

**SALEM-KEIZER  
HOUSING AND COMMUNITY DEVELOPMENT  
CONSOLIDATED PLAN  
2009-2013**



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## EXECUTIVE SUMMARY

The 2009-2013 Housing and Community Development Consolidated Plan is an inter-city effort to identify needs and formulate a five year strategic plan with objectives and outcomes that address the needs for housing, community and economic development, and human service needs within the cities of Salem and Keizer.

As an entitlement community, the City of Salem is eligible to receive funds from the U.S Department and Housing and Urban Development (HUD) under two formula grants: Community Development Block Grant (CDBG) and the Home Investment Partnership Program (HOME). The creation of the Housing and Community Development Consolidated Plan is a federal requirement from HUD in order for the City to receive funds from these programs.

The Housing and Community Development Consolidated Plan for Salem and Keizer allows for the sharing of important public information and the identification of shared area public and regional resources to address the housing and community development needs of all residents especially low and moderate-income and special needs residents in the area. Objectives, implementation strategies, and desired outcomes of the 2009-2013 Housing and Community Development Consolidated Plan are geared towards making the cities of Salem and Keizer decent, safe, and affordable places to live.

With available funds, the City administers housing and community development loans and grant programs to residents of Salem and Keizer. The allocation of these funds are determined through an annual “One-Year Action Plan” and by an application process required for all proposed projects for the particular year addressed.

The 2009-2013 Housing and Community Development Consolidated Plan will herein be referred to as the Consolidated Plan<sup>1</sup>.

This Consolidated Plan addresses four essential issues in an effort to achieve the objectives identified by people in the City and the overall housing and community development goals set by HUD. These priorities include, but not limited to;

- Affordable Housing
- Suitable Living Environment
- Homelessness Mitigation
- Community Development

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<sup>1</sup> Consolidated Plan: The Plan prepared in accordance with 24 Code of Federal Regulation (CFR) part 91, which describes needs, resources, priorities and proposed activities to be undertaken with respect to HUD programs, including the CDBG and HOME programs.

The mission of the City of Salem, Urban Development Department is to provide for the sustainable expansion of the community's prosperity, measured in terms of jobs and income growth, human development, education, health, and environmental sustainability. The Federal Programs Division of City of Salem Urban Development Department remains committed to assisting the citizens of Salem/Keizer in obtaining clean, and safe living conditions that enhance livability and provide for their overall well being.

As the lead agency overseeing the development and implementation of the Consolidated Plan, the City of Salem, Urban Development Department collaborates with other City departments and organizations to identify community needs. Once these needs are determined, priorities for the implementation of the Consolidated Plan are used to direct activities and expenditures of CDBG and HOME funds.

Low and moderate income persons are defined as members of a family having an income equal to or less than the Section 8 low income limit established by HUD. Unrelated individuals will be considered as one-person families for the purpose

Low- and moderate-income households are defined as members of a household having an income equal to or less than the Section 8 low income limit established by

**Disclaimer**

The Salem Metropolitan Statistical Area (MSA) encompasses City of Salem and a majority of the urban centers in Marion and Polk Counties. Because a majority of the social service agencies and groups in the area are located in Salem, most statistical data show the combined results of both Counties.

West Salem is part of Polk County, but considered a suburb of the City of Salem.

## **INTRODUCTION**

The overall purpose of this document is to develop a viable urban community through the provision of decent housing and the implementation of mechanisms that enhance community progress. This includes assisting homeless persons to obtain appropriate housing. The plan also seeks assistance for persons at risk of becoming homeless, the retention of affordable housing stock, and increasing the availability of permanent housing in standard condition, at affordable cost to low- and moderate-income individuals and households.

### *Consultation and Citizen Participation*

Consolidated Plan regulations require each City receiving federal funds to follow a detailed citizen participation plan that sets forth the City's policies and procedures for citizen participation. The consultation and citizens participation process encourages the involvement of low- and moderate-income persons living in areas where CDBG and HOME funds are proposed to be used. Local and regional institutions and organizations, including business, non-profits and faith based organization are also encouraged to take part in the process of developing and implementing the Consolidated Plan.

### *Institutional Structures*

Various local service agencies and private groups are involved in recommending and implementing specific funding strategies that address affordable housing, homelessness, and community development. These organizations provide project proposals to the City through an application process each year. Proposals are tailored to match priorities contained in the five-year goals of the Consolidated Plan and are implemented by the respective organizations each year.

Salem Housing Authority (SHA), Mid Willamette Valley Community Action Agency Salem Economic Development Corporation, Community Development, Oregon Housing and Community Services, United States Census Bureau, and HUD Policy Development and Research information were incorporated in this Consolidated Plan.

### *Strategic Plan*

Strategic planning is essential to successfully developing and implementing goals identified during the Consolidated Planning process. The strategic plan for this Consolidated Plan summarizes priorities and specific objectives the city intends to initiate and accomplish by 2013. Strategic planning and implementation of projects and programs realized in this Consolidated Plan are aligned with HUD's national objectives for the CDBG and HOME programs:

#### **CDBG: National Objectives**

1. Activities that benefit low- and moderate- income persons
2. The prevention of slums and blight

3. Support for community activities that address an urgent threat to health or safety

**HOME: National Objectives**

1. Expand the supply of decent affordable housing to low income households.
2. Strengthen the ability of state and local government to design and implement strategies for achieving adequate supplies of decent affordable housing.
3. Extend partnership among all levels of government and private-sector participation in the production and operation of affordable housing.
4. Support State and local government to develop affordable low-income housing.

The strategic plan prioritizes community development needs of Salem and Keizer, sets goals, and develops performance measurements to provide HUD and grantees a standard method of reporting the outcomes of CDBG and HOME funded projects.

*Housing Needs*

The Consolidated Plan establishes a concise summary of the City’s estimated housing needs projected over a five year period. Strategies identified in this Consolidated Plan prioritize the need to combat homelessness by removing barriers to community development and creating access to decent affordable housing. This plan addresses the need for facilities and services for homeless individuals and families, both sheltered and unsheltered, and homeless subpopulation in accordance with HUD stipulation. In regards to homelessness, this document describes Salem’s strategies for the following;

- Helping low-income families and individuals avoid homelessness by providing affordable housing
- Assisting homeless person by assessing their individual needs through partnerships with community organizations that offer social services
- Addressing the emergency shelter and transitional housing needs of homeless persons

*Homeless Needs*

The City of Salem recognizes that there are many obstacles that prevent residents from attaining or retaining housing. To better understand the nature and extent of homelessness, this Consolidated Plan provides a concise summary of the nature and extent of homelessness in Salem and Keizer. Homeless persons and families include those living in shelters, in their cars, in places not meant for human habitation, and those living with family or friends. The City understands this fact and prioritizes support for programs that offer shelters, meals, transitional and permanent housing and activities that reduce housing cost burden on residents of Salem and Keizer.

*Chronic Homelessness*

Chronic homelessness is defined by HUD as “an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or who has

had at least four episodes of homelessness in the past three years.” In order to be considered homeless, a person must have been sleeping in a place not meant for human habitation (e.g. living on the streets) and or living in an emergency shelter. A disabling condition can be caused by mental illness, drug use, or a chronic physical illness that limits an individual’s ability to work or make a living. City of Salem looks into the patterns and extent of this problem.

### *Special Needs Population*

Special needs population comprise individuals who are not necessarily homeless but may require supportive housing assistance. This group consists of;

- Elderly and Frail
- Victims of domestic violence
- Persons released from correctional institutions
- Persons recovering from drug/alcohol abuse
- Persons with developmental disabilities
- Persons with physical disabilities
- Persons with psychiatric disabilities; and
- Public housing residents

### *Housing Market Analysis*

The housing market analyses section of the Consolidated Plan describes the characteristics of the city’s housing market including supply and demand, conditions and cost, and the availability of housing stock to special needs population and to low- and moderate- income families. Highlights from community development and housing market analysis include:

- Cost and availability of housing stock
- Housing industry practices
- An estimate of the number of vacant/occupied housing units
- Barriers to Affordable Housing
- Economic dynamics of the City affecting housing
- Inventory of foreclosures in the Area

### *Barriers to Affordable Housing*

Barriers to affordable housing are affected by both public and private sector activities in Salem and Keizer. Fair housing programs and activities in recent years have gone a long way to addressing many actual and potential impediments in this area. The Salem/Keizer consortium will address the following barriers outlined in this plan over the next five years:

- Predatory/Unfair Housing Industry Practices
- Labor Market Trends
- Housing Market Conditions
- System Development Charges (SDC) and other fees
- Impediments to fair housing

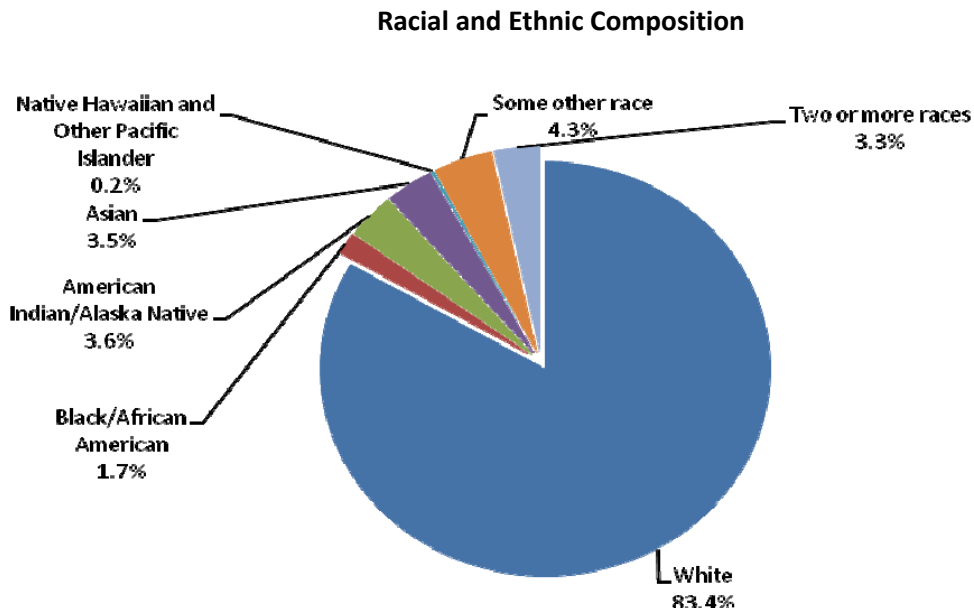
## GENERAL INFORMATION

### *Community Profile*

Salem, Oregon's capital and second largest city lies in the center of the Willamette Valley. The City's population is 152,239 (2006) with a sustainable growth rate of approximately 1.5 percent per year. The southern edge of Salem is bordered by Keizer with a population of 35,027. The rapid increase in population growth in Salem and Keizer is due to net migration into the area in the 1990's. Salem alone witnessed a 36.6 percent increase in population between 1990 and 2005. Between 2000 and 2005, the population grew by 7.5 percent in Salem and 5.6 percent in Keizer.

**Table 1**  
**Population Trends**

Year	Marion County	Salem	Keizer
1990	228,483	107,793	21,884
2000	284,834	136,924	32,203
2005	302,135	147,250	34,735
2006	306,665	152,239	35,027

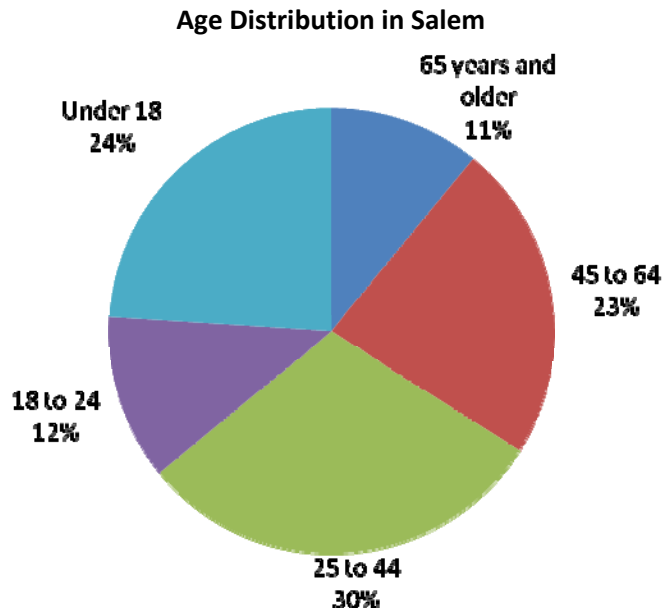


**Figure 1**

Source: U.S Census Bureau. American Community Survey, 2006

According to the U.S census bureau, the majority of Salem and Keizer population is White. For people reporting one race alone in Salem, 83.4 percent are white; 1.7 percent is Black or African American; 3.6 percent are American Indian and Alaska Native; 3.5 percent are Asian; 0.2 percent is Native Hawaiian and Other Pacific Islander, and 4.3 percent are of some other race. A total of 3.3 percent of the City’s population are classified under two or more races.

Census 2000 data and the American Community Surveys (ACS)<sup>2</sup> that followed indicate that the White population has been decreasing as a percent of total residents in both Salem and Keizer. As of 2006, census data showed that the Hispanic/Latino population in Salem alone was 25,666, representing 17.3 percent of the 83.4 percent total white population. Minority population reporting two or more races versus one single race represent 3.4 percent in Keizer. Blacks/African Americans make up 0.8 percent of Keizer’s population.



**Figure 2**

Source: U.S Census Bureau. American Community Survey, 2006

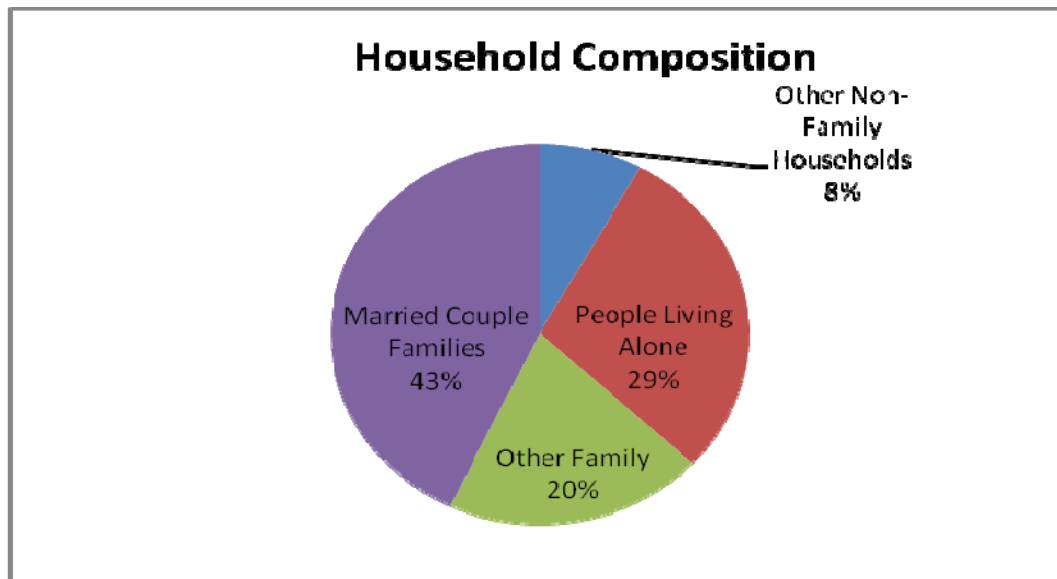
The median age of the population in the State of Oregon in 2006 was 37.6 years, an increase of 1.3 years from the 2000 Census figures. Marion County’s median age also jumped from 33.7 in 2000 to 34.4 years in 2006. For City of Salem, the median age was below county, state, and national averages, falling from 33.3 years in 2000 to 33.1 years in 2006. Eleven percent of Salem’s population comprises individuals 65 years and over (See figure 2). A total of 10,398 people in the 2006 ACS were children under 5 years of age.

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<sup>2</sup> American Community Survey (ACS): An ongoing U.S Census bureau statistical survey that provides more current information between the decennial census.

### *Households and Household Composition*

Average household size describes the number of persons who live in an occupied housing unit. This is important because it portrays the levels of housing demands across all sections of the population. Because families made up 63 percent of the 54,000 households in the City, a majority of available housing in the area were single-family detached housing. Married couples totaled 43 percent of all occupied households in the area, while 20 percent were made up of other families (Figure 3). Non-family household made up 37 percent of all households in Salem. Most of the non-family households comprised people living alone, but some were composed of people living in households in which no one is related to the householder



**Figure 3**

Source: U.S Census Bureau: American Community Survey, 2006

According to the 2006 ACS, the average household size for Oregon was 2.5 persons. An average of 2.62 and 2.73 individuals occupied households in Salem and Marion County respectively. Both ACS and Census 2000 figures indicate that owner-occupied housing units in Salem had higher densities of people compared to rental units. In all three categories of housing characteristics analyzed in the figure 4, average household sizes were greater in Marion County compared to State figures. An average of 2.61 and 2.62 persons in Salem occupied owner and renter housing respectively in 2006. Marion County's average household occupancy stood at 2.75 persons for owner-occupied and 2.69 persons for renter occupied housing units.

According to census figures, Salem's 1.5 percent annual growth rate indicates that average household sizes are expected to increase significantly over the next decade. This means that the City has to do more to facilitate an increase in both affordable owner and renter housing units.

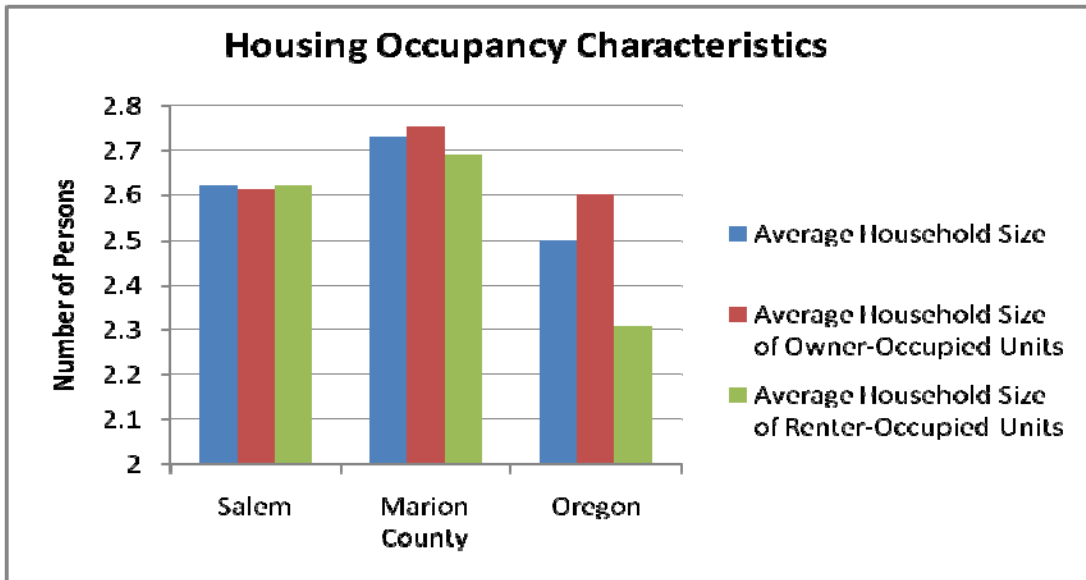


Figure 4

Source: U.S Census Bureau: American Community Survey, 2006

### Education

City of Salem boasts of 47 Elementary Schools, 13 Middle Schools, 8 High Schools and 17 alternative and Special Schools. The presence of three institutions of higher learning; Chemeketa Community College, Willamette University, and Corban College in the area is a key factor to the sturdy professional workforce base in the community. According to the 2006 ACS, the number of people over age 25 with at least a high school diploma rose from 81.5 percent in the year 2000 census to 84.5 percent in the 2006 ACS. Twenty five percent of Salem’s population had a Bachelor’s degree or higher in 2006 (Figure 5).

