



Urban Development Department

Annual Report 2020



The Urban Development Department Mission

To provide for the sustainable expansion of the community's prosperity, measured in terms of jobs and income growth, economic and human development, education, health and environmental sustainability.

The Urban Development Department administers and oversees a variety of programs and services aimed at strengthening Salem's economy including Salem's **seven** urban renewal areas. In addition, the Department provides loans and grants to finance activities that create emergency, transitional and permanent affordable rental housing for low and moderate income families in Salem and Keizer; allocates funds to non-profits to provide emergency services to homeless and families at-risk of being homeless; facilitates economic opportunities and reinvestment; invests in economic empowerment for individual prosperity and small business growth; issues financial incentives; performs real property management, acquisition, sales and leasing services for the City; manages downtown parking services and revitalization; manages Salem's Municipal Airport; and functions as the liaison to community organizations, businesses, and City Council and Agency Board appointed advisory groups.

Urban Development and the Strategic Plan

Urban Development plays an integral role in implementing many of the initiatives in the City's Strategic Plan.



Welcoming and Livable Community

HUD funded programs that support affordable housing
Funding and oversight of social services programs



Strong and Diverse Economy

Business retention and recruitment efforts



Safe, Reliable and Efficient Infrastructure

Acquisition of property to support infrastructure projects
Urban renewal funding for needed infrastructure



