The Vertical Housing Development Zone was adopted into state law in 2001 by Senate Bill 763 and sought to, “encourage the construction or rehabilitation of properties in targeted areas of communities in order to augment the availability of appropriate housing and to revitalize such communities.” This bill allows Cities and Counties to sponsor a Vertical Housing Zone, which the City of The Dalles did and received State Certification on February 3, 2014.

Senate Bill 310, signed by Governor Kate Brown on June 14, 2017, makes several substantial changes to the original State managed Vertical Housing Zones. Currently, parties interested in taking advantage of the program would submit an application to the Oregon Housing and Community Services Department to be reviewed and managed. Under the new bill, the sponsoring entity, City or County, will review and manage all zone applications.

In order to facilitate a smooth transition and effective ongoing management of The City of The Dalles Vertical Housing Zone the below policy and procedure descriptions are set forth:

**Process**

- The City of The Dalles will have one (1) staff person identified as the Vertical Housing Zone Manager (Zone Manager) by City Council Resolution.
- Interested parties will fill out a City of The Dalles Vertical Housing Zone Application Form along with all required information and submit it to the Zone Manager. Applications can be submitted either electronically or in hard copy form.
- The Zone Manager will conduct a preliminary review of the application and inform the applicant if any additional information is needed. The Zone Manager will use the project application review checklist to assist in this determination.
- Once all information is obtained, the Zone Manager will review the eligibility criteria for the zone and determine if they are met.
- The Zone Manager independently completes the Building Square Footage calculator using the architectural plans that provide the square footage of the building. If the architect’s square footages are inadequate to complete the calculator, the developer will be requested to provide the missing information. The Zone Manager’s findings will be compared to the applicant’s square footage calculations and will work with the applicant and their architect to resolve any discrepancies. This is the form that the Zone Manager will rely upon to issue the final “Certification” and legal agreement for the partial property tax exemption.
- If the criteria are met, the Zone Manager will prepare a preliminary Zone Certification Letter from the City. This letter confirms that the project as described is eligible.
• The Zone Manager will issue the final certification after the project is completed, the building square footage calculator is given a final review, and the applicant provides a copy of the certificate of occupancy.

NOTE: The developer is responsible for taking the Certification to the County Assessor who translates the partial property tax exemption percentage into the dollar amount of exemption. The biggest misunderstanding of the program is that it is a tax credit that brings equity into the project. This Program does not bring funds/equity into the project, but provides a partial property tax exemption for a maximum of 10 years.