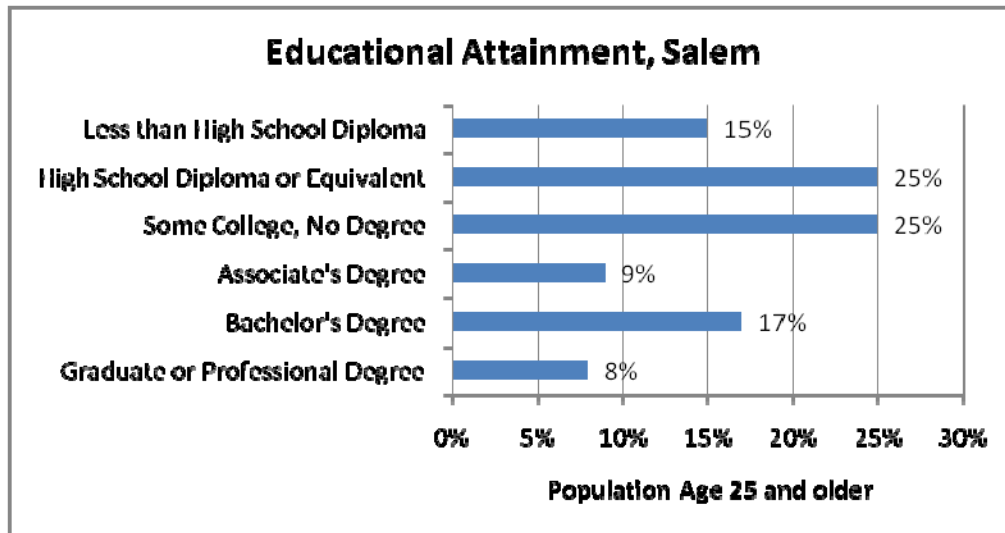


Figure 5

Source: U.S Census Bureau. American Community Survey, 2006

Graduates in the area not only have opportunities available in business and professional workforce, but have an opportunity to enroll in JOBS Plus – a statewide educational program that allows State agencies to employ workers while receiving tuition reimbursement and the opportunity to train and learn as temporal employees. Because most of the State’s agencies are located in Salem, the JOBS Plus program is a potential recruiting tool for attracting college students and graduates into State government workforce.

### *Economy and Employment*

Management, professional, and related occupation comprise the largest areas of employment for the civilian population 16 years of age and older in Salem and Keizer. While State and Federal government employees make a significant number of the work force in the area, more than 75 percent of the people employed in the area are private wage and salary workers. As of March 2008, 150,900 people were working in Non-farm Payroll Employment, with the private sector employing over 109,300 people in the Salem Metropolitan Statistical Area (MSA). Four percent of the entire work force within the City of Salem was self-employed in non incorporated businesses.

Educational services, health care, and social assistance industries comprise 18 percent of employed people 16 years and over in the Salem MSA in 2008. Government employed 41,600 individuals while trade, transportation and the utilities sector employed 25,300 persons. The public sector in the Salem MSA alone added 500 jobs in 2007 to grow at 1.3 percent. Natural resources and mining sectors employed 1,200 individuals. According to Oregon’s covered Employment and Wages, Marion County added 8,106 non-farm positions from 2001 to 2005.<sup>3</sup>

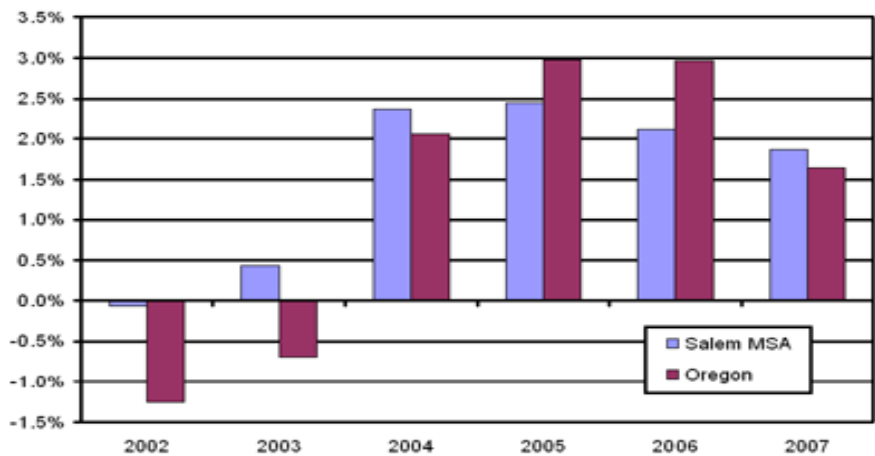
Although State and Federal government jobs tend to stabilize the labor force market in Salem, major manufacturing and service employers in the area also contribute to the health of the diversified skilled and semi-skilled workforce. The closure of the Boise Cascade paper facility in Salem, the Boise veneer plant in Independence, and Tyco closing its circuit board facility in Dallas made it difficult for the manufacturing sector to add jobs on an annual basis during 2007.<sup>4</sup> Although the manufacturing sector lost more than 300 jobs in 2007, the food processing sector did well. Norpac foods, the largest manufacturing industry in the area has 1,135 people in its workforce. Truitt Bros. Inc. and BrucePac employ 694 and 450 people respectively. Between 2003 and 2007, food manufacturing employment added 900 jobs to the already strong workforce.

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<sup>3</sup> Report on Poverty 2006. Oregon Housing and Community Services

<sup>4</sup> Oregon Labor Market Information System. 2007 Year in Review for the Salem MSA. By Pat O’Connor

**Percent Change in Annual Employment 2002-2007**



**Figure 6**

Source: Oregon Labor Market Information System. 2007 in Review for the Salem MSA

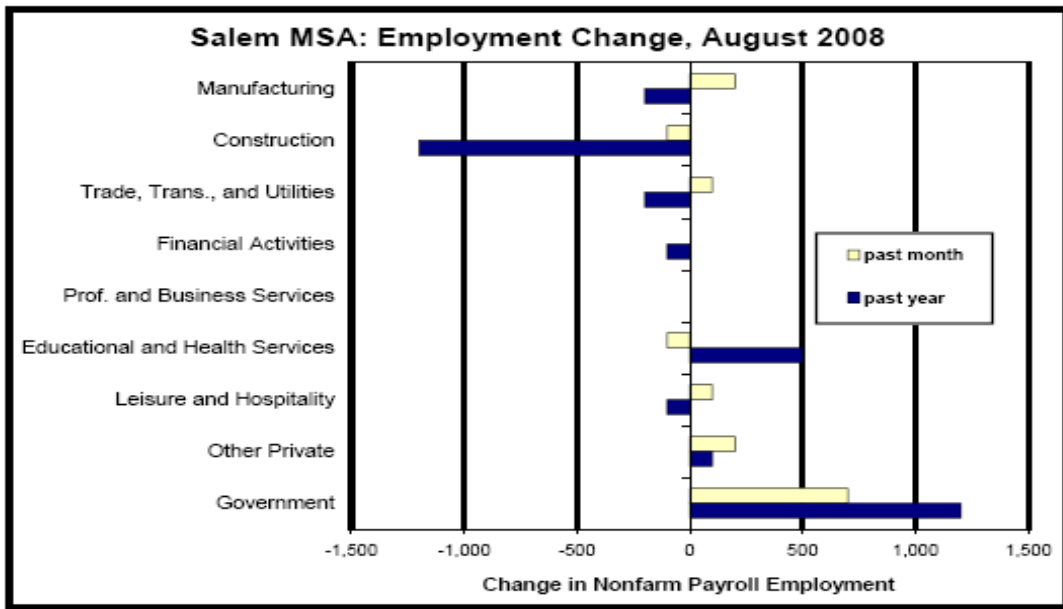
Employment in professional and business services grew by 33 percent in the Salem MSA between 2001 and 2007. Salem hospital is the largest private employer in the area with 2,700 people in its workforce. The Spirit Mountain Casino employs 1,500 and T-Mobile employs 1,100 people.

### Salem MSA Employment – March 2008

<b>Unemployment (Seasonally Adjusted)</b>	<b>5.8%</b>
Total Nonfarm Payroll Employment	150,900
Total Private	109,300
Natural Resources and Mining	1,200
Construction	9,100
Manufacturing Total	14,000
Durable Goods	7,100
Nondurable Goods	6,900
Food Production	4,500
Trade, Transportation and Utilities	25,300
Wholesale Trade	4,000
Retail Trade	17,600
Transportation, Warehousing and Utilities	3,700
Information	3,700
Financial Activities	7,400
Professional and Business Services	13,100
Administrative and Support Services	6,700
Education and Health Services	20,200
Health Care and Social Assistance	16,900
Health Care	14,100
Leisure and Hospitality	2,200
Accommodation and food services	10,9010
Other Services	5,300
Government	41,600
Federal Government	1,600
State Government	20,800
State Government Services	2,200
Local Government	19,200
Tribal Government	2,000
Local Government Educational Services	9,800

Sources: SEDCOR and Oregon Employment Department –[www.qualityinfor.org](http://www.qualityinfor.org)

In 2007, the Salem MSA growth rate outpaced Oregon’s growth by adding 2,800 jobs to the already strong workforce. Oregon’s employment expanded 1.6 percent in 2007 compared to Salem’s 1.9 percent. The private sector was responsible for 2,300 of the jobs gained, growing 2.1 percent.<sup>5</sup> According to the Oregon labor market information, the fastest growing sector in Salem was construction which added 600 jobs to grow at 6.4 percent. The construction sector added 3,500 jobs between 2003 and 2007 to grow at 54 percent. However, the current national housing downturn has reversed this course, leaving the construction sector among the weakest employment areas in Salem (Figure 7)



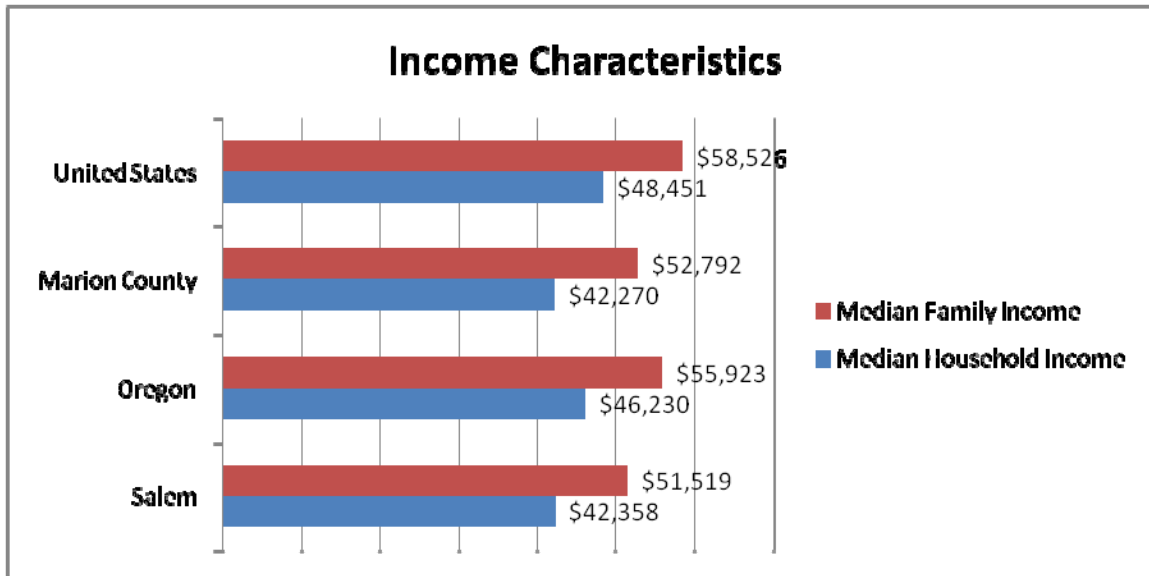
**Figure 7**

Source: Oregon Employment Department. Salem Metro Labor Trends, October 2008.

The 2000 Census reported that median household incomes for Salem and Keizer were \$38,881 and \$45,052 respectively. Median Household Incomes in 2006 adjusted to inflation stood at \$42,358 for City of Salem. Keizer’s Median Household Income (MHI) has consistently been higher than both State and National averages. As of 2005, MHI for Keizer was reported to be \$48,200.

Median Family Income (MFI) for the U.S stood at \$58,526 compared to \$51,519 in Salem in 2006. In Marion County MFI was \$52,792 compared to \$55,923 for the entire state of Oregon. In all categories of incomes described below, Marion County had the lowest MHI at \$42,270, with Salem following closely (Figure 8).

<sup>5</sup> Oregon Labor Market Information System. 2007 Year in Review for the Salem MSA. By Pat O’Connor.



**Figure 8**

Source: U.S Census Bureau. American Community Survey, 2006

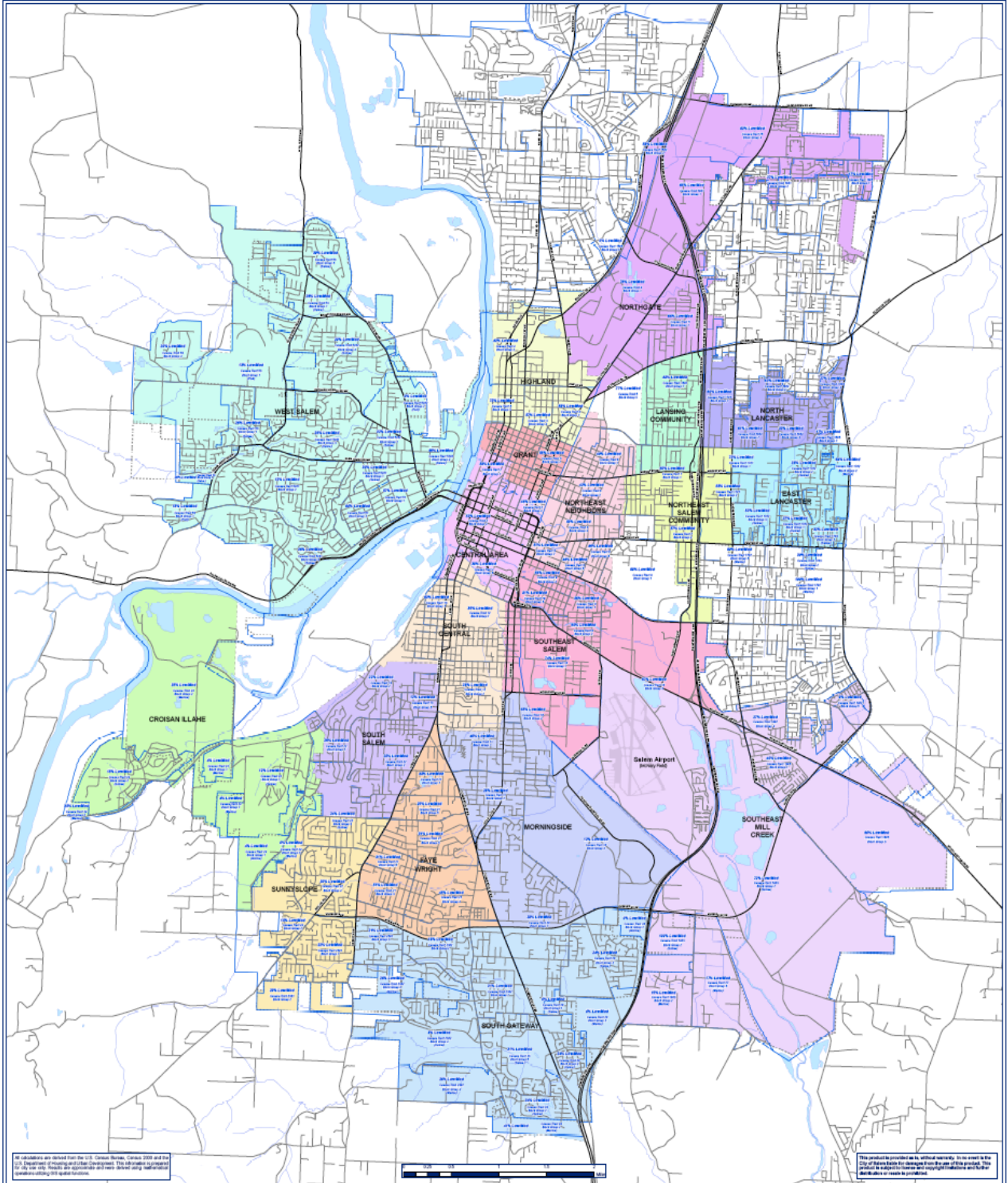
More than 50 percent of the 33,890 families in Salem had family incomes less than the area median family income. A total of 1,674 families had incomes less than \$10,000.

South east Salem, maintains the highest population of Low and moderate-income earners in the City. One segment of the neighborhood has 81 percent of residents in the Low and moderate-income range, with another closely behind at 67 percent. The Northgate and Highland neighborhoods are second and third respectively with populations of Low and moderate-income earners, averaging 61.2 percent and 60.3 percent of the total population within those respective neighborhoods.

MAP 1

**City of Salem**  
Urban Development Department

**City of Salem Neighborhoods  
Low-Moderate Income Analysis**



All statistics are derived from the U.S. Census Bureau, Census 2000 and the U.S. Department of Housing and Urban Development. This analysis is prepared for informational purposes only. It is not intended to be used for any other purpose.

This product is provided as is, without warranty. It is the user's responsibility to verify the accuracy of the data and to use the data for their own purposes. The City of Salem is not responsible for any errors or omissions in this product.

Neighborhood	Low-Moderate Income Percentage
CENTRAL AREA LM	48.2%
CROSIAN LLAKE LM	15.3%
EAST LANCASTER LM	45.4%
FAYE WRIGHT LM	38.7%
GRANT LM	55.9%
HIGHLAND LM	50.3%
LANING COMMUNITY LM	50.3%
MORNINGSIDE LM	34.6%
NORTH LANCASTER LM	44.9%
NORTHEAST NEIGHBORS LM	47.6%
NORTHEAST SALEM COMMUNITY LM	55.4%
NORTHEAST APTS/BOYS LM	51.2%
NORTH GATEWAY LM	35.8%
SOUTH GATEWAY LM	25.4%
SOUTH SALEM LM	25.9%
SOUTHEAST MILL CREEK LM	37.9%
SOUTHEAST SALEM LM	64.1%
SUNNYSLOPE LM	25.9%
WEST SALEM LM	25.9%

**LEGEND**

City Limits  
Block Group Boundary  
Major Streets

## Poverty

The Oregon Department of Housing and Community Services “Report on Poverty 2006,” shows that 11.6 percent (2000 census) of the total population of people living in Oregon was below the federal poverty line. Fourteen percent of Oregon’s population according to the 2005 American Community Survey (ACS) was poor. For Marion County, the percentage below the federal poverty line in 2006 was 14.1 percent. The ACS also shows that, of the 141,014 individuals for whom poverty status was determined in the City of Salem, 7,712 were children less than 18 years of age living below the federal poverty line. A total of 1,859 individuals representing 12 percent of people 65 years and older were living below the poverty line in Salem (Figure 9).