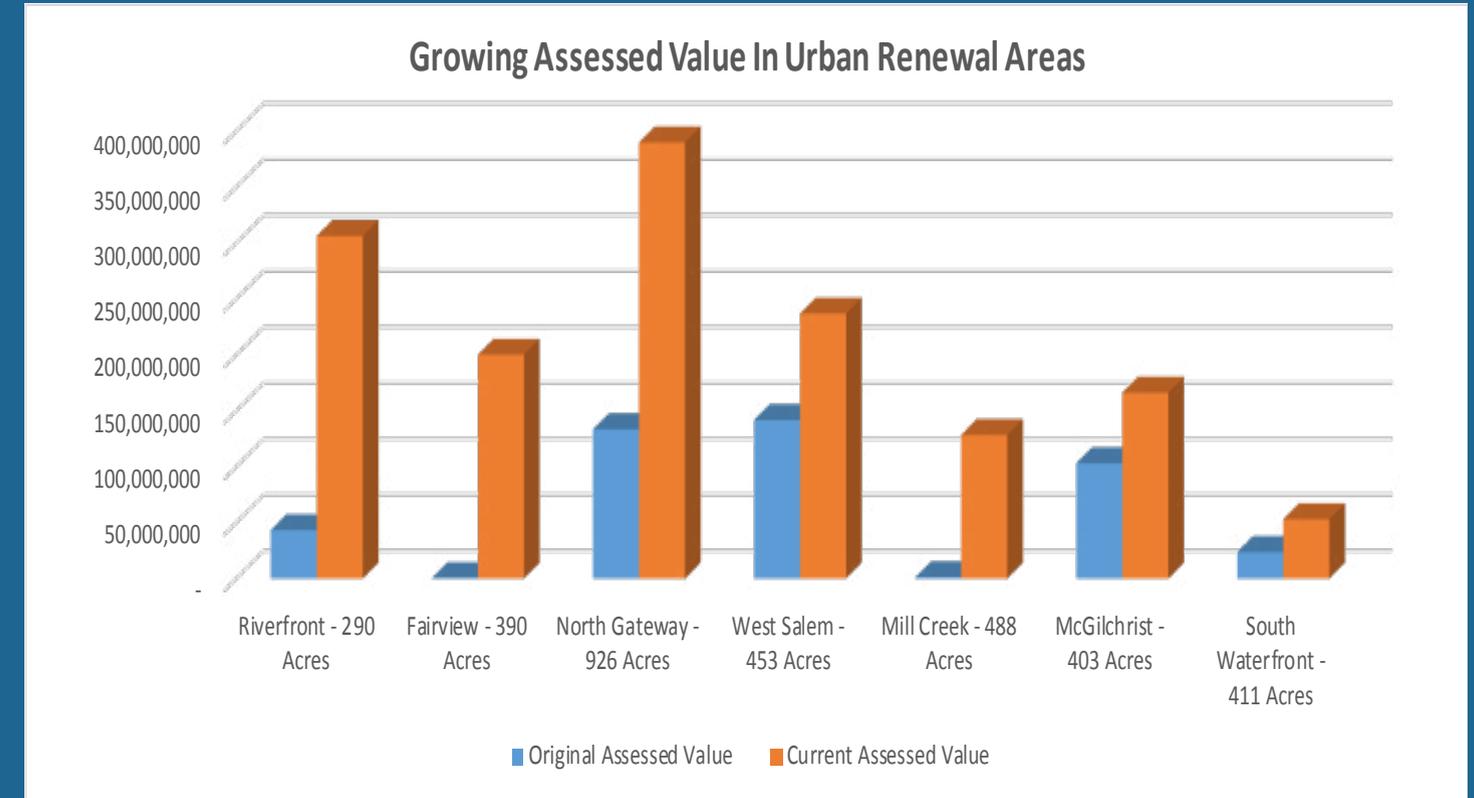
Natural Environment Stewardship

Protection and conservation of Oregon white oak trees at Salem Business Campus

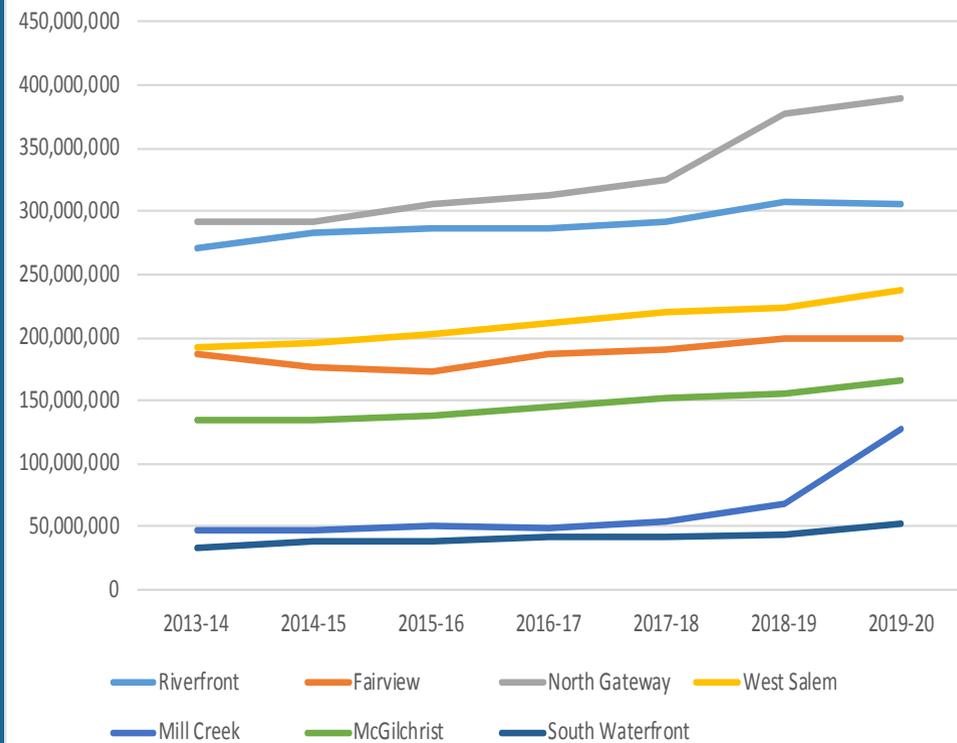
What is Urban Renewal?

Urban Renewal or Tax Increment Financing is a tool used by municipalities to finance improvements and redevelopment in specific areas of a city by reinvesting the increase in the area's property taxes. When the district is created, the assessed value of property within the district is set (or "frozen") and those taxes continue to go to the government (city, county, and school districts throughout the State). Any property value increase above that frozen amount is called the "increment". The amount of taxes on the increased value (or "increment") is what is collected for the urban renewal district to use for redevelopment projects. The State of Oregon created the legislation that allows for urban renewal; districts are created by local municipalities. In Salem, the City Council decides what areas should be included in urban renewal districts. The Council also creates a Plan for improving the area.

