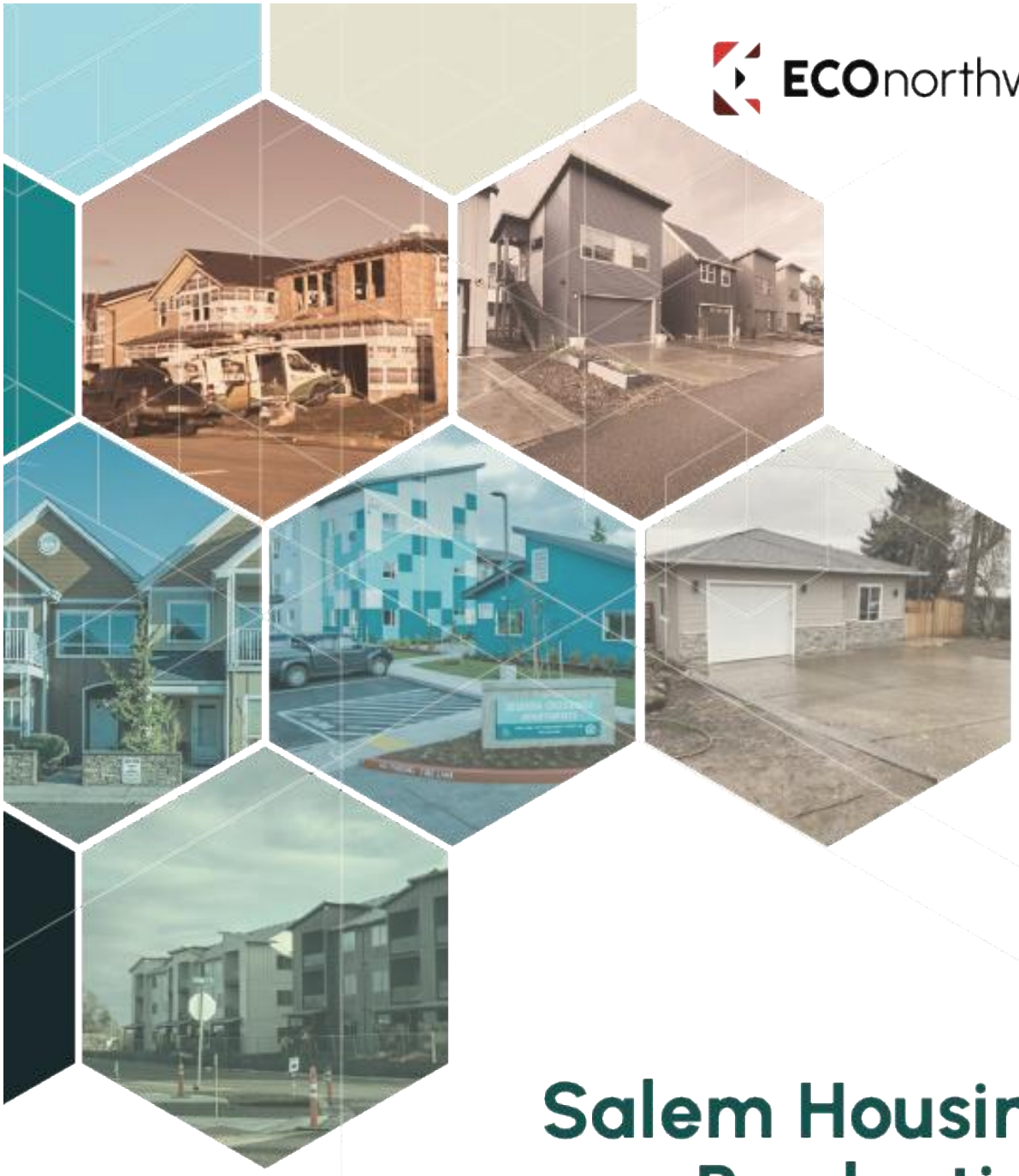

ECOnorthwest

# Salem Housing Production Strategy

DRAFT

PREPARED FOR The City of Salem

# Acknowledgments

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# Executive Summary

This is Salem's first Housing Production Strategy (HPS). It provides a list of specific actions that the City of Salem plans to take to address housing needs in the community. The HPS specifically outlines actions to encourage housing development and promote fair and equitable housing outcomes, as required by State laws and rules (Oregon Administrative Rule 660-008). The housing action include regulatory changes, financial incentives, partnerships, education, and other tools that aim to encourage the production and preservation of housing.

