduce the number of people experiencing homelessness and ensure that at-risk households have access to stable housing solutions:

- Action 7. Adopt code amendments to support transitional housing development. This action will support development of housing that provides housing for people experiencing homelessness.
- Action 12. Support affordable housing development through provision of land. This action can support housing for people experiencing homelessness if public land is used to support affordable rental options, such as income-restricted housing, transitional housing, or permanently supportive housing.
- Action 13. Develop and adopt a Strategic Housing Opportunities Plan. This action will focus on opportunities for developing more affordable housing, including housing for people experiencing homelessness or at-risk of becoming homeless.
- Action 14. Mitigate displacement through the adoption of anti-displacement policies and strategies. This action is intended to identify new anti-displacement strategies, which will include displacement of people at-risk of becoming homeless.

The new actions listed as well as other measures the city has undertaken collectively meet the intent of the rule, satisfying OAR 660-008-0050(4)(d).

(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 section “Affordable Homeownership” specifies five existing actions and programs that promote wealth building through homeownership opportunities:

- Adopting a Construction Excise Tax to support affordable housing programs, which can be used to support affordable housing development, such as housing in community land trusts
- Adopting the Great Neighborhood Principles requiring a variety of housing products serving a variety of income levels in all housing developments.
- Amending the development code to allow small lot subdivisions provides more opportunities to develop housing on smaller lots, which can decrease costs of housing by decreasing land costs.
- Code modifications were made to allow Accessory Dwelling Units (ADUs) and tiny homes in single-dwelling residential zones and to allow more housing types including a selection of middle housing types in all residential zones to meet the requirements of House Bill 2001. This allows for development of smaller, potentially less expensive housing.
- Every three years, the city allocates part of the Community Development Block Grant to a Home Rehabilitation Grant Program to fund critical home repairs for low-income and moderate-income households. These funds help qualifying homeowners repair the housing, allowing them to keep their house in good repair.

To build on these efforts, the city identified ten new actions to continue to support this goal:

- Action 1. Use more land in the urban holding plan designation for housing. This action will increase the amount of land available for development of housing at all income levels, including land for affordable homeownership.
- Action 3. Develop area plans for Urban Growth Boundary areas. This action will provide high level concept plans for the area, identifying land uses and areas with development of housing at all income levels can be developed, including land for affordable homeownership.
- Action 4. Infrastructure planning to support residential development. This action will support development of housing at all income levels, including land for affordable homeownership. This action can help make sure that land is made development-ready to support housing for affordable homeownership, including land for affordable homeownership.
- Action 6. Require a mix of housing types for to-be annexed land. This action can ensure that newly annexed lands allow a mixture of housing types, which may include smaller, more affordable housing types, providing opportunities for development of smaller units (such as middle housing types) that are often more affordable for homeownership than larger single-family housing.

- Action 10. Scaling of systems development charges (SDCs) This action will scale SDCs for smaller units, which may serve as a development incentive for smaller units that are usually lower cost. This may further support development of more affordability of smaller units, such as middle housing types.
- Action 11. Partner with Community Land Trusts (CLT). CLTs develop affordable homeownership housing, which help promote affordable homeownership opportunities for people and help them build equity for future housing needs by eliminating the costs of land from their housing purchase price. When CLTs are paired with other supports for affordable homeownership, such as downpayment assistance or financial literacy education, they can have greater impact on increasing access to affordable homeownership. Some CLTs specialize in outreach to lower-income People of Color, which can increase opportunities for homeownership for this group.
- Action 12. Support affordable housing development through provision of land. This action can support development of affordable homeownership opportunities if public land is used to support affordable homeownership options, such as community land trusts.
- Action 13. Develop and adopt a Strategic Housing Opportunities Plan. This action will focus on opportunities for developing more affordable housing, including affordable homeownership units for historically marginalized populations.
- Action 14. Mitigate displacement through the adoption of anti-displacement policies and strategies. This action is intended to identify new anti-displacement strategies, which will include displacement by lower-income homeowners, with a focus on historically marginalized populations.
- Action 16. Preserve and support development of manufactured home parks. This action is intended to support development of new manufactured home parks, which provide a form of naturally occurring affordable housing for homeownership.

The HPS section “Affordable Rental Housing” describes eight existing actions which promote affordable rental opportunity:

- Adopting a Construction Excise Tax to support affordable housing programs, which can be used to support affordable housing development, such as housing in community land trusts.

- Adopting the Great Neighborhood Principles requiring a variety of housing products serving a variety of income levels in all housing developments.
- Amending the development code to allow SROs and Tiny Homes, which allows for smaller, potentially less expensive rental housing.
- Amending the development code to reduce parking requirements for qualifying affordable housing projects. The costs of parking, whether parking lots or parking garages, increases the costs of housing and rents. Reducing parking requirements allows for lower development costs for affordable housing development.
- Code modifications were made to allow Accessory Dwelling Units (ADUs) and tiny homes in single-dwelling residential zones and to allow more housing types including a selection of middle housing types in all residential zones to meet the requirements of House Bill 2001. This allows for development of smaller, potentially less expensive housing.
- Reducing permitting fees by 50% for qualifying affordable housing projects. This lowers the costs of affordable housing development, reducing the likely funding gap for building new affordable rental housing.
- The code was updated to allow cohousing and “group quarters” in residential and mixed-use zones to provide more opportunities for a broader range of housing choices.
- Waiving transportation and wastewater SDCs for qualifying affordable housing projects. This lowers the costs of affordable housing development, reducing the likely funding gap for building new affordable rental housing.