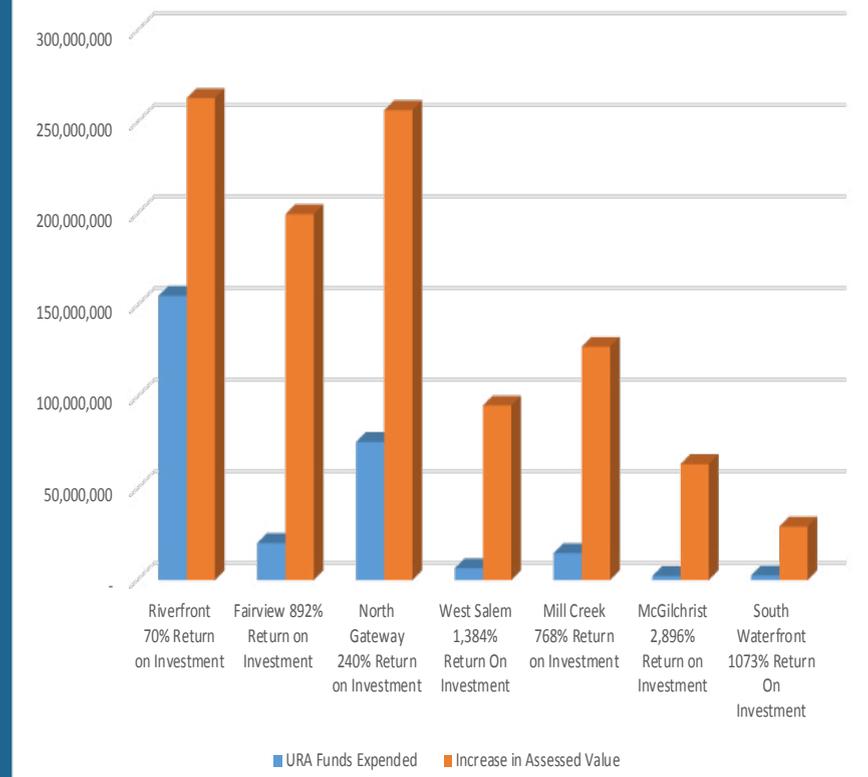
There are seven Urban Renewal Areas in Salem and each area's Plan includes a list of specific projects that were approved by the City Council.



History of Assessed Value



URA Funds Expended and Increases in AV



**City of Salem Urban Renewal Areas
Maximum Indebtedness
As of June 30, 2020**

	Maximum Indebtedness	Borrowed to Date	Borrowing Capacity Remaining
Pringle Creek Urban Renewal Area (Closed)			
Riverfront/Downtown Urban Renewal Area	\$315,000,000	\$113,464,345	\$201,535,655
North Gateway Urban Renewal Area	\$101,466,402	\$ 74,998,004	\$ 26,468,399
Fairview Industrial Park Urban Renewal Area	\$ 6,286,000	\$ 6,281,615	\$ 4,385
West Salem Urban Renewal Area	\$ 31,000,000	\$ 11,227,425	\$ 19,772,575
Mill Creek Industrial Park Urban Renewal Area	\$ 26,000,000	\$ 15,336,299	\$ 10,663,701
McGilchrist Urban Renewal Area	\$ 11,000,000	\$ 6,600,000	\$ 4,400,000
South Waterfront Urban Renewal Area	\$ 24,000,000	\$ 3,077,000	\$ 20,923,000

**Urban Renewal Grant Programs...
Leveraging Private Investment**

Three of Salem’s Urban Renewal Areas have grant programs aimed at assisting property owners with new construction, building renovation, and capital equipment purchases. Our URA grants encourage private investment in development and redevelopment for the benefit of the community.



Gilgamesh Brewing: The Woods

Riverfront Downtown Urban Renewal Area

FY 2019-20 Total Committed to Grants \$ 3.0 million
 FY 2019-20 Private Funds Committed to Projects \$ 29.0 million

North Gateway Urban Renewal Area

FY 2019-20 Total Committed to Grants \$ 0.52 million
 FY 2019-20 Private Funds Committed to Projects \$ 1.5 million

West Salem Urban Renewal Area

FY 2019-20 Total Committed to Grants \$ 0.36 million
 FY 2019-20 Private Funds Committed to Projects \$ 2.06 million

Affordable Housing

In 2020, Salem opened Redwood Crossings, the community's newest collaborative affordable housing project designed to address homelessness in our community, including permanent supportive housing and transitional respite care housing units.



Redwood Crossings

The 37-unit permanent supportive housing complex for the chronically homeless is the first of its kind in Salem. It includes six respite units being leased by Salem Health for chronically homeless patients that need additional recovery time. The ARCHES program is providing supportive services onsite with the assistance of additional partners.

Downtown Revitalization

The complete internal and external restoration of the 12,168 square foot historic 440 State Street Building (known now as Fork Forty) was completed in late summer 2020. The renovations took formerly unusable basement and second floor space and created rentable commercial/retail units, storage, and five second-floor rental housing units.