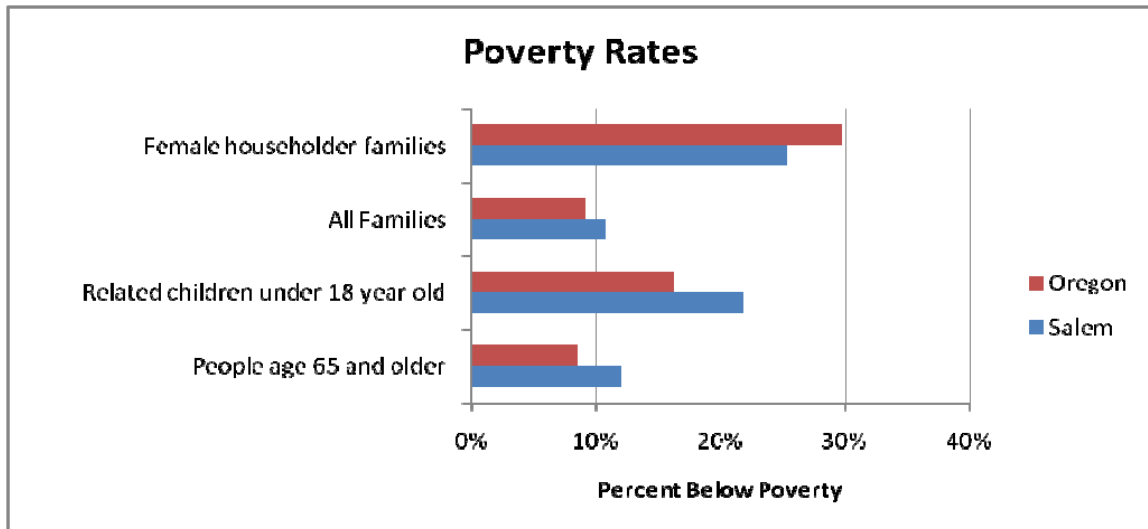


Figure 9

Source: U.S Census Bureau. American Community Survey, 2007

Both Census 2000 and the 2006 ACS for the City of Salem paint a grim picture of the level of poverty among single female householders. A total of 25.4 percent of this subgroup live below the federal poverty line in Salem. Except for female householders, the rates of poverty were higher in all categories in the City of Salem compared to State figures. For all families in the City, 10.8 percent were found to be below the federal poverty line while 5.7 percent of all married couples faced poverty.

**Federal Poverty Threshold/Line:** This is the minimum level of income deemed necessary to achieve an adequate standard of living.

### 2007 Poverty thresholds<sup>6</sup>

Household Size	Poverty Line/threshold	50 Percent of Federal Poverty Threshold
One Person (under 65 years)	\$10,787	\$5,394
One Person (65 years and older)	\$9,944	\$4,972
One adult and one child	\$14,291	\$7,146
Four people including two children	\$21,027	\$10,514

Although the 2006 ACS did not break down the levels of poverty by minority and ethnic groups in both Salem and Keizer, the 2000 Census data on poverty is indicative of the disproportionate rates among minorities and low income individuals in the area. Minority populations in Marion County faced high rates of poverty, with Blacks at 31.1 percent, Asian and Pacific Islanders 12.6 and 29.6 percent respectively, American Indians at 19.3 percent and those of Hispanic origin at 26.7 percent.<sup>7</sup>

For individual 16 years and over in the civilian labor force, 7.3 percent were below the federal poverty line. Four percent of individuals who worked full-time year round fell below the federal poverty line while 16.6 percent of those who worked part-time or part year in 2006 were faced with poverty. Families with children younger than 18 years experienced a high poverty rate of 15.1 percent. The 2005 average wage in Marion County could only support 66.0 percent of the everyday expenditure of a single adult with three children.

The Salem-Keizer school district has 26 schools listed as receiving Title I funds. These are federal dollars that fund programs such as free and reduced lunches for school children who live in low income areas. Analysis of data collected from the Marion-Polk Food Share reveals that:

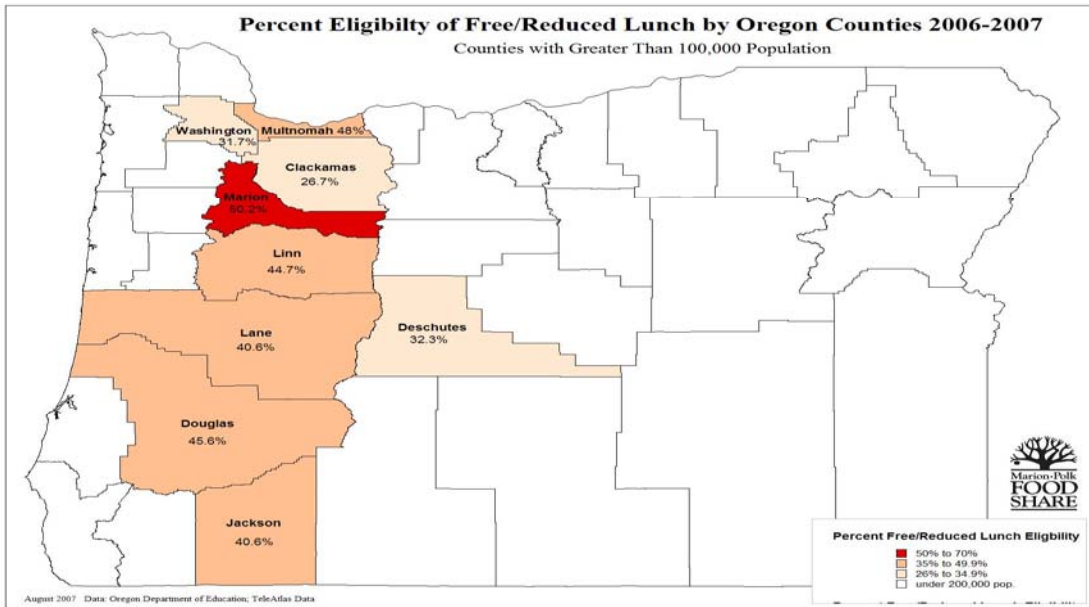
- A total of 29,276 school children in Marion County receive free or reduced lunches
- In the Salem-Keizer School district, 18,146 school children are receiving free and reduced lunches
- Forty eight percent of all school children in the Salem-Keizer school district were eligible to receive free and reduced lunches (See Map 2)
- Forty four percent of the individuals eating from a Marion-Polk food box are children from Salem.

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<sup>6</sup> <http://www.census.gov/hhes/www/poverty/threshld/thresh07.html>

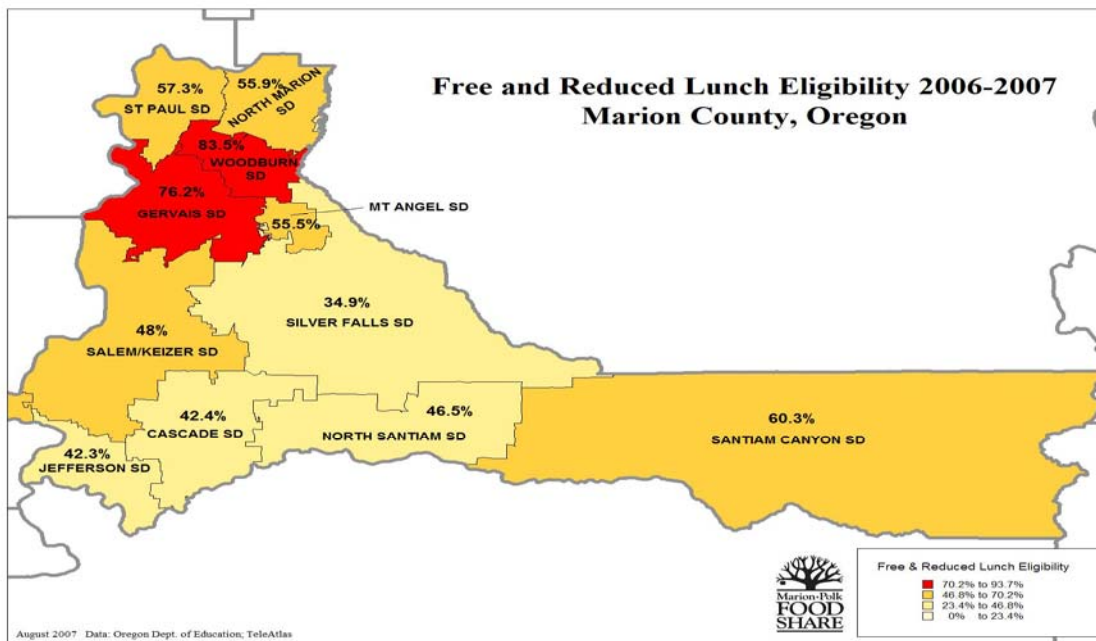
<sup>7</sup> Report on Poverty 2006. Oregon Department of Housing and Community Services

### MAP 2



In order to receive a free or reduced priced lunch, a child must be at 130 percent and 185 percent of poverty level. This translates into earning \$26,845 and \$38,203 respectively per year for a family of four. A total of 52,187 individuals in the City of Salem are below 185 percent of the poverty level. In some Salem Keizer school districts, over 80 percent of children under this group are receiving a free lunch.

### MAP 3



Geo maps illustrating the levels of free and reduced lunch eligibilities for children are consistent with Salem Neighborhoods Low- Moderate Income (LMI) Analysis maps using census 2000 data (See map 1). The South East Salem, Northgate, and Highland neighborhoods have the highest percentages with over 70 percent of individuals within each of those school districts eligible for free and reduced lunch. Hoover schools had the highest rate at 94.3 percent. In Keizer, 57.2 percent of school children were eligible in 2006-2007.

## **MANAGING THE PROCESS (FEDERAL PROGRAMS)**

City of Salem Urban Development Department manages housing and community development activities with CDBG and HOME funds. HOME funds and resources are received through the Salem/Keizer HOME Consortium - an intergovernmental partnership between the cities of Salem and Keizer. The City of Salem receives both CDBG and HOME funds annually and awards funding through an annual competitive application process. These funds provide finances for housing activities, community development projects, and public improvements for the benefit of low- and moderate-income individuals, families and neighborhoods across the area. The City of Salem Urban Development Department provides direct financial assistance to qualified persons to meet their housing needs through the following programs:

- Homebuyer Assistance Loan Program
- Single Family Housing Rehabilitation Loan Program
- Critical Home Repair Loan Program

Activities and programs funded by both CDBG and HOME funds are carried out in cooperation with several partners; community based non-profit organizations, faith based groups, private developers, and other City and State agencies and departments. The creation of this Consolidated Plan is a collective effort of City of Salem Urban Development Department staff, Housing and Community Development Advisory Committee members, participating citizens, and community stakeholders.

### *Institutional Structures*

City of Salem operates under the council-manager form of City government. The Salem City council is made up of eight councilors each representing the eight wards across the City. The Mayor stands for elections in all eight wards and serves a two year term. The Salem City Councilors sits as the SHA Board of Commissioners and makes decisions regarding proposed capital improvements, development and demolition of public housing units. The City Manager acting on behalf of the Mayor and City council is responsible for running the day-to-day operations of the City.

#### **1. Salem Housing Authority**

The Salem Housing Authority (SHA), acting on behalf of the City of Salem Department of Parks, Recreation and Community Services manages all issues relating to public housing in the Salem area. The SHA works with the Urban Development Department to offer emergency rental housing assistance to families with children, single adults, seniors and persons with disabilities. It promotes family self sufficiency and homeownership opportunities to low-income households in Salem and Keizer. The SHA Board of Commissioners consists of the eight elected City councilors and a resident representative making a nine member board.

The SHA Board acts as a separate agency responsible for developing and administering housing assistance programs for low-income households within the Urban Growth Boundary surrounding the cities of Salem and Keizer

## 2. Salem-Keizer Community Development Corporation

Salem-Keizer Community Development Corporation (CDC) is a non-profit organization of citizens with a one third representation from low-income communities. The CDC works aggressively to develop sustainable strategies for expanding affordable housing for low-income persons in both cities. The Salem-Keizer CDC owns over 100 rental housing units in Salem and Keizer. These units include apartments, townhouses and single-family houses. Households earning 60 percent or less of area median income are eligible to access these affordable housing. Currently the Salem-Keizer CDC offers rental housing assistance, homeownership education, micro enterprise development and other housing assistance services to residents in the cities of Salem and Keizer.

Salem-Keizer CDC added 31 low income housing units to the Southeast Salem (Mill Creek Meadows) neighborhood in 2008. Funding for this project includes money from low income Tax Credits, Oregon Affordable Tax Credits, Trust grants, and HOME funds for the renovation of 19 existing units of housing and construction of an additional apartment building offering 12 units. The 12 unit addition houses developmentally disabled adults and comes complete with a computer lab and a common area.

## 3. Mid-Willamette Valley Community Action Agency

The Mid-Willamette Valley Community Action Agency, MWVCAA (Community Action) coordinates the local Continuum of Care efforts. The Continuum of Care is a community based long-range plan that addresses the needs of homeless persons in order to help them reach maximum self-sufficiency<sup>8</sup>. The Continuum of Care is developed through the effort of the Mid-Valley Housing and Services Collaborative which comprises a broad cross section of community stakeholders and based on a thorough assessment of homeless needs and resources. Community Action Continuum of Care serves Marion-Polk counties particularly the cities of Salem and Keizer.

The Community Action Agency's Community Resource Program provides a variety of services focused on helping low-income persons achieve decent and stable housing. The services provided include;

1. Community Action Resource Center
2. The Housing Stabilization Program
3. The Tenant-Based Rental Assistance Program in Marion and Polk Counties
4. The Arches Project (Drop-in and referral program for the homeless)
5. Rent ( a tenant education program)

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<sup>8</sup> <http://www.thecontinuumofcare.org/default.asp?page=home>

### *Monitoring and Coordination*

The City of Salem has sought input from various organizations, groups and other interested parties throughout the process of developing the Consolidated Plan. As the citizen participation process indicates, the City has established policies and procedures to ensure long-term compliance with the requirements of the programs funded. When implementing housing and community development programs and activities under the CDBC and HOME programs, City of Salem and Salem/Keizer HOME Consortium will adhere to the following;

### **Community Development Block Grant (CDBG)**

To ensure that the objectives of the program are met, HUD has established eligible activities that can be funded with CDBG dollars.

#### **CDBG Eligible activities include;**

- Economic development activities
- Activities related to real property (includes affordable housing)
- Planning and administration activities
- Assistance to Community Based Development Organizations (CBDOs)
- Activities related to public and social services
- Other types of activities (includes technical assistance to non-profits)

CDBG monitoring will be done to ensure compliance with the CDBG project eligibility requirements and national objectives established by HUD. Site visits will be coordinated with record monitoring. Project agreements will include the requirement that ensures employment and other economic opportunities generated by housing and community development assistance programs benefit minority businesses and low-and-very-low income persons. Meeting CDBG national objectives, the removal of slums and blight and addressing urgent issues that affect community health and safety are priority for CDBG monitoring.

### *Sub-recipient Monitoring*

Monitoring and technical assistance are vital parts of a successful sub-recipient and the participating city relationship. The City provides an orientation session for all funded sub-recipients to explain their roles and responsibilities to the CDBG program and the City's monitoring policy. This orientation includes a review of all CDBG eligible activities and documentation requirements.

The level of sub-recipient monitoring depends on the length of time a sub-recipient has been receiving CDBG funds and their performance levels. All first year sub-recipients will have onsite monitoring along with quarterly progress reports.

### **HOME Investment Partnership Program (HOME)**

All projects undertaken under HOME meet the national objective that minority, small businesses, and low-and-very-low income persons benefit from the contracts. Expanding the

supply of decent affordable housing to low income households and strengthening the ability of state and local government to design and implement strategies for achieving adequate supplies of decent affordable housing are priorities for the HOME program. As part of HOME national objectives, coordination among all levels of government and private-sector participation in the production and operation of affordable housing is priority.

HOME monitoring will be done to ensure that recipients are managing projects in compliance with HOME eligible activities and beneficiaries.

**HOME Eligible Activities;**

- Homebuyer Assistance
- Owner-occupied Rehabilitation
- Rental Housing
- Tenant Based Rental Assistance
- Community and Housing Development Organization (CHDO) operation

**HOME Eligible Beneficiaries;**

- Individuals and households with incomes 60 percent or below MFI
- Homebuyers with incomes at 80 percent of MFI
- Have legal residency status

HOME-assisted rental projects will meet the low-income occupancy and rent level requirement at initial occupancy and throughout the period of affordability. Property inspections must meet the requirement of State and Local codes and rehabilitation standards for project in the cities of Salem and Keizer. The required frequency of inspections is as follows: One to five housing units are inspected every three years; Six to 25 units are inspected every two years; and housing with twenty six units or more are inspected annually.

In regards to Homebuyers, inspections are performed at the initial stages and prior to the disbursement of funds. For Single Family Rehabilitation (SFR) projects, inspections are performed prior to the start of the project. Monitoring continues throughout the course of the project and at completion.

## **CONSULTATION AND CITIZEN PARTICIPATION**

Federal regulations require that recipients of CDBG and HOME funds follow an approved citizen participation plan in order to receive continued federal funding. The City of Salem follows a detailed Citizen Participation Plan that sets forth the City's policies and procedures for citizen participation. The citizen participation process implemented by the City is developed to encourage input from community stakeholders and citizens of Salem and Keizer. Private and Public local support organizations including social service agencies, welfare organizations, the local housing authority, and citizen boards and commissions, work to meet the needs of the homeless and low- and moderate-income persons in Salem and Keizer. These groups and individuals are given an opportunity to review and comment on the information contained in this Consolidated Plan and other plans developed by the City.

During the 2009-2013 Housing and Community Development Consolidated planning process, community needs surveys were sent to over 100 stakeholders in and around the Salem/Keizer area. Individuals and Neighborhood Associations groups across the City provided input as part of the consultation and citizen participation process.

The development of this Consolidated Plan is guided by the effort of the Housing and Urban Development Advisory Committee (HUDAC). This draft Consolidated Plan will be made available to the public for review and comment beginning April 2009.

Key components of the citizen participation process include:

- 1.** Focus groups discussion with neighborhood associations and groups.
- 2.** Involvement from citizen advisory groups in Salem and Keizer.
- 3.** Interviews with key stakeholders who are knowledgeable of housing and community development needs within the City.
- 4.** Feedback from the Community Needs Survey
- 5.** Discussions from Mid Valley Community Action Collaborative
- 6.** Review of current City planning documents.
- 7.** Final public comment period and a hearing on the draft Consolidated Plan.

## LEAD-BASED PAINT AND LEAD HAZARDS

HUD requires that the Consolidated Plan outline actions proposed or being taken to evaluate and reduce lead-based paint hazards and increase access to housing without such hazards. The Consolidated plan must include provisions about the extent of lead poisoning and hazards, and how the plan for the reduction of lead-based hazards will be integrated in housing policies and programs.

Congress passed the Residential Lead-Based Paint Hazard Reduction Act of 1992 to protect families from exposure to lead from paint, dust, and soil. This act seeks to direct HUD and the Environmental Protection Agency (EPA) to identify and mitigate sources of lead-based paint and lead hazard before the sale or lease of houses built before 1978.

In Salem and Keizer, more than 60 percent of the total housing units were built prior to 1978. More than 11,829 housing units in Salem were built between 1970 and 1979 in Salem alone (Figure 10). Nine percent of the total housing units in Keizer were built during that same period.