To build on these efforts, the city identified nine new actions:

- Action 1. Use more land in the urban holding plan designation for housing. This action will increase the amount of land available for development of housing at all income levels, including land for affordable rental housing.
- Action 2. Rezone land to R-5 within the existing city limits for housing. Land in R-5 will be developed with multifamily housing, which is most likely to be rental housing in McMinnville. Some of this land can be developed for affordable rental housing.
- Action 3. Develop area plans for Urban Growth Boundary areas. This action will provide high level concept plans for the area, identifying land uses and areas with development of housing at all income levels can be developed, including land for affordable rental housing.

- Action 4. Infrastructure planning to support residential development. This action will support development of housing at all income levels, including land for affordable rental housing. This action can help make sure that land is made development-ready to support housing for affordable rental housing, including land for affordable rentals.
- Action 6. Require a mix of housing types for to-be annexed land. This action can ensure that newly annexed lands allow a mixture of housing types, which may include smaller, more affordable rental housing types.
- Action 9. Establish a Multiple-Unit Tax Exemption (MUPTE) Program. This action support development of affordable rental housing.
- Action 12. Support affordable housing development through provision of land. This action can support development of affordable rental opportunities if public land is used to support affordable rental options, such as income-restricted housing or rental housing affordable at lower-income levels (such as around 80% MFI), which is likely to benefit People of Color, who are more likely to have incomes around 80% of MFI than the white (non-Hispanic) households.
- Action 13. Develop and adopt a Strategic Housing Opportunities Plan. Develop and adopt a Strategic Housing Opportunities Plan. This action will focus on opportunities for developing more affordable housing, including affordable rental units, for historically marginalized populations.
- Action 14. Mitigate displacement through the adoption of anti-displacement policies and strategies. This action is intended to identify new anti-displacement strategies, which will include displacement by lower-income renters, including for historically marginalized populations.

The department is encouraged that the city is planning for the provision of future affordable homeownership and affordable rental opportunities in areas currently within city limits as well as those which have yet to be annexed. As previously addressed, Action 1 does not in and of itself meet a housing need which is identified in the CHN. However, the HPS includes other actions which collectively satisfy 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 “Housing Stability” section specifies one existing action that supports the goal of increasing housing stability and mitigating displacement:

- Every three years, the city allocates part of the Community Development Block Grant to a Home Rehabilitation Grant Program to fund critical home repairs for low-income and moderate-income households. These funds help qualifying homeowners repair the housing, allowing them to keep their house in good repair, reducing potential displacement for households that are unable to afford necessary housing repairs.

To build on this effort, the adopted HPS further includes five new actions to meet this rule:

- Action 7. Adopt code amendments to support transitional housing development. This action will support development of housing that provides housing for people experiencing homelessness, increasing housing stability.
- Action 13. Develop and adopt a Strategic Housing Opportunities Plan. This action will focus on opportunities for developing more affordable housing, providing more housing that is affordable, preventing potential displacement of lower-income households.
- Action 14. Mitigate displacement through the adoption of anti-displacement policies and strategies. This action is intended to identify new anti-displacement strategies, increasing housing stability.
- Action 15. Implement a fee for demolition of existing affordable homes. This action is intended to disincentivize demolition of existing affordable housing and replacement with housing that is not affordable (or one-for-one replacement). This action may disincentivize displacement of lower-income renter households.
- Action 16. Preserve and support development of manufactured home parks. This action is intended to avoid displacement of people living in manufactured home parks when the parks are set for sale or potential redevelopment, increasing housing stability for residents of manufactured home parks.

As noted earlier, Action 9 “Establish a Multiple-Unit Tax Exemption (MUPTE) Program” creates a risk of displacement which is not currently addressed through provisions of the HPS. However, Condition of Approval 2 will ensure that those risks are mitigated prior to the adoption of the MUPTE. OAR 660-008-0050(4)(f) is met.

- (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;**

The HPS contains a section titled “*Benefits, Burdens, Opportunities, Risks*” which includes a table with columns labeled “Broader Opportunities” and “Broader Risks”. Each action in the table includes an analysis of the potential impacts beyond its primary intent. The city should continue to revisit this table as it implements the actions in the adopted HPS.

This information meets 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;

Each action in Chapter 5 “*Details of HPS Actions*” includes subsections labeled “City Role” and “Implementation Steps”. Additionally, Chapter 6 “*Proposed Actions to Meet Future Housing Need*” includes a section titled “*City’s Role and Potential Partners’ Roles*”. This collectively meets the requirements of OAR 660-008-0050(5)(b).

(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;

Chapter 6 “*Proposed Actions to Meet Future Housing Need*” includes a section titled “*Monitoring Outcomes of the HPS*”. It states which metrics will be utilized for annual monitoring of the impacts of HPS actions. This meets the requirements of OAR 660-008-0050(5)(c).

As the HPS notes, the city will be producing annual monitoring summaries in addition to its Midpoint Report. The department is interested in the annual summaries for informational and educational purposes. As such, the department is applying the following condition of approval:

Condition of Approval 3: The department requests that, at the time the city submits its four-year, Midpoint Report (by December 2029) 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 HPS includes Appendix E "*Pre-HPS Survey*" which meets the requirements of ORS 456.586. OAR 660-008-0050(5)(e) is satisfied.

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 McMinnville as we work together toward this shared goal. Please reach out to the DLCD Housing Division at housing.dlcd@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
Melissa Ahrens, DLCD
Ingrid Caudel, DLCD