Fork Forty Food Hall

The ground floor space is home to seven micro-restaurants and a bar, similar to a "Food Hall" providing a new unique eating experience in downtown Salem.

In addition, several new businesses located in downtown Salem, including:

- **Masonry Grill** - *Restaurant*
- **La Familia** - *Cidery*
- **Azuls** - *Restaurant*
- **Brandy's All City Sweets** - *Bakery*



Salem Municipal Airport

There are 750 acres of land at the Salem Municipal Airport.

Over 39,800 operations are completed each year at the Salem Municipal Airport.

17 businesses are located on the Airport, employing over 500 people.

Accomplishments

Business Retention and Recruitment: **Help local companies create or retain jobs;** **attract new companies to Salem.**

- Committed \$4,013,145 in grants to help businesses locate and expand in the City's West Salem, North Gateway, and Riverfront Downtown Urban Renewal Areas (includes \$126,445 in Riverfront Downtown URA Strategic Grant Program commitments).
- Made 46 retention visits to local businesses and attended 23 business networking events (includes virtual), in support of the City's small business retention and expansion program.
- Responded to 25 inquiries from site selectors with information about locating businesses in Salem and the region.
- Six companies began receiving the Enterprise Zone benefit in the 20-21 tax year, totaling 1,214 new jobs and \$98,196,635 in private investment.

Public Improvements: **Support public improvement projects.**

- Completed 7 public right-of-way acquisitions to support infrastructure projects.
- Completed the acquisition of 1 property for public use.
- Contributed \$4.2 million to Division Street improvements adjacent to the Salem Police Station.
- Contributed \$4.7 million to construction of the new Salem Police Station.
- Spent \$1.8 million to grade 23 acres for wetlands to serve as stormwater quality and detention area for future development of the southern Mill Creek Corporate Center. Project included a multi-use path to connect Mill Creek Drive to Turner Road.

Accomplishments (continued)

Public Improvements (continued):

Support public improvement projects.

- Contributed \$1.3 million toward a project to daylight Pringle Creek between Commercial Street and the Willamette River. The project eliminated creek obstructions to minimize flooding impacts; improved fish passage for salmonids; and graded the site for a future pedestrian path that will link Riverfront Park with south-central Salem. Stormwater utility funds were also used to construct the improvements.

Environmental Best Practices:

Promote environmental best practices for City and Agency projects

- Completed a Phase I and Phase II environmental site assessment to help facilitate the sale, purchase and/or re-use of underutilized properties in Salem.

Affordable Housing:

Create and preserve affordable housing.

- Assisted 165 households retain or obtain housing through the security deposit and tenant based rental assistance programs.
- Provided funding to create or renovate 145 affordable housing units.

Social Services:

Provide critical emergency services to low income individuals.

- Provided funding for emergency food services to over 42,000 low income residents in Salem.
- Provided crisis hotline assistance to over 16,881 persons in need of general reassurance, service referrals, crisis intervention, suicide assessment and support.

Salem Housing Authority

The Salem Housing Authority's (SHA's) mission is to assist low- and moderate-income families to achieve self-sufficiency through stable housing, economic opportunity, community investment, and coordination with social service providers. SHA administers a variety of programs to support its mission, including the Housing Choice Voucher Program, Homeless Rental Assistance Program, and Security Deposit Program. In addition, SHA owns and manages over 693 rental units for Public Housing, Affordable Housing, and Senior Housing.

In 2019-20, the Salem Housing Authority:

- Assisted 308 citizens known by local service providers as least likely to find housing through the Homeless Rental Assistance Program (HRAP) and provided intensive case management, resource and referrals, housing placements, landlord engagement, and administered all rental assistance and barrier removal funds for the program.
- Added a Housing Navigator position to assist HRAP clients find housing resources and navigate housing barriers.
- Opened Redwood Crossings, a 37-unit Permanent Supportive Housing complex for the chronically homeless - the first of its kind in Salem. Complex includes six respite units leased by Salem Health for chronically homeless that need additional recovery time and onsite supportive services through The ARCHES program.
- Continued the development process to add 175 additional affordable housing apartments.
- Leased 226 units to elderly residents through the Senior Housing Program.
- Housed 64 veteran families through the Veterans Administration Supportive Housing Program.
- Provided security deposit assistance to 165 households earning less than 50 percent of median family income.
- Served 119 households using family unification vouchers.
- Administered over 3,000 Housing Authority payment vouchers.



Salem Urban Development

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