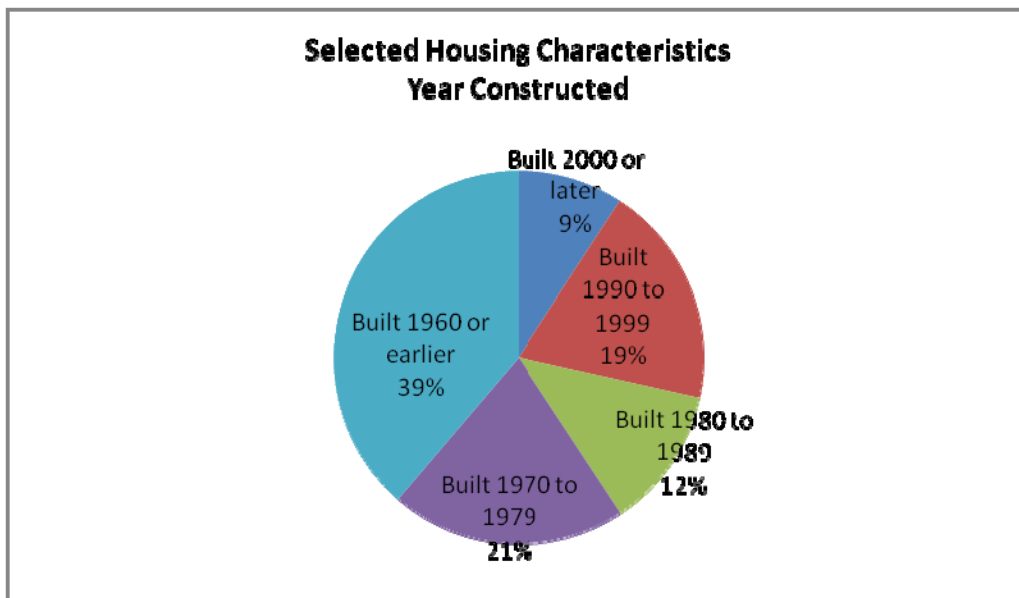


Figure 10

Source: U.S Census Bureau. American Community Survey, 2006

Since many of these structures are susceptible to structural damage and wear and tear, they pose lead-based paint and lead hazard risks to inhabitants. The City of Salem has estimated a total number of homes having the potential for lead-base paint hazards to be 22,583; of that number low- and moderate- income families occupy an estimated 9,777 or 43 percent of these homes.

In 1978 the Consumer Product Safety Commission banned the manufacture of paint containing more than 0.06 percent lead by weight for use on interior and exterior residential surfaces and furniture. The presence of lead-based paint alone does not indicate the extent of exposure hazards. Poor maintenance, remodeling, peeling and chipping paint are lead-based paint hazards. According to Code of Federal Regulation 24 CFR Part 35, any housing rehabilitation project involving housing constructed prior to 1978, and receiving \$5,000 or more of Federal funding shall be tested for lead-based paint. Projects receiving \$5,000 - \$24,999 in Federal funds shall have identified lead-based paint hazards mitigated. Lead hazard mitigation may be accomplished through the use of interim controls. Those projects receiving \$25,000 or more in Federal funds shall have identified lead-based paint hazards abated.

**Interim** controls are measures designed to temporarily reduce exposure to lead-based paint hazards. Interim controls include repairs, maintenance, painting, temporary containment, specialized cleaning, ongoing monitoring of lead-based paint hazards and establishing management programs for the property. Unlike abatement, interim controls require periodic monitoring and reevaluation to ensure they remain effective.

**Abatements** are measures designed to eliminate lead-based paint hazards or lead-based paint permanently (defined as at least 20 years effective life). Different methods of abatement can be summarized into two primary approaches.

1. Removing the lead-based paint from the structure
2. Covering the lead-based paint and making it inaccessible

The City of Salem has established a policy that all housing rehabilitation projects subject to 24 CFR Part 35 shall utilize abatement methods. Abatement methods ensure the highest level of protection for housing occupants and eliminate the costly requirement for annual monitoring of interim controls by City staff. At the completion of a rehabilitation project in housing constructed prior to 1978 a Clearance Exam shall be conducted in accordance with 24 CFR Part 35. Once a project passes clearance it can then be considered lead safe housing.

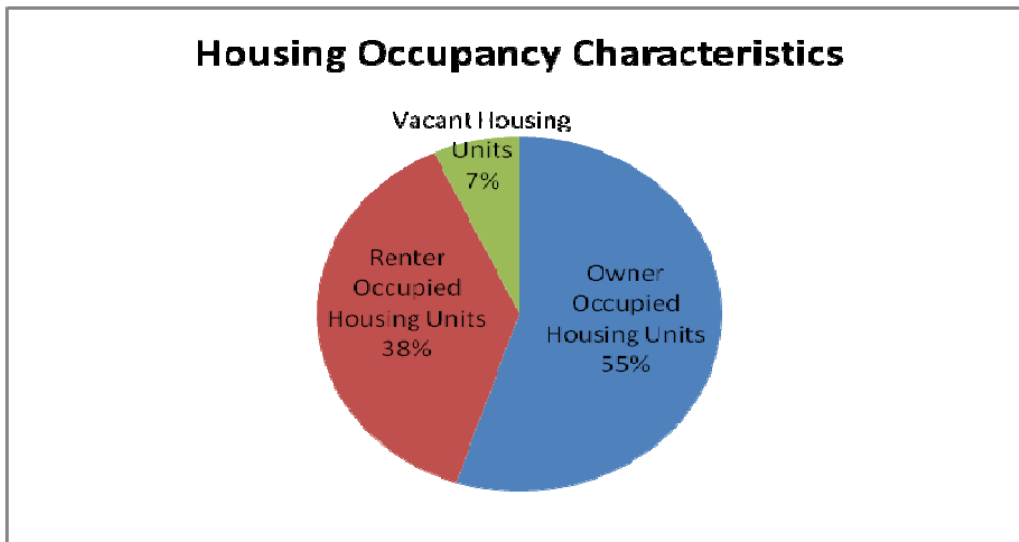
All necessary notices as required by Title X of the Housing and Community Development Act of 1992 are given to property owners and tenants at appropriate times.

## HOUSING NEEDS ANALYSIS

### *Introduction*

An important feature of a Consolidated Plan is the review and analyses of housing needs followed by supportive programs and objectives to address the City's priority housing needs. This part of the Consolidated Plan deals with the housing needs of individuals and families on public housing, Section 8, and tenant-based waiting lists. The housing needs for the City of Salem targets a variety of family sizes and income levels. For low and extremely low income housing needs in Salem and Keizer, both housing conditions and affordability are priorities that must be addressed. The analyses below drew information from the National Low Income Housing Coalition (NLIHC) and the U.S census bureau.

Census data indicate that the combined population of the cities of Salem and Keizer is 187, 266. As of 2006, Salem had a total of 58,000 housing units, 7 percent of which were vacant. Fifty five percent of these housing units were owner occupied and 38 percent were renter occupied (Figure 11). Of the total housing units, 63 percent were single-unit structures, 32 percent were multi-unit structures, and 5 percent were mobile homes.



**Figure 11**

Source: U.S Census Bureau: American Community Survey, Salem 2006

Owner occupied housing units from the 2000 census increased by two percent to 31,701 in 2006. A total of 35 percent of the housing units in Salem were constructed between 1960 and 1979 while 34 percent of all housing units in Keizer were built during that same period. These older housing stock generally are susceptible to structural damage and may pose health hazards.

Although a majority of the houses in Salem and Keizer are Single-family detached, high construction rates of multiple family housing in the 1990's helped in meeting the rental demands in both cities. Construction activities since 2000, as measured by building permits have been dominated by single-family homes. Low interest rates coupled with the rise of the sub-prime mortgage loan market resulted in significant increases in housing activity from 2002 to 2005.

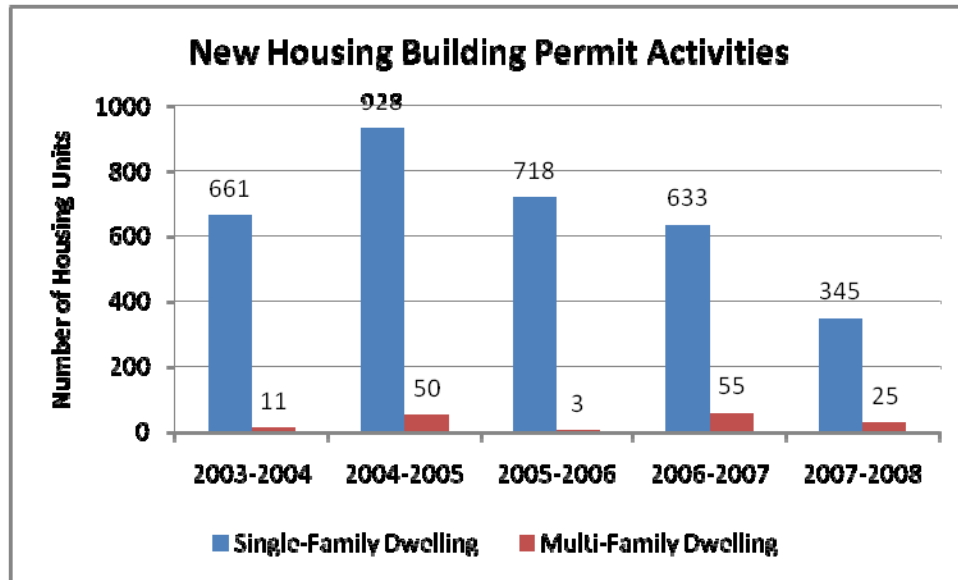


Figure 12

Source: City of Salem Community Development Building and Safety Division

Total annual sales of residential houses increased steadily from 7,233 in 2000 to a peak of 11,576 in 2005. At the same time, single family dwelling permits rose by 22.6 percent between 2002-2003 and 2004-2005 to 928 permits. Three multi-family building permits were issued in 2005-2006. Although building permits totals fell by 11.8 percent, multifamily dwelling permits increased to 55 in 2006-2007, only to fall again to 25 permits in the 2007-2008 cycle (Figure 12).

### *Housing Needs of Renters*

According to the National Low Income Housing Coalition (NLIHC) 2007-2008 “Out of Reach” report, the Fair Market Rent (FMR) for a two bedroom apartment in the Salem MSA is \$635 (Table 2). In order to afford this level of rent and utilities without paying more than 30% of income on housing, a household must earn \$2,116 monthly or \$25,400 annually.<sup>9</sup> A resident of Salem working 52 weeks per year and 40 hours a week must earn a housing wage of \$12.21 an hour to be able to afford decent housing at FMR. “Out of Reach” reports that in Salem MSA, a minimum wage worker earns an hourly wage of \$7.95. To afford FMR for a two bedroom

<sup>9</sup> NLIHC-Out of Reach 2008.

<http://www.nlihc.org/oor/oor2008/data.cfm?getmsa=on&msa=1164&state=OR>

apartment at this wage, a minimum wage earning renter must work 61 hours a week or maintain 1.5 full time jobs.

As of 2008, forty five percent of family Area Median Income (AMI) was needed to afford a two bedroom housing unit at FMR in the Salem MSA. Even though lower than the average 44 percent statewide figure, it is reported that 38 percent of renter household in the Salem MSA with median incomes up to \$32,146 were unable to afford a bedroom housing unit at FMR.

**Fair Market Rent:** Describes the amount of money that a given property or housing unit would command, if it were leasing at a particular time.

Area Median Income	Oregon	Salem MSA
Annual	\$59,564	\$56,200
Monthly	\$4,964	\$4,683

Source: National Low Income Housing Coalition – “Out of Reach” 2008

According to the SHA, many renters who would normally be seeking homeownership are not able to purchase because lending criterion are more restrictive. These potential homeowners remain renters thus, contributing to the tight rental market. This drives rents up and causes some landlords to overlook the City’s housing voucher program. Because the FMR has only been increased by \$1.00 in the past 2 years, the SHA is limited in the amount of rent it can pay landlords. This makes it difficult for voucher holders to find suitable housing.

**Table 2**  
**2008 Fair Market Rent for Salem MSA**

Number of Bedrooms	Cost Salem MSA	Cost Oregon	Change from 2000 Salem MSA
Zero (Single Room Occupancy)	\$478	\$517	16%
One	\$531	\$603	16%
Two	\$635	\$721	16%
Three	\$923	\$1,037	16%
Four	\$1,113	\$1,210	16%

Source: National Low Income Housing Coalition – “Out of Reach” 2008

### *Housing Needs of Owners*

Housing cost burden in recent years have been greater among homeowners than renters. While a majority of residents in Keizer (64.7 percent) owned their houses in 2000, the percentage was lower in Salem (57.1 percent). General housing characteristics for Salem indicates that total occupied housing units increased 5.8 percent to 53,609 in 2006. Owner occupied units rose by 2 percent and renter occupied units fell by the same percentage.

Tightened lending standards, increases in utilities, and housing taxes caused by the credit crunch have made buying and keeping a home more expensive than ever in the mid-valley. Affordability, cost burden analysis, and other housing cost issues for both owners and renters are discussed in depth in the priority housing needs section below.

### *Priority Housing Needs*

Information in the tables below is based on the HUD CHAS (Comprehensive Housing Affordability Strategy) data drawn from the 2000 census. The Housing Needs table breaks down household by renter, by family types, income levels and by cost burden. Estimates of housing needs for 2009-2013 are currently based on information provided in the 2000 census. Percentages used in the priority housing needs analysis are based on 100 percent of each subpopulation group.

The U.S housing market performed poorly in the first quarter of 2008, continuing a 2 year decline since 2006. As the downturn in the housing industry intensifies, the numbers of new and existing homes sold in major markets in Oregon are expected to decline significantly. The effects of the subprime mortgage meltdown coupled with a massive credit crunch and a weak economy are expected to deepen housing needs and housing cost burdens of low income individuals in the area. Although Salem and Keizer were not key markets for Sub Prime Mortgage lenders/brokers, Consumer Credit Counseling Services of Mid Willamette Valley reports indicate that the number of people currently seeking free foreclosure counseling has doubled. This number is expected to increase through 2008 and a greater part of 2009 as the U.S housing market adjusts to sustainable levels.

The table 3 shows renter households in Salem by size and composition, and by household income as a percent of MFI. The percentages of households in each category with household problems are shown as “needs levels” in the table.

**Table 3**  
**Salem Owner/Renter Household: Percent Cost-Burdened**

PRIORITY HOUSING NEEDS HUD Table 2A			Priority Need Level		
			Current % of Households		
			0-30% MFI	31-50% MFI	51-80% MFI
<b>Renters</b>	Small Related	Cost Burden>30%	83%	79%	23%
		Cost Burden>50%	70%	23%	1%
		Substandard	86%	88%	36%
	Large Related	Cost Burden>30%	85%	55%	27%
		Cost Burden>50%	66%	11%	0%
		Substandard	98%	94%	77%
	Elderly	Cost Burden>30%	72%	65%	58%
		Cost Burden>50%	59%	33%	34%
		Substandard	76%	65%	61%
	Special Needs	Cost Burden>30%	78%	86%	32%
		Cost Burden>50%	70%	26%	2%
	<b>Owners</b>	Substandard	78%	86%	36%
		<b>Total Households</b>	<b>18%</b>	<b>33%</b>	<b>46%</b>

Source: HUD 2000. CHAS Tables

**Cost burden** shows the fraction of a household's total gross income spent on housing. For renters, housing costs include rent paid by tenants plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.

**Elderly** 1 to 2 persons household describe persons age 62 and above residing in a dwelling

**Substandard** housing shows cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities

The extent of households with housing problems increased significantly as median family incomes decreased. Table 3 shows that over 80 percent of renter households at the lowest income level (0-30%) are paying more than 30 percent of their income for housing. Seventy percent were paying over 50 percent of their income on rent and utilities. The most cost burdened group with housing problems were large households (5 or more related people). A total of 85 percent of these households were paying more than 30% of their MFI on housing, while 98 percent live in substandard housing.

Even at higher income levels, elderly renter households experienced significant cost burdens compared to other households. Fifty nine percent of the elderly with MFI between 0 and 30 percent paid more than 50 percent of their incomes on housing.

**Table 4**

Priority Housing Needs (Households by Type and Income Group) HUD Table 1A			Total Number of Units (CDBG/HOME)	Unmet Need	5 year Goal
Renter	Elderly	0-30%	1,642	2,137	495
		31-50%	1,463	794	0
		51-80%	1,369	817	0
	Small Related	0-30%	2,712	2,245	467
		31-50%	2,867	2,259	608
		51-80%	2,006	785	1,221
	Large Related	0-30%	1,132	956	176
		31-50%	1,061	574	487
		51-80%	1,338	347	991
	Non- Homeless Special Needs	0-80%		155	155
<b>Owners</b>				<b>481</b>	<b>329</b>

Source: HUD 2000. CHAS Tables

**Table 5**  
**Priority Housing Needs/Investment Plan Goals**

<b>Priority Housing Needs HUD Table 2A</b>	<b>5-Yr. Goal</b>	<b>Yr. 1 Goal</b>	<b>Yr. 2 Goal</b>	<b>Yr. 3 Goal</b>	<b>Yr. 4 Goal</b>	<b>Yr. 5 Goal</b>
<b>Renters</b>	0-30%	495	99	99	99	99
	31-50%	608	121	121	122	122
	51-80%	1,221	244	244	244	245
<b>Owners</b>	0-30%	89	17	18	18	18
	31-50%	136	27	27	27	28
	51-80%	104	20	21	21	21
<b>Homeless*</b>						
Individuals	220	44	44	44	44	44
Families	80	16	16	16	16	16
<b>Non-Homeless Special Needs</b>						
Elderly	155	31	31	31	31	31
<b>Total Section 215</b>						
212 Renter						
215 Owner	3,108	619	621	622	623	624

Source: HUD 2000 CHAS Tables

### Salem Housing Authority

The Salem Housing Authority offers rental assistance, family self sufficiency and homeownership opportunities to low-income households in Salem and Keizer. SHA offers safe, affordable rental housing suitable for a wide range of individuals including assistance to families with children, single adults, seniors and persons with disabilities. SHA administers four housing assistance programs;

#### *Section 8 Housing Choice Voucher Program*

The section 8 voucher (HCV) program is managed by the SHA and funded by HUD. This voucher program provides rental assistance to low-income families, and persons with disabilities to find decent, safe, and affordable housing within the Salem urban growth boundary. The Section 8 HCV Program allows the SHA to enter into contracts with private market owners and landlords to pay subsidized rent on behalf of participating low-income families. Low-income families apply for assistance and, if eligible, are placed on a waiting list. Seventy five percent of families under the voucher program are below 50 percent of area median income. Voucher clients pay a minimum of 30 percent and a maximum of 40 percent of their gross income toward rent and utilities.

The Section 8 HCV program in Salem has an average annual turnover rate of more than 500 families. As of March 2008, 2,145 families were on waiting list for assistance. A total of 1,752, representing 82 percent of these families had extremely low incomes ( $\leq 30\%$  AMI). There were 176 elderly families and 810 families with disabilities. A total of 1,663 families on the Section 8 waiting list comprised families with children.

**Table 6**  
**Section 8 Tenant-Based Rental Assistance**  
**Housing Needs of Families on Waiting List**

<b>As of March 2008</b>	<b>Number of Families</b>	<b>Percent of Total Families</b>
Waiting List Total	2,145	
Extremely low income $<30\%$ AMI	1,752	82%
Very Low Income ( $>30\%$ but $\leq 50\%$ AMI)	335	16%
Low Income ( $>50\%$ but $<80\%$ AMI)	49	2%
Families with Children	1,663	78%
Elderly Families	176	8%
Families with Disabilities	810	38%
Hispanic	504	24%
Black	98	5%
Asian	23	1%
American Indian	70	3%
Pacific	71	3%

Source: Salem Housing Authority. PHA Plan: Annual Plan for fiscal year 2008

The Section 8 HCV Program serves more than 2,800 households in Salem and Keizer. Families under this program pay 30-40 percent of their income on rent. They participate in the family self-sufficiency program which assists families working toward financial independence, education on the job, building self esteem, exploring homeownership opportunities and planning for the future. The voucher program currently has a waiting period of up to 12 months. In June 2008, the HCV Program began serving persons who applied for housing up to the end of October 2007.

***Moderate Rehabilitation Program***

Private owners have rehabilitated apartments and houses and lease them to eligible families from the Housing Authority's waiting list. The housing units are located in Salem, West Salem, and Keizer. Fifty one families are served by the moderate rehabilitation program. Under this

program, tenant rent is based on monthly income as determined by median family income minus an allowance for utilities the tenant is responsible to pay. Residents under this program must have income not exceeding 50 percent of Area Median Income (AMI). A resident pays 30 percent of their gross income toward rent and utilities. SHA has three Moderate Rehabilitation (with 57 units) properties under contract.