This HPS provides detailed information about Salem's unmet housing needs, and it summarizes the City's community engagement work that informed the development of the housing actions in this report. In addition, this HPS evaluates the actions across numerous factors, including the housing needs addressed, the potential magnitude of impact on housing units, and the administrative and financial implications to the City. The HPS also provides a timeline for implementing each action and describes how the City will monitor its progress.

The next two pages provide a high-level summary of the actions in this HPS. More details are included in Chapter 3 of this report as well as Appendices.

**Exhibit 1. Summary of Actions included in the HPS**

| Action | Housing Production or Preservation | Primary Housing Type Supported | Potential Impact on Housing | Funding Required | Implementation timeframe * |
|---|---|---|---|---|---|
| A. Develop a New Urban Renewal Area | Production | Variety - including affordable housing | High | Medium (contract in place) | Near term |
| B. Develop a Single Property Urban Renewal Program | Production | Multifamily housing, including affordable housing | Medium | Low | Near term |
| C. Develop a New Middle Housing Urban Renewal Area Program | Production | Middle housing | Medium | Medium | Long term |
| D. Fund Infrastructure Improvements to Support Housing Development | Production | All housing types | High | High | Medium term |
| E. Revise System Development Charges (SDCs) Methodology for | Production | Middle housing and smaller homes | Low to Medium | Medium | Medium term |

| Action | Housing Production or Preservation | Primary Housing Type Supported | Potential Impact on Housing | Funding Required | Implementation timeframe * |
|---|---|---|---|---|---|
| Smaller Housing Types | | | | | |
| F. Identify a New Multi Unit Housing Tax Incentive Program (MUHTIP) area | Production | Multifamily housing, including affordable housing | Medium | Medium | Medium term |
| G. Support Housing Development in Areas of Opportunity | Production | Affordable or mixed-income housing | Low to Medium | High | Medium term |
| H. Support Development of Permanent Supportive Housing | Production | Affordable housing | Low to Medium | High | Near term |
| I. Support Development by Community Land Trusts | Production | Affordable homeownership | Low to Medium | Medium | Medium term |
| J. Provide Homebuyer Assistance | NA | Affordable homeownership (homebuyers) | Low | High | Medium term |
| K. Revise the Zoning Code to Support more Development of Needed Housing | Production | All housing types | Low to Medium | Low | Medium term |
| L. Revise the Zoning Code to Preserve Nonconforming Housing | Preservation | Existing housing | Low | Low | Near term |
| M. Improve the Permitting Process | Production | All housing types | Low | Low | Near term |
| N. Advocate for Manufactured Home Park Residents | Preservation | Manufactured homes | Low | Low | Near term |
| O. Increase Developer Understanding and Awareness of Existing Programs | Production | All housing types, including affordable housing | Low | Low | Near term |
| P. Expand Ready-Build Plans | Production | Middle housing and accessory dwelling units | Low | Low | Near term |
| Q. Affirmatively Furthering Fair Housing | NA | All housing types (protected classes) | Low | Low | Near term |

* Note: For the implementation timeline, "Near term" means the action's implementation in 2026 or 2027, "Medium term" means implementation will begin in 2028 or 2029, and "Long term" means implementation will begin in 2030 or beyond.

# 1. Introduction

The City of Salem has long identified housing affordability, choice, and access as key issues in the community. To help meet the community's housing needs, this Housing Production Strategy (HPS) outlines how the City plans to promote housing development in the next six years. This HPS builds on a decade of housing planning work that the City has undertaken since completing its Housing Needs Analysis (HNA) in 2015. The HNA evaluated Salem's future housing needs and the capacity of land within Salem's portion of the Salem-Keizer Urban Growth Boundary (UGB) to meet those needs.