As of June 2008, Salem Housing Authority mailed 700 letters to applicants on the Section 8 Moderate Rehabilitation 1 bedroom program to inform them that they are on a waiting list and the wait will be longer than 2 years. Some applicant on this waiting list applied for housing as far back as 2005.

### *Public Housing*

The SHA owns or operates 337 housing units for families, seniors and persons with disabilities under the HUD-funded Public Housing program. Of these, 188 units are found in seven apartment complexes located in various Salem neighborhoods. The remaining units are single-family homes and duplexes located throughout the Salem/Keizer area.

The tenant portion of rent for all Public Housing is based on 30 percent of adjusted family income. SHA continues to be designated as a "high achiever" by the U.S. Department of Housing and Urban Development (HUD) in its assessment and preservation of public housing operations.<sup>10</sup> Individual and families benefiting from public housing must be at or below 80 percent of area median income. Six hundred and fifty families are currently being served by the Public Housing program.

Four Public Housing waiting lists were consolidated to generate the table below showing the housing needs of families. As of March 2008, 492 families were on waiting lists for Public Housing assistance. A total of 328 families on these waiting lists had incomes less than or equal to 30 percent of AMI (Table 7). Ninety three percent of the total families on the waiting list comprised of families with children. A total of 30 public housing units at Orchard Village are vacant and awaiting demolition.

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<sup>10</sup> City of Salem - Salem Housing Authority

**Table 7  
Public Housing  
Housing Needs of Families on the Waiting List**

<b>As of March 2008</b>	<b>Number of Families</b>	<b>Percent of Total Families</b>
Waiting list total	492	
Extremely low income <30% AMI	328	66%
Very Low Income (>30% but <=50% AMI)	142	29%
Low Income (>50% but <80% AMI)	19	4%
Families with Children	458	93%
Families with Disabilities	11	2%
Elderly Families	25	5%
Hispanic	152	31%
Black	17	3%
Asian	3	1%
American Indian	23	5%
Pacific Islander	25	5%

Source: Salem Housing Authority. PHA Plan: Annual Plan for fiscal year 2008

The information below shows the Emergency Housing Network Housing Report for individuals and families within four public housing service areas in Salem. The information shows service areas, bedroom list, and waiting periods for these housing. As of June 2008, funds for Interim Emergency Housing Assistance were exhausted.

**Interim Emergency Housing Assistance:** This program provides rent or security deposit assistance to help families and individuals facing temporary unexpected income reduction or an increase in expenses. The program is part of the City's Emergency Housing Assistance Program and it is managed by the SHA.

***West Salem Service Area***

3 & 4 bedroom list      6-12 months  
5 bedroom list   9 months on average

Applicants applying for Southfair Apartment (in West Salem) are expected to pay full rent as subsidized units are in the minority at the property.

1 BR \$410, 2 BR \$460, 3 BR \$630.

2 BR wait is 3 months  
1 BR wait is 6 months  
3 BR wait is 2-6 months

***South Salem Service Area***

3, 4 & 5 bedroom list 6-12 months  
2 bedroom list 4-5 years

***East Salem Service Area***

3, 4 & 5 bedroom list 6-12 months  
2 bedroom list 4-5 years

***North Salem Service Area***

3 & 4 bedroom list 6-12 months  
2 bedroom list 4-5 years

Applicants for Parkway Village Apartment are expected to pay full rent.  
2 BR \$510, 3 BR \$620. The estimated waiting time is 1-3 months

Source: Salem Housing Authority June 2008 EHN Meeting-Housing Report

***Other Affordable Housing***

In addition to its Public Housing facilities, SHA owns or operates 341 senior and family housing units through the utilization of public-private partnerships. These developments may or may not use HOME and CDBG funds. Affordable housing loans with below market interest rates, grants, taxes credits and donation (land, services) or waiver of fees are provided to individuals for below-market rent. The financing agreements with these partnerships enable SHA to provide affordable housing to families and individuals in need of assistance. SHA has 339 units of “other affordable” housing.

**Table 8  
Priority Housing Activities**

<b>Priority Need (HUD Table 2A)</b>	<b>5 YEAR Goal</b>	<b>YEAR 1 Goal</b>	<b>YEAR 2 Goal</b>	<b>YEAR 3 Goal</b>	<b>YEAR 4 Goal</b>	<b>YEAR 5 Goal</b>
<b>CDBG</b>						
Acquisition of existing rental units						
Production of new rental units						
Rehabilitation of existing rental units	<b>5</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Rental assistance						
Acquisition of existing owner units						
Production of new owner units	<b>15</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
Rehabilitation of existing owner units	<b>60</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
Homeownership assistance						
<b>HOME</b>						
Acquisition of existing rental units	<b>10</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Production of new rental units	<b>3</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
Rehabilitation of existing housing units	<b>7</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Rental assistance	<b>140</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>	<b>28</b>
Acquisition of existing owner units						
Production of new owner units	<b>10</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
Rehabilitation of existing owner units	<b>80</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>
Homeownership assistance	<b>80</b>	<b>9</b>	<b>17</b>	<b>18</b>	<b>18</b>	<b>18</b>

## HOUSING MARKET ANALYSIS

Compared to Marion County and the State of Oregon, the 2000 census found housing indicators lower in Salem. The median value of owner occupied housing units was 13.8 percent and 9.5 percent lower in Salem and Keizer respectively in 2006. Median monthly owner cost for homes with mortgages was higher in Keizer compared with Salem. Mortgaged owners paid \$1,338 a month in Salem while non-mortgaged owners paid \$436 a month. (Table 9) Thirty-eight percent of owners with mortgages, 14 percent of owners without mortgages, and 50 percent of renters in the City spent 30 percent or more of their household incomes on housing. The median monthly housing cost for renters was \$620.

**Table 9**  
**Housing Values and Costs**

<i>Type of Cost</i>	<i>Salem</i>	<i>Marion County</i>	<i>Oregon</i>
<b>Median Value Owner Occupied</b>	\$182,100	\$185,100	<b>\$236,600</b>
<b>Median Value Owner Costs:</b>			
<b>With Mortgage</b>	\$1,338	\$1,353	<b>\$1,412</b>
<b>Without Mortgage</b>	\$436	\$413	<b>\$385</b>
<b>FMR (Two Bedroom)</b>	<b>\$635</b>	<b>\$635</b>	<b>\$721</b>

Source: Source: U.S Census Bureau: American Community Survey, Salem 2006

### *Housing Sales*

The Willamette Valley Multiple Listings Services (WVMLS) provides a dynamic picture of purchases, sales, and cost of housing within the Salem-Keizer area. According to the WVMLS, Subprime mortgage borrowing and the growth in the housing industry contributed to the increase in homeownership in the Salem-Keizer area. In 2005 alone, 2,047 new construction residential units were sold in the area at an average price of \$230,791(April 2008). In 2003, 1,484 new construction residential housing sold at an average price of \$181,635.

This unprecedented growth in the housing market meant an increase in the value of houses sold across the Salem-Keizer area. Significant home acquisitions pushed the cost of residential housing in central Salem from an average of \$114,336 in 2003 to \$159,821 in 2008. Average sales price for a house in Keizer rose from \$170,910 in 2004 to \$237,581 in 2008.

Average sale prices for new construction residential housing in Keizer stood at \$304,766 in April 2008. For Central, Suburban North East, and Suburban South East Salem, the average price for new construction residential houses was \$218,026. Housing prices in South East, West, and South Salem were significantly higher, averaging \$345,975.

According to the Willamette Valley Multiple Listings Services a total of 3,057 residential housing units were sold in Salem in 2006 compared to 1,152 in 2008.

**Table 10**  
**New Housing Construction Statistics**

<b>New Construction Residential</b>	<b>Area 10 Keizer</b>	<b>Area 20 Central Salem</b>	<b>Area 30 Suburban NE</b>	<b>Area 35 Suburban SE</b>	<b>Area 40 SE Salem</b>	<b>Area 50 South Salem</b>	<b>Area 60 West Salem</b>
Units Sold 12 Months to date	12	2	27	16	97	11	46
Average Sales Price	\$304,766	\$208,500	\$217,305	\$228,275	\$338,701	\$362,164	\$337,061
Average Square Footage	2,127	1,574	1,698	1,566	2,480	2,410	2,435
Average Days on the Market	118	59	174	95	167	132	153
Current Active Listings	48	28	22	12	105	86	104

Source: Willamette Valley Multiple Listings Services, April 2008

Current national and area information indicate that the activities of lenders seeking to increase opportunities to homeownership resulted in high risk loans to low- and moderate- income individuals with limited credit qualifications. These loans came with high late and interest fees, Adjustable Rate Mortgages (ARM's), yearly fees, and private mortgage insurance packages, making them more expensive than prime loans. Low and moderate-income individuals, particularly of Latino and Hispanic origin, African Americans, and other minority groups proportionally fell for these high risks subprime loans. Most signed up for loans they could not afford because their rates adjusted. Others could not keep up with their mortgage payments because of health issues, job losses or a combination of the two.

Although the housing downturn has not significantly affected the Salem/Keizer area compared to other areas around the country, housing construction, sales and purchases have declined considerably due to rapid price increases, higher interest rates, and higher lending standards. The number of new existing homes sold in major markets in Oregon declined 20 percent to 56,100 during the 12 months ending March 2008 compared with the number sold during the previous 12 months, according to data from the Market Action Report RMLS.<sup>11</sup> Average home prices increased by 29 percent from \$180,172 in 2003 to \$241,127 in 2008.

<sup>11</sup> HUD Office of Policy Development and Research. U.S Housing Conditions, 1<sup>st</sup> Quarter 2008

## Foreclosures

Reports from realtors and lenders in the Salem/Keizer area indicates that a growing number of people are facing the prospects of losing their homes to a process that is having a ripple effect on the wider community.<sup>12</sup> Foreclosure filings in Marion and Polk counties as indicated in table 11 below shows a significant increase in the past three years from 942 in 2005 to 1,536 last year. In the first quarter of 2008 alone, there were 516 new filings representing a 36 percent rise from the same period in 2007.

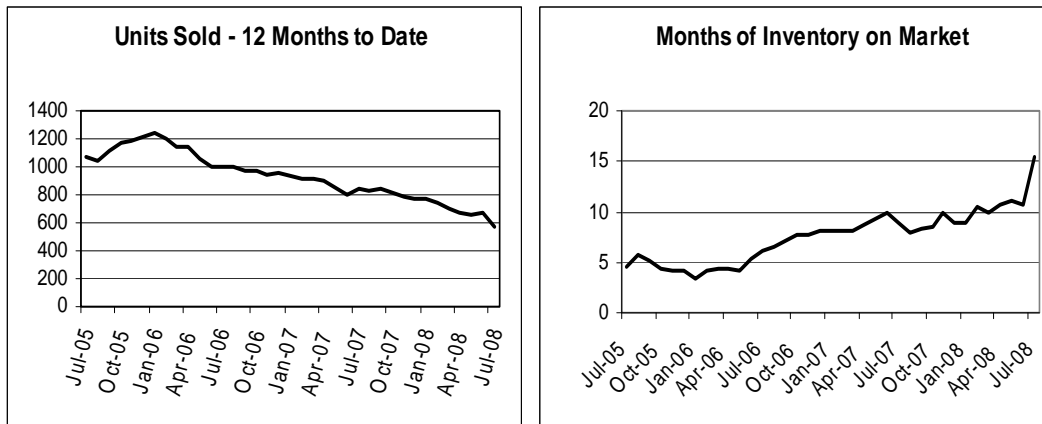
**Table 11**

**Foreclosure Filings in Marion and Polk Counties**

Year	2005	2006	2007	2008 (through 1 <sup>st</sup> quarter)
Marion	761	840	1,199	412
Polk	181	212	337	104
Both	942	1,052	1,536	516

Source: RealtyTrac – Statesman Journal

Data from the WVMLS show that it takes an average of 102 and 113 days for a two and three bedroom residential housing to be sold in the area. Four and five bedroom residential facility on average remains for 137 and 116 days on the market respectively. New construction residential houses remained on the market for an average of 174 days in 2007, far exceeding daily averages over the last five years. In April of 2008 alone, there were 7,506 active listings, including bare land, in the Willamette Valley, representing a 42.75 percent more than the previous year.



**Figures 13 and 14**

Source: Home Builders Association of Marion & Polk Counties. August 19, 2008

<sup>12</sup> This discussion is taken directly from the Statesman Journal publication of June 19, 2008: *Increase in foreclosures ripples through Mid – Valley. Loan officers, real estate agents and others also hurting.*

## BARRIERS TO AFFORDABLE HOUSING

City of Salem recognizes that there are many obstacles that may prevent residents from attaining or retaining housing. Cost of housing or the incentives to develop, maintain, or improve affordable housing are affected by both public and private sector policies in Salem and Keizer. Public policies include taxation of land and other property, land use controls, zoning ordinances, building codes, fees, growth limits, and other activities that prevent residents from obtaining and maintaining housing. Private sector barriers include tightening lending standards, unfair lending practices and other issues that indirectly increase the cost of housing within the community.

### *Housing Market Conditions*

The effects of the housing market meltdown are a major barrier to extending homeownership opportunities to low and moderate income individuals in Salem and Keizer. Because of the housing downturn primarily caused by the subprime mortgage fallout and a weak economy, low income individuals who were able to gain homeownership at the height of the housing boom are falling behind in their mortgage payments or into foreclosure. Housing prices artificially increased over the last 5 years, reducing the capacity of potential homeowners to afford decent and safe housing.

Limited land across the City has been noted to be a major barrier to affordable housing. According to the Home Builders Association of Marion and Polk Counties, most land in West and South Salem are either on soft or hilly places. The cost of excavating and building strong foundations to support houses becomes expensive, resulting in high cost of new construction housing. The few remaining lots in the City's core are extremely expensive and often go out to expensive residential housing projects and commercial business facilities. High demand for suitable land in Keizer is noted to be the reason for the high prices on land in the City; causing urban living to be unattainable by low-income individuals.

### *Labor Market Trends*

Oregon's unemployment rate over the years has consistently been higher than the U.S rate, even though the rate increased by a half percent to 5.6% in May 2008.

**Table 12**  
**Unemployment Rate**

<b>Place</b>	<b>June 2006</b>	<b>June 2007</b>	<b>June 2008</b>
United States	4.8%	5.1%	5.4%
Oregon	5.4	4.7%	5.7%
<b>Salem MSA</b>	<b>5.6</b>	<b>5.3%</b>	<b>5.4%</b>

Source: Oregon Labor Market Information System

Because a majority of foreclosures in the area are the result of loss of employment or some kind of unexpected expenses, trends in the labor market affect affordable housing trends significantly. Several factors including credit restrictions for individuals and businesses including low consumer and business confidence deepen the cost burden of individuals seeking mortgages to buy homes.

According to the Oregon Labor Market Information System, Employment in Region 3 covering Marion, Polk, and Yamhill Counties decreased over the last year. The area lost jobs while Oregon barely added employment over the past 12 months. Between 2007 and May 2008 employment in Region 3 declined -0.3 percent while Oregon's employment grew 0.2 percent.<sup>13</sup> The construction sector showed the largest decline shedding 1000 jobs or -9.5 percent between July 2007 and July 2008 alone.

These labor trends are a major barrier to affordable housing because they force potential homeowners to remain renters or continue to live in substandard housing. Individuals and families who face the possibility of losing their jobs are burdened by a combination of energy, food, and utility price increases, causing them to potentially lose their homes.

### *Predatory/ Unfair Lending*

Although Salem-Keizer has not been affected by the subprime mortgage and housing meltdown crisis as much as other places around the country, the fallout of the credit crisis has far reaching consequences that will limit affordable housing in the area. Predatory lending practices used by mortgage brokers and real estate agents to coerce low-income (some not well informed) individuals into taking loans they could not afford. Mortgage industry language, pressures, and willingness to take on high risk borrowers gave most home seekers the impression that housing prices were destined to appreciate as they did in the 1980's and 1990's.

On Monday July 14, 2008, the Federal Reserve Board approved a final rule for home mortgage loans to protect consumers and facilitate responsible lending. The proposed final rules are intended to protect consumers from predatory, abusive, unfair or deceptive acts and practices in home mortgage lending. These new protections will;

- Prohibit a lender from making a loan without regard to borrowers' ability to repay the loan from income and assets other than the home's value. A lender complies, in part, by assessing repayment ability based on the highest scheduled payment in the first seven years of the loan.
- Require creditors to verify the income and assets they rely upon to determine repayment ability.

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<sup>13</sup> Oregon Labor Information System. [www.qualityinfo.org](http://www.qualityinfo.org)

- Ban any prepayment penalty if the payment can change in the initial four years. For other higher-priced loans, a prepayment penalty period cannot last more than two years. This rule is substantially more restrictive than originally proposed.
- Require creditors to establish escrow accounts for property taxes and homeowner's insurance for all first-lien mortgage loans.

Although these new rules are expected to mitigate predatory/unfair lending practices, they are also expected to significantly limit home loans to low income individuals who do not have strong credit. This becomes a major barrier to affordable housing.

### *Lending Patterns*

Analyses of lending patterns compiled by the National Home Mortgage Disclosure Act suggest that not all residents in the Salem MSA enjoy equal access to the benefits of homeownership. Minorities in the area are less likely to obtain mortgage financing and when successful, tend to receive less generous loan amounts and terms.<sup>14</sup>

**Table 13**  
**Lending Disparity Profile**

Race	Originations		Denials		Fallout		Purchased	Total
	#	%	#	%	#	%	Loans	Apps
White	6,807	67.54	1,329	13.19	1,942	19.27	1,607	11,685
Black	39	49.37	16	20.25	24	30.38	9	88
Hispanic	1,256	51.62	623	25.61	554	22.77	197	2,630
Asian	253	62.94	59	14.68	90	22.39	44	446
Native American	39	50.65	21	27.27	17	22.08	11	88
Hawaiian	35	53.85	11	16.92	19	29.23	7	72
MultiRace	14	46.67	5	16.67	11	36.67	0	30
Unknown/NA	509	48.75	194	18.58	341	32.66	3,312	4,356
<b>Totals</b>	<b>8,952</b>	<b>63.01</b>	<b>2,258</b>	<b>15.89</b>	<b>2,998</b>	<b>21.10</b>	<b>5,187</b>	<b>19,395</b>

Source: 2006 National Home Mortgage Disclosure Act - LAR

In 2006, the lending disparity profile of the Salem MSA indicated that 11,685 White applicants sought home loans. Sixty seven percent of those loans originated while 13 percent were denied. A total of 1,607 of the loans were purchased. Of the 88 Black and 2,630 Hispanic applicants who sought home loans, the denial rates were 20 and 25 percent respectively. Nine Blacks and 197 Hispanic loans were purchased in 2006. Native Americans experience the highest rates of denials, even though 11 of the 88 applicants were able to purchase home loans. (See table 12)

<sup>14</sup> Discussion from HUD fair lending Studies – Mortgage lending discrimination in America

## *Economy*

Guaranteeing more than \$5 trillion worth of mortgages, Fannie Mae and Freddie Mac play a central role in the U.S housing market. They provide a crucial source of funding for banks and other home lenders, especially since the credit market crunch (in 2007) left them the only major players in packaging pools of mortgage loans into securities for sale to investors.<sup>15</sup>

In February 2007, these government enterprises stated their willingness to buy subprime adjustable mortgages from borrowers at the maximum rate loan. Because of falling market shares and a struggling economy, the two enterprises are at risk of collapsing. This threatens cost and will considerably limit the availability of housing loans, causing significant problems for the already battered housing prices and sales. Although the Federal government has stepped in to extend lines of credit to the two enterprises, the extent of government support and the direction of the economy remain to be seen.

Sinking housing prices over the second half of 2008, improve opportunities for first time home buyers with adequate credits to gain homeownership. However new restrictions on lending and diminishing consumer perception in home investments have left many potential homeowners cautious of buying, thus a major obstacles to affordable housing.

## *System Development Charges*

While the City promotes the infill of affordable housing for individuals and workers in the downtown core, the public system requires developers of housing facilities to pay System Development Charges (SDC's). SDC's are set and collected by the City as a direct cost to developers connecting to the public utility system.

Although the City waives SDC's to non profits that use federal funds to develop affordable housing for low-income persons, they remain an impediment to private developers seeking to expand affordable housing within the City. Increases in SDC's over the years are the result of automatic increases for inflation, using indices adopted by the City Council.

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<sup>15</sup> Fannie and Freddie on the brink. CnnMoney.com

***Single Family and Duplex Residential System Development Chargers***

Transportation SDC	\$1,953.81	Per Dwelling Unit
Storm water Improvement SDC	\$468.15	Per Equivalent Dwelling Unit
Water Improvement SDC	\$3,331.40	Per Dwelling Unit
Water Reimbursement SDC	\$908.00	Per Dwelling Unit
Water SDC Compliance	\$50.00	Per Dwelling Unit *New per resolution
Sewer Improvement SDC	\$1,975.60	Per Dwelling Unit
Sewer Reimbursement	\$922.24	Per Dwelling Unit
Sewer SDC Compliance	\$50.00	Per Dwelling Unit *New per resolution

Source: City of Salem Public Works Department

Other residential development fees include plan review fees, permit and service fees, and site development permit fees. Fees for commercial, industrial, multifamily, and other developments are even higher, sometimes becoming the biggest stumbling blocks for the construction of new affordable housing.

## HOMELESSNESS

There is no single reason known to cause homelessness. More often, a variety of issues combine to lead individuals and households to becoming homeless. Homeless persons and families include those living in shelters, in places not meant for human habitation, and those living with family or friends. Information from area homeless counts show that more than half of the participants experienced eviction from a home. The following reasons primarily cause homelessness in the Salem/Keizer area.

- Lack of affordable housing
- Unemployment
- Domestic violence
- Jail and prison experience
- Drug use
- Mental health problems

Assessment and priority needs for the homeless in the 2009-2013 Consolidated Plan were developed from data contained in the needs assessment and from information provided by Community Action. This provides the basic inventory of homeless needs and sets off activities that seek to eliminate homelessness in the area.

### *Community Resource Programs*

MWVCAA (Community Action Agency) – Community Action Agency - Community Resources Program provide a variety of services that focus resources on promoting housing stability and self-sufficiency among homeless and low-income people in Marion and Polk counties.<sup>16</sup> Resource centers across the area offer emergency financial assistance, information and referral, classes, support groups and social activities based on each community's needs and interests. At any given time, 72 households are given assistance.

The Community Resource Program helps coordinate the activities of area housing services providers through the assistance of the Mid Valley Housing and Services Collaborative.<sup>17</sup> The Collaborative comprises of local social service agencies, faith based groups, and non-profits organizations that provide housing and shelters to the homeless and low income individuals.

In order to keep sharing information, resources, and to determine the needs of homeless individuals and families, the collaborative meets regularly to discuss housing issues, help develop area housing services, and steer the Continuum of Care grant process. Priorities identified by the service collaborative provides a framework for the Continuum of Care program, which encourages local communities to develop emergency shelters, transitional housing and comprehensive approaches aimed at mitigating homelessness.

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<sup>16</sup> Mid-Willamette Valley Community Action Agency

<sup>17</sup> Mid-Willamette Valley Community Action Agency – Community Resource Program

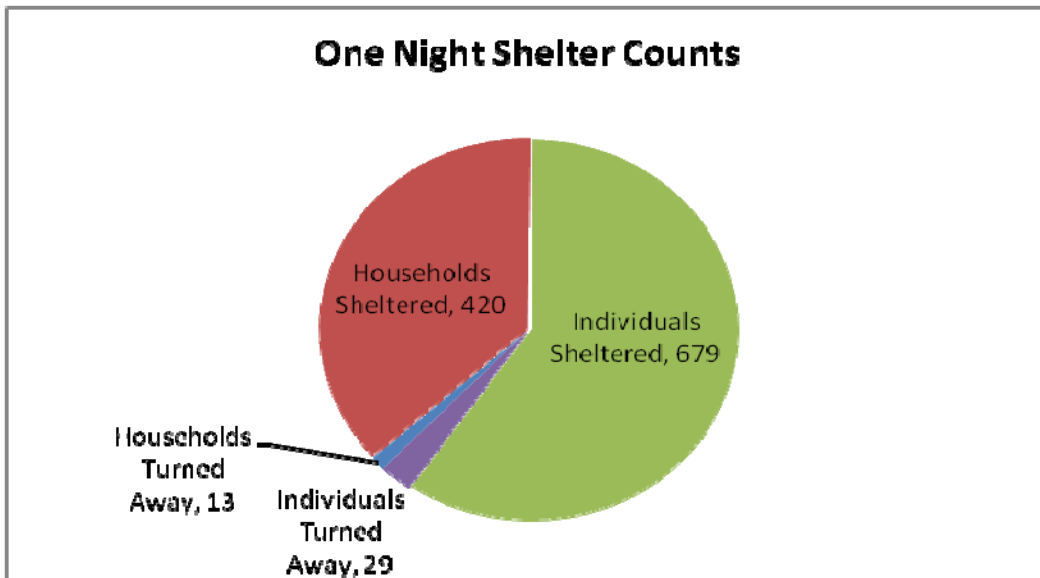
Goals identified by the Community Action Agency Continuum of Care for the 2009-2013 Consolidated Plan period are as follows;

- Create new Permanent Housing beds for chronically homeless persons.
- Increase the percentage of homeless persons moving from Transitional Housing to Permanent Housing.
- Decrease the number of homeless households with children.
- Increase the percentage of homeless persons employed when exiting self-sufficiency programs.

### *Homeless Population and Subpopulation*

The Action Agency and Oregon Housing and Community Services conduct a One Night Homeless Count every year in order to assess homelessness in Marion and Polk Counties. The shelter and street counts demonstrates needs in the areas of emergency shelter, transitional housing and permanent supportive housing for low income individuals and families.

Information from the 2008 One Night Homeless Count indicated that there were 2,610 homeless individuals on any given night in Marion and Polk Counties. This represents an increase of 686 homeless persons compared to the homeless count in the 2005 One Night Homeless Count. A total of 679 individuals and 420 households were sheltered in Marion-Polk counties. Twenty nine individuals and 13 households were turned away in shelters across the area (See figure 15).

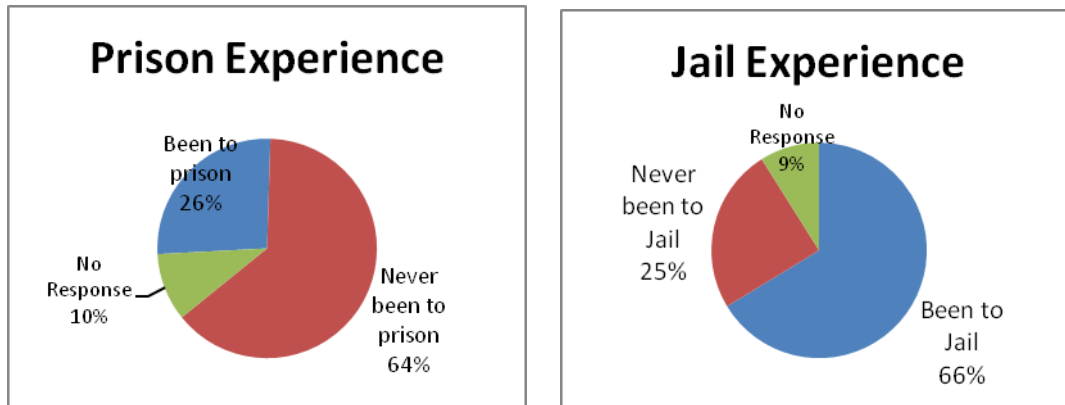


**Figure 15**

Source: MWCAA One Night Shelter Count, 2008

### *Homelessness – Jail and Prison Experience*

Although homeless surveys identify individuals who have been in jail or prison because of variety of crimes and offenses, specific reasons for spending time in the correctional facilities are not given. Marion County jail surveys showed that in 2008 41 homeless individuals were arrested, 54 persons become homeless after they were released and 5 individuals become homeless one week after they were released from jail.



**Figures 16 and 17**

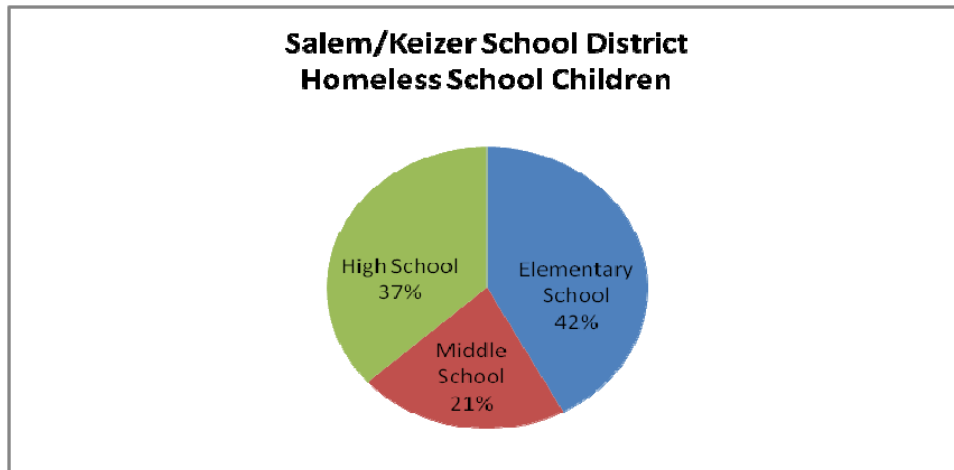
Source: MWCAA One Night Shelter Count, 2008

Sixty six percent of the participants in the 2008 One Night Homeless Count indicated that they had been in jail. A total of 26 percent of all participants in the in the homeless count had been in prison (See figures 16 and 17).

In 2007, the One Night Homeless Count identified 204 individuals in the Marion County jail with no permanent housing before their arrests. A total of 289 individuals had no permanent housing after release from the county jail. Many of these individuals remain on the streets or in shelters in Salem after release and often engage in illegal activities that lead them back to jail or prison.

### *Homeless Youth*

Many students in the Salem-Keizer School District continue to attend school despite their lack of stable/suitable housing arrangements. Homeless students/youths are defined as children who lack fixed, regular, and adequate nighttime residence. Over the years, the homeless student/youth population has steadily increased across the State, although housing resources are unable to catch up with demand. According to the Oregon Department of education, 844 school children in the Salem-Keizer School District were homeless in 2007. This represents a 27 percent increase from 2006 homeless figures. A total of 356 homeless students were in elementary schools, 178 homeless students were in middle schools and 310 homeless high school students were in the Salem-Keizer public schools (See figure 18).



**Figure 18**

Source: Oregon Department of Education; MWCAA One Night Shelter Count, 2008

Since 1982, the Northwest Human Services - HOST (Homes Offering Shelter to Teens) youth and family program has been offering shelter and supportive services for runaways, homeless, and at-risk youth up to 18 years of age. This program offers case management, crisis intervention, family mediation, counseling, parent education and family life skills assistance to residents in and around Salem. Because homeless youth and students grow up in environments with little stability, it is essential that the City maintains its support for HOST. In the 2009-2013 Consolidated Plan period, the City will maintain its partnership with HOST, Mid Willamette Valley Community Action Agency and other social service agencies to do more to assist homeless children and their families to obtain and remain in decent housing.

### *Priority Homeless Needs*

Evidence from the 2008 One Night Shelter Count, as well as inputs from community housing stakeholders, show that, priority homeless needs of individuals in Salem and Keizer are not limited to housing alone. The Community Needs Survey feedback from housing assistance agencies and organization across the City indicates that a majority of homeless individuals and families require an array of services to emancipate from homelessness to self sufficiency.

The City has an opportunity to not only address the needs of the homeless population, but to help stop the cycle of homelessness by helping families and youth transitioning into self sufficiency. To successfully achieve the goals of reducing the homeless population within the City, financial assistance programs and partnerships among community stakeholders are needed in projects and programs that address the basic living needs of the homeless. Through the provision of self-sufficiency education, emergency and crisis services, employment and job placement, and affordable housing, the City has an opportunity to trim down the levels of homelessness in the area.

Over the next five years, the City’s strategy of helping reduce, prevent and support the eliminating homelessness is to market CDBG and HOME funds to community agencies that provide services needed to help move people from homelessness into permanent housing. This strategy is aligned to help meet HUD’s goal of eliminating homelessness by the year 2012.

A variety of homeless programs and services already exist in the City and its surrounding area. Many community development agencies, non-profit organizations, and faith based groups have contributed in an array of capacities to assist the homeless population in the area. With City of Salem in the lead, the Urban Development Department will continue to advance the efforts of the Continuum of Care 10 year plan of eliminating homelessness. The City will not only support the maintenance of existing homeless shelters and facilities, but will support projects and programs that expand both transitional and permanent affordable housing for Low and moderate-income residents in the area.

Gap analysis enables the Salem-Keizer Consortium to expose needs, grasp the extent of homelessness, and formulate strategies to providing sustainable housing and shelter support services. According to the Continuum of Care Homeless Population Chart (Table 14) as of 2006, 775 beds were available for homeless individuals while 464 were available to accommodate families with children. A total of 143 chronically homeless persons had no shelter in 2007 while 217 households with dependent children had no shelters.

**Table 14**  
**Homeless and Special Needs Population**  
**Continuum of Care: Housing Gap Analysis Charts (HUD Table 1A)**

<i>Individuals</i>		<i>Current Inventory in 2006</i>	<i>Under Development</i>	<i>Unmet Need or Gap</i>
<b>Beds</b>	Emergency Shelter	362	0	<b>0</b>
	Transitional Housing	169	10	<b>0</b>
	Permanent Supportive Housing	244	26	
	<b>Total</b>	<b>775</b>	<b>36</b>	
<b>Persons in Families With Children</b>				
<b>Beds</b>	Emergency Shelter	65	0	
	Transitional Housing	385	24	
	Permanent Supportive Housing	14	2	
	<b>Total</b>	<b>464</b>	<b>26</b>	

**Table 15**  
**Continuum of Care: Homeless Population and Subpopulation Chart**

<b>Date of last point-in-time count: 1/30/2007</b>				
<b>Part 1: Homeless Population</b>	<b>Sheltered</b>		<b>Unsheltered</b>	<b>Total</b>
	<b>Emergency</b>	<b>Transitional</b>		
1. Number of Households with Dependent Children	18	42	217	277
1a. Total Number of Persons in these Households (adults and children)	68	125	597	790
2. Number of Households without Dependent Children	223	103	819	1145
2a. Total Number of Persons in these Households	225	106	819	1150
<b>Total Persons</b>	293	231	1416	1940
<b>Part 2: Homeless Subpopulation</b>	<b>Sheltered</b>	<b>Unsheltered</b>	<b>Total</b>	
a. Chronically Homeless		143	143	
b. Severely Mentally ill	46		46	
c. Chronic Substance Abuse	41		41	
d. Veterans	4		4	
e. Person with HIV/AIDS	0		0	
f. Victims of Domestic Violence	40		40	
g. Unaccompanied Youth (under 18)	9		9	

### **Barriers to Eliminating Homelessness**

Many obstacles stand in the way of meeting the critical needs of homeless persons in Salem and Keizer. Individuals and families are faced with many of these challenges as evident in the gaps analysis showing the extent of unmet needs among various homeless groups. While some of these barriers can be mitigated through actions by the City, a majority of them cannot be corrected at the local level. Barriers challenging the elimination of homelessness include;

- Chronic unemployment
- Lack of affordable housing
- Lack of job skills

- Substance abuse and criminal history
- Developmental disability
- Language and cultural barriers
- Domestic violence and other forms of abuse

*Limited Funds*

The City supports the provision of housing opportunities in residential areas throughout the City. This includes the provision of housing facilities that supports homeless groups and special needs individuals. Limited funds from the Federal, State, and local government over the years have significantly restricted the capacity of housing service agencies and organizations in their efforts to gather resources to fight homelessness. As a result of limited funds, housing options and availability are restricted, causing housing shelters and programs to fill up quickly. This leaves proprietors and administrators of housing projects and programs no choice but to put people on waiting lists or turn people away.

The table 16 shows the numbers of individuals and families on five selected housing assistance programs waiting lists at one particular time in 2008.

**Table 16  
Housing Assistance Waiting List**

<b>Organization Name</b>	<b># On Waiting List</b>
Oregon Housing & Associated Service Inc.	12-13
Salem Interfaith Hospital Network	4-6 Families
Shangri – La Corporation	14
Abuse Recovery Ministry and Services	4-6
Windsor Place, Inc	3

Source: Salem Housing Authority. PHA Plans. Annual Plan for fiscal year 2008

*Substance Abuse and Criminal History*

Substance abuse and criminal history are major barriers to eliminating homelessness. The SHA in its commitment to promoting drug and violence free housing environments, screens all individuals and families for drug related and violent criminal activity. Because some individuals have violent criminal histories, engage in and depend on chemicals and drugs, they are unable to access the City’s housing assistance resources and continue to remain homeless. When the factors above are compounded by medical, mental, and legal problems, it becomes difficult for the City to manage its homeless population.

*Housing Market Conditions*

The current housing downturn has left rental housing vacancy rates to some of the lowest levels in more than a decade. People who could previously afford rent are unable to obtain rental housing because of rising cost of rent, food, and utilities. Many turn to housing agencies that

already have waiting lists of people seeking affordable housing assistance. Long waiting lists compound the dire situations of individual and families seeking emergency, transitional or permanent housing.

## SPECIAL NEEDS

The Special Needs section of the 2009-2013 Consolidated Plan describes priorities and supportive service needs for persons who are not necessarily homeless, but may require supportive housing. For instance, an elderly/frail individual may reside in a home but suffer from a developmental disability that requires some level of extra special housing assistance. City of Salem maintains its commitment towards prioritizing objectives for special needs population in order to facilitate affordable housing and supportive services that meet their needs.

### *Persons with Disabilities*

Persons with disabilities encompass a variety of conditions that interfere with normal day-to-day activities of different individuals. In 2006 alone, a total of 15,414 individuals between ages 16 and 64 living in Salem had some kind of disability. Forty two percent of this population was employed in and around the City. For the City’s population of individuals 65 years and older, 44.6 percent lived with a disability in 2006, compared with 40.7 percent in the 2000 Census data. Disability among children between ages 5 and 15 also increased by 4 percent to 9.5 percent compared with Census 2000 figures (Table 17). These increases suggest that the City must do more to provide services that address the needs of the aging society and to the disabled population that need assistance.

**Table 17**  
**Persons with Disabilities, Salem 2006**

Type of Disability	Age 5-15 years	Age 16-64 years	Age 65+ years
<b>Any Disability</b>	9.5 %	16.2%	44.6%
<b>Sensory Disability</b>	2.2%	3.7%	17.7%
<b>Physical Disability</b>	1.4%	9.3%	32.6%
<b>Mental Disability</b>	7.3%	6.7%	11.2%

Source: American Community Survey 2006

Although the number of people living with a disability between age 16 and 64 in 2006 declined by almost 1,000 individuals compared to Census 2000 figures, children and the elderly disabled sub-population remain most vulnerable to exploitation, homelessness, and victimization. According to the Northwest Seniors and Disability Services, approximately 2.2 persons per 10,000 seniors and people with disability are abused or neglected. As of July 2008, averages of 295 calls per month were made for people less than 65 years needing referral for information and other needs. These sub-populations require various types of housing assistance and various degrees of “in home” or care in alternative settings.

As of 2008, 39 individuals under age 65 were housed in Northwest Seniors and Disability Services facilities in Marion County. Nine lived in Assisted Living Homes while eight persons were in Residential Care Facilities. Adult foster homes and Relative Adult Foster Homes facilities

housed 92 and 27 individuals respectively. A total of 401 persons were supported in their homes while the State Plan Personal Care supported 58 persons. Financial and Medical Assistance Programs offer various services from food stamps to Medicaid. This program supported a total of 5,336 individuals in the area.

There is a strong initiative to move the 39 individuals in the NWSDS nursing homes into more independent permanent housing. As medical technology advances, more and more disabled persons will gain the capacity to live in various independent settings and will need support, education, and training tools to enable them succeed in the community.

City of Salem remains committed to pursuing policies that meet the needs of special needs individuals. Over the years, the Oregon Housing and Community Services Department in partnership with Salem-Keizer transit has provided Cherrylift, a transportation service for people whose disabilities prevent them from using Cherriot's services. This service is available to seniors, senior group homes, and for senior group training activities. CDBG funds have also funded projects that provide audible signals, curb cut/ramps construction, and repair of sidewalks to roadways to ease passage for people in wheelchairs, the elderly, and people with disabilities.

### *Frail Elderly*

The frail elderly sub-population include persons either physically or mentally weak/disabled, often suffering from chronic illnesses and other disabling conditions that impede their abilities to perform important activities of daily life (example showering or meal preparation). Aging and having a disability can together create a variety of challenges for caregivers and those they are caring for. Remaining independent and living with dignity become important issues.<sup>18</sup>

Eleven percent of Salem's population comprises of individual age 65 and over. As more people live longer, persons in the elderly sub-population need significant care giving services and housing assistance, and sometimes long term care.

The Northwest Seniors and Disability Services (NWSDS) help to support seniors and people with disabilities through funds from the Federal, State, community groups and individuals. As the designated Area Agency on Aging, the NWSDS provides a variety of services to this section of the population. Services provided include;

1. **Information and Referral** – About programs, resources and choices for long-term planning.
2. **Adult Foster Homes** – Private homes with family-style living that offer room, board, and physical care for up to five residents.

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<sup>18</sup> Northwest Senior & Disability Services – Directory of Services

3. **Adult Protective Services** – Programs that protect seniors and the disabled from abuse, neglect, and financial exploitation.
4. **Assistance in the Home** – Helps arrange housekeeping, laundry, and in home meal preparation. This service also assists seniors and persons with disability in daily activities such as bathing, dressing, and other special care.
5. **Care In Alternative Settings** – Service that advice seniors and caregivers on optional care settings available when in home care becomes difficult to manage.
6. **Employed Persons with Disability** – Provides Medicaid health coverage and attended care services to individuals who are determined to be eligible.
7. **Family Caregiver Support** – Service that support non-paid individuals who give care to persons 60 years and older, and to those 18 years and younger. This service helps caregivers through training, counseling, and direction to finding resources. The service also offers access to respites services to give caregivers breaks to reduce their stress.
8. **Financial & Medical Assistance** – Offer Medicaid/Oregon Health Plan, Food Stamps, and Insurance Benefit Counseling for a range of insurance eligibilities and filing procedures.
9. **Meals Programs** – “Meals on Wheels” program brings meals to homes. The meals program also provides meals at various meal sites across the area to serve seniors and people with disability.
10. **Senior Health Insurance Benefits Assistance** – Offers information and assistance about senior health insurance.

According to the NWSDS, 373 calls are received monthly for referrals, information, and other needs for persons 65 years and over. A total of 284 persons in Nursing Homes, 200 persons in assisted living facilities, and 124 persons in Residential Care Facilities were supported by the NWSDS in 2008. For Adult Foster Homes and Relative Adult Foster Homes, 282 people were supported between 2007 and 2008. A total of 334 individuals were supported in their Homes and 31 seniors were assisted by the State Plan Personal Care.

Oregon Project Independence (OPI) is a State funded program that assists people age 60 or younger who are diagnosed with dementia. OPI helps individuals to remain independent in their own homes. From July 2007 to the end of July 2008, 81 individuals from the Salem-Keizer area and Marion County benefited from the OPI. Over the next several years, the NWSDS plans to move all 284 individuals in the nursing homes into independent housing. This task will require the use of significant resources, dedication, and a range of support services including the provision of affordable housing, transportation subsidies, food and medical assistance, among others.

## Salem Senior Center – Center 50+



As the only designated full-services focal point senior center in Marion County, the activities of Center 50+ are necessary to supporting the efforts of ensuring that seniors continue to have the option of living independently with full access to the City's senior service resources. Operations, programs, and services of the new Salem Senior Center (Center 50+), serves as a gateway to senior citizens and their families to local programs and services.

Current and continuing activities at the New Salem Senior Center Include;

- *Health Services and Screening* – Blood pressure checks, foot care, other screening
- *Mental Health Services* – Peer counseling, individual services and support groups
- *Meals* – Congregate and home delivered meal program
- *Recreation* – Arts and crafts, bingo, senior performing groups, card games, etc
- *Support Groups* – Respite care, early state memory loss care, caregiver training
- *Artisan Rooms* – Lapidary, woodshops, jewelry lab, basket weaving, sewing, etc
- *Client Services* – Benefits check-up, tax assistance, legal aid, referrals, etc
- *Education* – Job skill training and development, computer classes, defensive driving, languages, wellness courses, etc
- *Fitness/Recreation Exercise* – Table tennis, hiking, walking clubs, ballroom dance, balance and fall prevention.

### *Mental Health and Addiction*

In 2005, the Oregon Department of Human Services – Office of Mental Health and Addiction Services (OMHAS) conducted a survey of some thirty Community Mental Health Programs (CMHP's). The survey collected data on housing capacity, needs and related issues for people receiving public mental health and addiction treatments.

Results of the OMHAS survey in Marion County showed that;

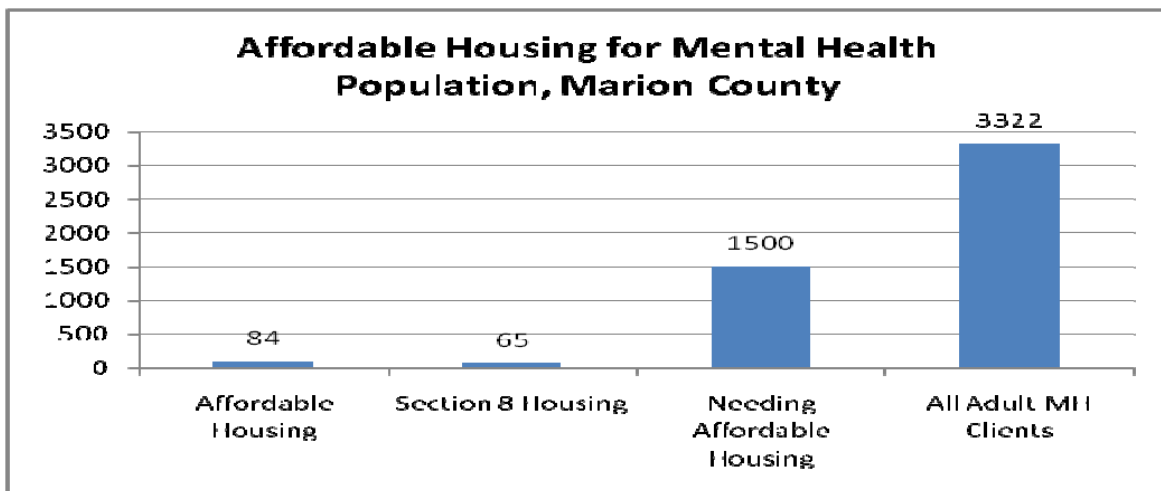
- 201 adults were in Mental Health Structural/Specialized Residential Service facilities in 2005, up by 74 persons compared with 2000 figures.
- 47 adults in alcohol and drug treatment programs live in Structured/Specialized residential facilities.
- A total of 160 adults live in Mental Health supportive housing.
- A total of 25 adults needing alcohol and drug treatment programs facilities are on a waiting list.

- *Unmet Housing Needs*
  - 50 individuals were identified as needing mental health supportive housing.
  - 25 people were estimated to need structured or specialized mental health residential program.
  - 5 people were estimated to need mental health crisis respite housing.
  - An estimated 25 people with substance use disorder and 400 individuals with mental illness were estimated to be homeless.

According to the State’s office of mental health and addiction services, 1500 mentally ill individuals in Marion County need affordable housing. A total of 65 mentally ill persons were receiving Section 8 rental assistance in 2005. Eighty four individuals resided in affordable housing facilities during this period (Figure 19).

In Marion County, the percentage of people with co-occurring mental health and addiction disorders varied among housing as follows;

- 40% in mental health structures or special housing
- 62% in supportive housing for mental health persons
- 43% in alcohol and drug structured or specialized housing
- 34% in recovery housing for alcohol and drug clients



**Figure 19**

Source: State of Oregon Department of Human Services. Office of Mental Health and Addiction Services. Results of the 2005 OHMAS Housing Survey.

The Oregon State Hospital (OSH) has been the key provider of mental health services for the State for over 120 years. Due to dilapidation in the structure and the services provided by the mental health system, the governor established a taskforce in 2003 to identify the problems in the State mental health system and recommend solutions. The taskforce found that many aspects of the mental health service system in Oregon, particularly structural facilities needed to be replaced. In order to improve mental health services, the taskforce recommended that the

State construct new mental health facilities on the OSH campus in Salem and at another location in the State. The OSH replacement project encompasses new facilities, treatment methods, staff, technology and administration techniques, all designed to make Oregon’s system among the best in the nation.<sup>19</sup>

In 2007, the Oregon legislature authorized funding for the two new State operated psychiatric treatment facilities. A 620 bed psychiatric treatment facility will be constructed on the existing OSH site in Salem and a 360 bed psychiatric facility in Junction City. These projects in Salem and Junction City are expected to be completed in 2011 and 2013 respectively.

*Victims of Domestic Violence*

According to the latest statistics, every two minutes, somewhere in the United States, someone is sexually assaulted. A study by the Governor’s Council on Domestic Violence in Oregon found that 1 in 8 women will be a victim of domestic violence in her lifetime. The 2000 Census data indicates that this statistics translates to 10,539 women in the Salem- Keizer area alone.

According to the Mid-Valley Women’s Crisis Service, over 70 percent of sexual assaults are committed by someone the survivor knows. Over 30 percent of sexual assaults occur in the victim’s home and another 20% take place in the home of a friend, neighbor or relative.<sup>20</sup> Records from the Keizer Police Department indicate that between July 2007 and June 2008, a total of 2,918 crimes were committed. These include 17 incidents of simple and aggravated assaults relating to a domestic situation. A total of 30 violation of protection and 7 incidents of burglaries were related to a domestic situation. No rapes were reported in Keizer since during this period.

Between January 2007 and July 2008, 270 domestic aggravated assault cases were reported in Salem. During that same period, 150 arrest related to violations of restraining orders were made in Salem. According the Salem Police Department domestic violence team, 16 incidence of rape was reported in the City.

**Table 18**  
**Domestic Victims Counts**

	Keizer	Salem
Aggravated Assault	31	270
Burglary	4	45
Simple Assault	109	975
Restraining Order Violation	23	150
Rape	0	16

Source: Domestic Violence Response Team; Salem Police Department, January 2007-July 2008

<sup>19</sup> *Creating a Modern System for Treatment and Recovery in Oregon*. Oregon Department of Human Services

<sup>20</sup> Sexual Assault Facts – Community Resources: Mid Valley Women’s Crisis Service

Survivors of domestic violence need a variety of support programs and services that offer a safe refuge for a transitional period and sometimes towards the long term. Essential needs of victims of domestic violence include emergency shelters, medical assistance, counseling and support, transitional housing, child care, and community education and outreach programs to place victims into independent permanent affordable housing. Job training and placement, and other forms of financial assistance are crucial to helping survivors transition back to self-sufficiency.

Each year the City allocates 15 percent of its combined total CDBG dollars and program income to Parks, Recreational and Community Services Department for social service programs. Under the public service eligibility, the City remains committed to funding administrative case management activities of the Mid-Valley Women Crisis Services. The program provides assistance for adult and child victims of domestic and sexual violence. Over the last two years, \$128,120 of CDBG funds have been provided to Women's Crisis Services to support services that help women recover from various hardships associated with domestic violence.

Domestic violence is the number one prediction of child abuse. According to the Oregon Coalition against Domestic and Sexual Violence, nearly half of domestic violence offenders abuse children. Children suffer both the traumatic and direct effects of injury due to violence. Over the years, City of Salem has supported Liberty House – a child abuse assessment center that provides medical evaluation and support services. City of Salem will continue using CDBG funds over the 2009-2013 Consolidated Plan period to ensure that these support programs are not just sustained, but continue to provide suitable living conditions to residence.

## **FAIR HOUSING**

Title VIII of the Civil Rights Act outlaws discrimination in regards to everyone's access to housing resources. The Fair Housing Act as it is called today was amended several times to encompass federally protected classes. These protected classes include race, religion, national origin, sex, disability, and familial status. City of Salem does not discriminate against anyone protected under the above protected class.

Discriminatory actions, omissions, or decision taken because of race, color, religion, sex, disability, familial status, or national origin that have an effect of restricting the availability of housing choice of individuals are defined as impediments to fair housing. The Fair Housing Act outlaws discrimination in the sale, rental, and financing of housing based on the protected classes listed above. Salem's Revised Code chapter 97 in addition to the above stated classes ensures that marital status, domestic partnership, sexual orientation, gender identity and source of income are protected against housing discrimination.

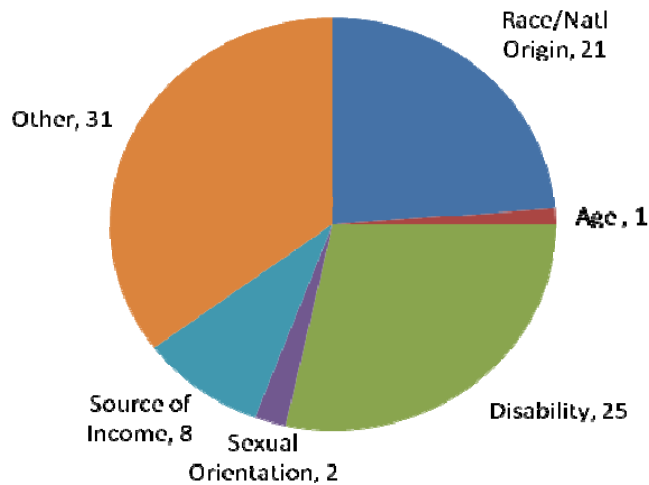
The Salem Human Rights and Relation Advisory Commission (HRRAC) works on behalf of the Salem City Council to ensure that the City is safe and supportive to residence. The HRRAC promotes harmonious inter group relations within the City by enlisting the cooperation of various racial, religious, and nationality groups, business, and housing providers among others. The HRRAC and its staff are supported by CDBG and City of Salem General Fund dollars.

Over the years, Salem's HRRAC has performed a crucial role in conciliation and mediation services in several areas of housing. This includes membership on the committee that plans the annual YWCA diversity conference and the administration of the Salem City ordinance for protected classes.

### *Housing Complaints*

Analysis of human rights complaints relating to housing compiled during the period beginning September 1998 through March 2007 shows that 21 housing complaints related to race/national origin were filed during that period. A total of 25 complaints relating to disability discrimination in housing and one case related to age discrimination were filed during that period. Two cases were related to sexual orientation and eight dealt with housing discrimination based on source of income (Figure 20).

**Analysis of Human Rights Complaints  
Complainant Diversity Categories**



**Figure 20**

Source: Salem Human Rights and Relations. Budget Information Packet FY 07-08

*Impediments to Fair Housing*

Fair housing programs and practices in recent years have gone a long way towards addressing many actual and potential impediments in the cities of Salem and Keizer. The City’s Analysis of Impediment to Fair Housing identified the following as setbacks in Salem and Keizer;

**Impediment:** Language and Cultural Barriers

As Salem and Keizer’s minority population continues to grow, increasing cultural and language difference become impediments in various forms. Complaint diversity categories filed with HUD and City of Salem Human Rights and Relation Commission indicate that even though language is not a protected class, it aligns with national origin, ethnicity, and sometimes race. When adequate communication is absent, issues of discrimination arise either intentionally or unintentionally.

**Impediment:** Lack of Knowledge of Fair Housing Resources/Rights

Housing consumers, especially those classified as protected classes in the community need sensitization on their housing rights. Lack of knowledge of the complaint process and availability of housing resources is acknowledged to be an impediment to fair housing. This is because it intensifies discriminatory practices by failing to identify and eliminate them.

**Impediment:** Housing Industry Practices

Housing industry practices as well as additional requirements and cost make both rental and owner occupied residential housing inaccessible to Low and moderate-income families. Data

from the Home Mortgage Disclosure Act (HMDA) indicates that, there was unequal lending on the basis of ethnicity and race in Salem. (See table 13)

*Recommendation*

The City's Analysis of Impediments to Fair Housing promotes actions which includes increasing funding for fair housing activities, and improving education and outreach programs to persons providing (including lenders, real estate agents, landlords) or receiving (renters/homeowners) housing services. In addition to the strategies above, the supply of educational tools to non-English speaking residents in both Salem and Keizer is crucial to mitigating potential and actual discrimination. Overall, providing additional affordable housing options to residence in the area is paramount to alleviating housing discrimination in the area.

## COMMUNITY DEVELOPMENT

Over the years, City of Salem has actively supported projects directed at activities that benefit low- and moderate-income persons in the community. In addition to the high priority given to affordable housing and homelessness mitigation, the City has championed a wide range of community projects aimed at expanding economic opportunities and improving the lives of residents in the City. Through community development, the City aims at creating jobs that are not only accessible to low and very low income persons, but are sustainable socially viable endeavors that ensure self sufficiency.

In summer 2007, a group of City center workers came together to chart a course for the future of the downtown core and the Edgewater/Wallace area of West Salem. This vision came to be known as Salem's Vision 2020. The City's Vision 2020 document offers a glimpse into a community filled with ideas and hopes of improving its infrastructure and service facilities. Issues pertaining to employment, housing, recreational opportunities, transit, vehicular and pedestrian circulation and parking were all identified as strategic community development improvements areas.

### *FEDERAL PROGRAMS*

The Federal Programs Division of City of Salem Urban Development Department administers the City's allocation of Community Development Block Grants (CDBG). The CDBG Program was authorized by the Housing and Community Development Act of 1974. The program consolidated several categorical grants namely; urban renewal, neighborhood development and model cities into a single "block" grant program. CDBG directs the priorities of the City of Salem towards the primary goal of the grant program, which is to benefit low and moderate income persons. It focuses the City's commitment towards developing a viable urban community by providing:

- Decent housing;
- A suitable environment; and
- Expanding economic opportunities

Although the activities of the CDGB program are developed and implemented by community stakeholders across the City, HUD lists eligibilities and national objectives that each activity must meet. Each entitlement community receiving these grants determine what activities to fund as long as they conform with HUD's three national objectives; benefiting low-and moderate income persons, preventing and eliminating slums and blight, and meeting other needs particularly defined as "urgency."

## *PUBLIC FACILITIES*

From a humble beginning, the capital facilities piece of CDBG has expanded to support projects and improvement, including;

- ✚ Acquisition, installation, construction and rehabilitation of infrastructure such as water, sewage lines, and streets.
  
- ✚ Acquisition, construction or rehabilitation of neighborhood facilities for person with special needs (homeless shelters, group homes and halfway housing)

This is an important service area to residents, low-moderates income persons, the homeless; special needs population, and individuals at-risk of homeless in the community. Over the years, the City has funded childcare facilities, the women crisis center, child abuse centers, parks, recreational facilities, construction and rehabilitation of senior centers, and lead based paint testing and removal. With regards to parks, projects funded with CDBG dollars can fund the development of new playgrounds, community gardens, camps, repair of picnic areas, removal of existing hazards and the replacements of existing sidewalks to make them ADA accessible.

Public facilities improvement priorities identified for the 2009-2013 Consolidated Plan period and appropriate for CDBG support include senior housing and service centers, facilities for the homeless, and the centers for the disabled/handicapped.

## *INFRASTRUCTURE FACILITIES*

The provision of audible Signals has been a top priority for the City. In recent years, the City has committed resources to providing new audible signals at selected intersections across the community. The City has funded curb cuts - ramps or slopes from a sidewalk to a roadway to ease passage for people in wheelchairs, the disabled, and seniors. This is intended to meet the suitable living environment and accessibility goals of the Consolidated Plan.

CDBG dollars have also funded single and multi-unit residential projects such as the rehabilitation of Englewood East apartments in Northeast Salem. Rehabilitation of publicly owned residential buildings and the removal of lead-based paint and hazards from housing facilities across the City will be one of the top priorities of the City.

## *PUBLIC SERVICES*

As an eligible CDBG activity, training and technical assistance to people who seek self-sufficiency through self-employment has been one of the top community economic development priorities for the City. Public service programs and activities have been vital to supporting special needs persons, the homeless, and individuals and families whose incomes do not exceed 80% of median income.

Priorities for CDBG funding in this area include;

- I. Mental Health Services
- II. Substance Abuse Services
- III. Rental/Transitional Housing Assistance
- IV. Fair Housing Activities

In 2006, \$358,951 of CDBG dollars was provided to the Northwest Human Services to fund the reconstruction and rehabilitation of the West Salem Clinic. The West Salem Clinic provides prenatal and obstetrics care, immunization, pediatrics and family practice care to low-moderate and homeless individuals.

CDBG dollars have also funded detoxification services for low income people which include offering continuum of care for personal recovery and self sufficiency.

### *ECONOMIC DEVELOPMENT*

One of the most important community development objectives identified by Salem's Strategic Economic Development Corporation (SEDCOR) is the diversification of the area's economy. With the City in the lead, the activities of SEDCOR aim at revitalization business to showcase the Mid-Willamette Valley as a vital region for economic opportunity, investment, and employment. SEDCOR's 2007-2012 strategic plan includes goals aimed at steering the community towards;

- Meeting or exceeding Oregon's percentage job growth rate over a five year period.
- Realizing a \$1 billion investment in regional capital growth through land, building, and infrastructure expansion.
- Raising regional per capita income by closing the gap between regional per capita income and mean statewide per capita income.
- Implementing a marketing campaign to raise the profile of the Mid-Willamette Valley.
- Promoting the expansion of industrial land base.

The development of Urban Renewal Areas, Enterprise Zones, and Micro Enterprise initiatives across the City's urban growth boundary have gone a long way to attracting investment, and retaining businesses in the City. Positive attitudes of City, state, and local government, the private sector, and residents have been very encouraging signs of a community looking to move forward.

In an effort to boost business through entrepreneurship, CDBG dollars have been used over the years to fund the MERIT Program- a 30 hour micro enterprise business training program that offers basic skills and tools for running and planning a successful business. The Latino Micro Enterprise Program is part of the City's effort to promote economic opportunities to the Latino Community.

## **MILL CREEK CORPORATE CENTER**

Salem's newest urban renewal area - Mill Creek Corporate Center (MCCC) comprises 650 acres of relatively flat land in Southeast Salem located along Kuebler Boulevard with easy access to Interstate 5 and Highway 22. The property employment Center (EC) zoning allows for mix uses including warehouse distribution, light manufacturing, and business parks and up to 20 acres of commercial services on a variety of lot sizes. This provides an opportunity for the City to not only address its employment needs, but further the desire for family wage jobs and an increased tax base. Phase 1B (146 acres) and 1C (52 acres) are actively being marketed by SEDCOR, City of Salem, and the State for development.

The new industrial area is projected to generate \$400 million in private investments and create 5,000 new jobs over the next 15 to 20 years. In 2007, an eight acre parcel of land was sold to Jones Development, LLC who will construct a 50,000 sq. ft. Federal Express building – the first development on the site. Capstone Partners LLC is constructing a 600,000 sq. ft business park/flex space, light industrial/manufacturing and a small amount of commercial retail to serve the employees at the site. More than 644 permanent jobs and a real market value of \$52 million are expected to be created from the project beginning in the summer of 2009.

## ***COMMUNITY DEVELOPMENT IN DOWNTOWN SALEM***

Downtown Salem is dotted with many historic commercial and private properties. Despite significant growth over the years, the City's Urban Growth Management Program has ensured an orderly transition from a strong government workforce base to a vibrant urban area supported by retail businesses and professionals.

Investment in housing in downtown Salem has been an exciting new endeavor expected to enhance livability in the downtown core. The City has been an active leader over the years, investing more than \$8 million dollars on grants and below-market loans for revitalization and community development projects. This has generated a variety of mixed-use projects that emphasize increasing the downtown housing stock, revitalizing business and employment, and encouraging residents to "Go Downtown."

## ***DOWNTOWN WORKFORCE HOUSING PROJECT PROPOSED***

In April 2008, the City requested proposals for the development of a workforce/affordable housing project in the downtown core. The request for proposals (RFP) made available up to \$1 million of the City's allocation of HOME funds as financial assistance. The Salem-Keizer Community Development Corporation (CDC) proposal for the former McMahan's furniture store site at 260 State Street SE was selected for the project. Salem-Keizer CDC proposes the construction of a 40-unit mixed-use workforce housing development, comprised of 35 one-

bedroom units and five two-bedroom units with ground floor storefront retail. Construction is scheduled to begin in September 2009.<sup>21</sup>

### **SOUTH WATERFRONT (BOISE SITE REDEVELOPMENT)**



The South Downtown Waterfront Redevelopment Project is centered around the former Boise Cascade Property. Bound by Front and Commercial Streets and the Willamette River, the City has prepared the area for development by establishing a new mixed-use zone and an Urban Renewal Area. The 13 acre Boise Cascade industrial site along the riverfront is proposed for mixed-used development comprising condominiums, restaurants,

hotels, and apartments. This projects is expected to be executed in phases and will take anywhere from five years to a decade to complete.

### **THE MERIDIAN**



The Meridian consists of 89 condominiums under construction on the corner of commercial and mission. The project is a modern six-story office and luxury condominium complex overlooking the Willamette River and the Cascade Mountains. Aside from residential housing, the building will house 30,000 square feet of medical and office space.

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<sup>21</sup> Discussion on Downtown Workforce Housing Projects taking from Urban Development Quarterly – Summer 2008

## YWCA MIXED USED BUILDING SITE B



Telos recently purchased the property known as "Site B" on the northwest corner of Broadway and Market streets from the Urban Renewal Agency. They are constructing a mixed-use building comprised of 55 affordable housing units, 12,506 square feet of office/administration space for the YWCA and Ground floor retail space of approximately 3,910 square feet. Total project costs are estimated at more than \$11 million dollars. The development team was successful in securing Low-Income Housing

Tax Credits through a competitive process from the State of Oregon, which will provide equity to develop studio and one-bedroom units for individuals earning 55% or less median family income.

## 295 CHURCH STREET



In partnership with Cascadia Development LLC, the Urban Renewal Agency of the City developing a mixed used building on the corner of Church and State Street. This project comprises a five story building, three floors of residential facilities made up of 27 condominiums on the top floor. The project will have 1,800 square feet of City offices to house the City's information technology offices and general office space on the first floor for Salem's public television - Capital Community Television (CCTV). A small private retail space is also included in the plan.

## PROVIDENCE PLACE



Providence Place is a residential senior housing development sponsored by the Retirement housing foundation. Located at 3524 Fisher Road NE, the project features 66 affordable one-bedroom apartments for Salem's senior community. These units include a living room/dining room area and fully equipped kitchen and several units designed specifically for the mobility impaired. The project is primarily funded by a \$5.3 million grant from the US Department of Housing and Urban Development (HUD) Section 202 Supportive Housing for the Elderly Program. This program includes project based rental assistance so that

residents pay no more than 30% of their income on rent and utilities. City of Salem supported this project with \$200,000 of HOME contribution and \$378,530 in System Development Chargers waivers. Providence Place opened in May 2007.

## THE RIVERS



The Rivers Condominiums is an exclusive, 27 unit development located in the heart of downtown Salem. Floor-to-ceiling windows frame panoramic views of Riverfront Park, the Willamette River, and the vibrant downtown area. The eight story building will give residents easy access to the downtown core facilities including the business and shopping districts, restaurants, the state capital buildings, Salem Hospital, and Willamette University.

## OTHER PROJECTS

The Broadway town square, located on 1127 Broadway North East is a \$12 million project that includes 21 apartments, 16 townhouses, office space and a new home for Salem Cinema on 2.8 acres. The project located on the grounds of the former Eagles Lodge is expected to revitalize the community, providing housing, work space, and a place for people to gather.

Salmon Run, the Wells Fargo Bank Building Redevelopment, the Metropolitan Building, the Salem Arts Buildings, and the Bishop Building among others, offer a wide range of mix-use facilities ranging from condominiums, apartments, offices, and commercial space needed for the revitalization of the downtown core. Some of these building projects are under construction while majority have been completed or near completion. These projects are contributing to the resurgence on the downtown core.

## **Five-Year Strategic Plan**

This section of the Consolidated Plan describes the City's strategies for implementing housing and community development plans and programs over the next five years. The Five-Year Strategic Plan (Strategic Plan) outlines priorities that match HUD's national objectives. It identifies strategies the City intends to utilize in reaching desired outcomes for the overall Consolidated Plan. Activities guiding the principles identified in this Strategic Plan will steer the development of the City's Annual Action Plans. The City's ability to implement these strategies is dependent on the stability of annual allocations of HUD funds.

### **NATIONAL OBJECTIVES**

HUD has established three national objectives to guide strategic planning in the Consolidated Plans. These objectives are framed broadly to capture the range of community impacts that occur as a result of HUD funded program activities.

The national objectives include;

- Creating Suitable Living Environments
- Providing Decent Housing
- Creating Economic Opportunities

These objectives focus on housing programs where the purpose of the program is to meet individual family and community needs. Objectives that create economic development are framed broadly to capture the range of community impacts that result in economic development, commercial revitalization, and job creation. In terms of housing for owners and renters, the City's objectives focus on strategies that preserve and/or increase the City's existing affordable housing stock. Affordable housing activities target low- and moderate- income households burdened by the cost of housing.

Objectives under suitable living environments are intended to address a wide range of issues that affect residents. Problems such as poor quality neighborhood infrastructure, social issues such as crime, domestic violence, literacy and elderly services are addressed under this objective.

### **PRIORITIES AND GOALS**

Priorities for the Strategic Plan were determined through an extensive process to gather information on community demographics and community needs. Various local housing service agencies, non-profits, and individuals contributed to recommending broad goals within HUD's national objectives to guide activities outlined in this Consolidated Plan.

## **PRIORITY # 1: END HOMELESSNESS**

**OBJECTIVE:** PROVIDE DECENT HOUSING

**STRATEGIES:**

*COLLABORATE WITH COMMUNITY ACTION TO IMPLEMENT CONTINUUM OF CARE TEN YEAR PLAN TO END HOMELESSNESS*

**GOALS:**

- Create new permanent housing beds for chronically homeless persons.
- Prioritize capacity building among social service agencies to identify and assist persons at risk of homelessness, their needs, and support systems available.
- Direct housing and community service programs including supportive employment and vocational training to chronically homeless persons.

*INCREASE THE PERCENTAGE OF HOMELESS INDIVIDUALS AND HOUSEHOLDS RECEIVING SUPPORT IN PERMANENT HOUSING SETTINGS*

**GOALS:**

- Connect Continuum of Care participants to mainstream housing and community development resources to help them progress toward self-sufficiency.
- Provide tenant education and life skills training to Continuum of Care participants to help them learn skills necessary to be successful in their housing arrangements.
- Increase the percentage of homeless persons moving from transitional housing into permanent housing.

*INCREASE THE PERCENTAGE OF EMPLOYED HOMELESS PERSONS EXITING SHELTERS*

**GOAL:**

- Support case management strategies that develop joint employment plans for Continuum of Care participants transitioning to self-sufficiency.

**OUTCOME INDICATOR:** *INCREASED AVAILABILITY/ACCESSIBILITY OF HOMELESS ASSISTANCE AND RESOURCES TO HOUSEHOLDS AND INDIVIDUALS.*

## **PRIORITY # 2: PROMOTE ECONOMIC DEVELOPMENT**

**OBJECTIVE:** CREATE ECONOMIC OPPORTUNITIES

**STRATEGIES:**

*EXPAND COMMUNITY ECONOMIC DEVELOPMENT AND BUSINESS DIVERSIFICATION THAT CREATE JOBS*

**GOALS:**

- Support community economic development activities and diversification that generate jobs and lead to sustainable self-sufficiency living standards for low- and moderate-income individuals and families.

- Expand neighborhood revitalization strategies that link physical, economic, and social programs to Salem’s historic character.
- Support entrepreneurship and micro-enterprise initiatives directed at capacity development for small businesses.
- Strengthen institutional capacity to enhance the vitality of the downtown retail, business, and housing environment.

*SUPPORT CITY OF SALEM URBAN RENEWAL ACTIVITIES*

**GOALS:**

- Promote the use to tax incentives available through the Urban Renewal Agency to encourage businesses to invest in Salem.
- Encourage the development of mixed-use and mixed income projects designed to advance both housing and community economic development goals.

**OUTCOME INDICATOR:** NUMBER OF SUSTAINABLE SMALL BUSINESSES AND LIVING WAGE JOBS CREATED THROUGH INCENTIVES AND PROGRAMS AIMED AT CREATING ECONOMIC DEVELOPMENT

**PRIORITY # 3: EXPAND AND SUSTAIN OWNER AND RENTER AFFORDABLE HOUSING STOCK.**

**OBJECTIVE:** PROVIDE DECENT HOUSING

**STRATEGIES:**

*PRESERVE EXISTING OWNER AND RENTER AFFORDABLE HOUSING STOCK*

**GOALS:**

- Support organizations that provide affordable housing and housing rehabilitation programs to low- and moderate-income persons.
- Provide single family rehabilitation and critical repair grants/loans to low- and moderate-income residents.
- Direct HUD funds to low income neighborhoods to maintain, improve, and revitalize affordable housing.
- Develop new affordable housing on vacant or abandoned lots.

*INCREASE THE AVAILABILITY OF AFFORDABLE HOUSING OPTIONS*

**GOALS**

- Assist first time homebuyer with homebuyer loans to purchase decent housing.
- Use HOME program dollars to support affordable workforce housing in the downtown core of Salem.

- Expand financial assistance to non-profits that produce new affordable housing for low- and moderate-income persons.

*REMOVE BARRIERS TO AFFORDABLE HOUSING*

GOALS:

- Promote education and outreach programs to lenders and potential low- moderate-income homebuyers about available homebuyer assistance programs
- Support housing and social service activities that promote housing accessibility
- Ensure equal access to affordable housing resources devoid of predatory/unfair lending

**OUTCOME INDICATOR:** NUMBER OF LOW- AND MODERATE-INCOME INDIVIDUALS AND HOUSEHOLDS ACQUIRING OR RENTING AFFORDABLE HOUSING

**PRIORITY # 4: REVITALIZE LOW-INCOME NEIGHBORHOODS**

**OBJECTIVE:** CREATE SUITABLE LIVING ENVIRONMENT

STRATEGIES:

*IMPROVE COMMUNITY PARKS FACILITIES, PUBLIC HOUSING INFRASTRUCTURE, AND REMOVE SLUMS AND BLIGHT*

GOALS:

- Maintain facilities and infrastructure that support low- and moderate-income persons especially the homeless and special needs individuals.
- Initiate infill development of mixed-use facilities to replace vacant and abandoned housing lots.
- Clear and demolish slums and blighted structures that reduce the visual appeal of neighborhoods.

*SUPPORT HUMAN SERVICE FACILITIES AND PROGRAMS FOR LOW- MODERATE INCOME PERSONS*

GOALS:

- Support services that offer refuge and support to women and children who survive domestic and/or sexual violence.
- Support programs that assist individuals undergoing detoxification and personal recovery.

**OUTCOME INDICATOR:** NUMBER OF SUSTAINABLE NEIGHBORHOOD PROGRAMS AND ACTIVITIES THAT ENHANCE LIVABILITY BY ASSISTING LOW- AND MODERATE INCOME PERSONS

## **ANTI-POVERTY STRATEGY**

Poverty reduction strategies in the area encompass a variety of processes that provide support for the needs of individuals and households as they progress toward economic independence and self sufficiency. Community Housing and Development Organizations (CHDO's) have worked meticulously with City housing service agencies to provide decent, safe and sanitary housing that are affordable to low- and moderate income persons. All housing support programs and activities in the area prioritize stability in the lives of individuals and families.

Over the years, Salem's number one poverty reduction strategy prioritized education, economic development, and income redistribution strategies that lift low-income individuals from the brinks of poverty. To support the efforts of housing providers in the area, the City works with the Mid Valley Housing Services Collaborative to steer the local Continuum of Care efforts. The Continuum of Care efforts are collaborative efforts to identify human service needs such as supportive housing and community economic development strategies that lead to self-sufficiency.

For the 2009-2013 Consolidated Plan period, the City plans to implement the following anti poverty reduction strategies;

### ***Support economic development activities that provide decent living wages to low income residents***

Job creation is the most important economic development strategy necessary to lift people out of poverty. Good livable wages often come with decent jobs. When low- and moderate income persons are self-sufficient, pressure on social service resources decrease.

### ***Focus investment on affordable housing and economic development in low income neighborhoods***

By focusing housing investments in low income neighborhoods, communities can be revitalized not only in terms of visual appeal in the area, but through business investments in the area.

### ***Preserve existing and develop new affordable housing stock in the downtown core***

By increasing the affordable housing stock in the downtown core of the City, low- and moderate-income individuals and families can live in the downtown core and have access to the City's central business district, their workplaces, and recreational facilities such as the river front park.

### ***Support micro-enterprise development***

Micro-enterprises (small businesses) are the engines that drive growth and employment in communities. Because entrepreneurs wishing to start micro enterprises do not have access to the commercial banking sector, they need support from community based sources. The City will continue using CDBG dollars to support the Micro Enterprise Resources, Initiatives & Training (MERIT), the Latino Microenterprise program, and other micro enterprise initiatives in the City.

## **PERFORMANCE MEASUREMENTS**

The U.S Department of Housing and Urban Development has required cities receiving CDBG and HOME funds to establish performance measurements to monitor all applications and determine the impacts of the City's programs and activities. City of Salem has established a vigorous performance measurement system to review the outcomes of all programs funded with HUD dollars. The Consolidated Annual Performance Evaluation Report (CAPER) documents the accomplishments of CDBG and HOME program investments in the cities of Salem and Keizer. CAPR presents information to aid citizens in evaluating the City's performance in meeting the goals of the Five-Year Housing and Community Development Consolidated Plan.

All applications received requesting HOME and/or CDBG funding are reviewed for regulatory eligibility, financial feasibility, sponsor capacity and the level of priority the project garners against objectives identified in the Consolidated Plan.

Once a project is approved, each recipient or sub-recipients is required to submit quarterly progress reports. The City closely coordinates with recipients and sub-recipients to ensure that projects remain on schedule for completion during the program year. In cases where recipients and sub-recipients are not proceeding according to schedule, City of Salem staff requests a one-on-one meeting to determine the cause of the delay and to find ways to accelerate the completion of the project. When projects are complete and all funding has been allocated, the City continues to monitor projects based on HUD monitoring regulations and internal payment tracking systems. Performance tracking and measurements are achieved using the Integrated Disbursement Information System (IDIS)