**REQUIREMENTS OF AN HPS**

Oregon requires cities to adopt an HPS to align local housing policies with statewide goals for increasing housing supply, preserving affordability, and addressing equity concerns. Under OAR 660-008, cities must identify actions that address their housing needs and remove barriers to development. The HPS must outline clear implementation steps, funding considerations, and timelines to ensure progress.

The City adopted its HNA in 2022 with the adoption of the Our Salem project. That multi-year project updated Salem's Comprehensive Plan, Comprehensive Plan Map, zoning map, and zoning code. The changes included redesignating land throughout Salem to promote housing development and accommodate the community's projected housing needs. Other recent housing planning initiatives have included allowing middle housing broadly across Salem, streamlining the approval process for housing, and revising design and development regulations to ease the development of multifamily housing.

As described in Appendix C, the City has implemented a variety of actions to help address Salem's needs, as well as other actions to address housing affordability.

While the City has accomplished much to date, there is still work to be done to ensure Salem's existing and future housing needs are met. To build on its progress, the City applied for and received a grant from the Oregon Department of Land Conservation and Development in 2023 to develop this HPS. This strategy includes a set of specific actions that the City plans to implement through 2031 to encourage the development of a variety of housing types. It seeks to specifically address the community's unmet housing needs through a range of regulatory, financial, land, partnership, and other actions.

In addition, this HPS is intended to achieve equitable outcomes for all residents of Salem, with an emphasis on improving outcomes for underserved communities, lower-

income households, and people in state and federal protected classes.[1] This HPS specifically considers issues of Fair Housing, which is intended to provide access to housing choice by everyone, free from discrimination.

### What is the Salem already doing to address housing needs?

The following are key actions Salem has taken to better meet the community's housing needs. Additional information about these and other programs is in Appendix C.

**Safety and Livability Bond** was approved in 2022, with $10 million to support affordable housing projects.

**Urban Renewal Areas** that provide funding for housing development as well as infrastructure improvements to support housing development.

**Our Salem project** that redesignated and rezoned land to allow multifamily housing and mixed-use project more broadly across Salem.

**System Development Charges** waivers for nearly 800 units of affordable housing and about 195 accessory dwelling units.

**Low-Income Housing Property Tax Exemption Program** that has been used by about 30 properties, supporting 427 housing units.

**Multi-Unit Housing Tax Incentive Program (MUHTIP)** program that has been used to develop about 8 housing developments.

**Single Property Tax Increment Financing Districts for Affordable Housing** was used to develop the Jory Apartments, which includes 36 units of affordable housing.

**Community Development Block Grant and HOME** funds support local nonprofit organizations, including those that develop housing and provide affordable housing programs. HOME and HOME ARP funds subsidized construction of 35 units in various projects.

**Surplus land for housing,** including 1.1 acres provided to the United Way of the Mid-Willamette Valley to develop cottage clusters for low-income seniors.

**Community Land Trusts partnerships**, which included providing funding to DevNW to develop 24 units of single-family homes and townhomes.

**Ready-build Accessory Dwelling Unit Program** that provides free building plans for a detached accessory dwelling unit.

**Multifamily and middle housing regulatory reform** to streamline approval processes and allow more housing types in Salem.

**Programs and Funding to Support Unsheltered populations**, include Managed Safe Parking Shelter sites and two micro-shelter villages.

[1] Federal protected classes are race, color, national origin, religion, sex, familial status, and disability. Oregon's additional protected classes are marital status, source of income, sexual orientation and gender identity, and status as a domestic violence survivor. Salem's additional protected classes are: age, marital status, domestic partnership, and housing status. Under Fair Housing laws, it is illegal to deny access to housing based on the characteristics of people within these protected classes. Under Fair Housing laws, it is illegal to deny access to housing based on the characteristics of people within these protected classes.

# Considerations for Implementing the Housing Production Strategy

While Salem is committed to expanding housing options, it is important to recognize that cities typically do not directly build housing. Instead, they shape the conditions that enable development. Four key factors (see Exhibit 2) influence where and how new housing can be built:

**Public Policy** – Local and state regulations, including zoning codes.

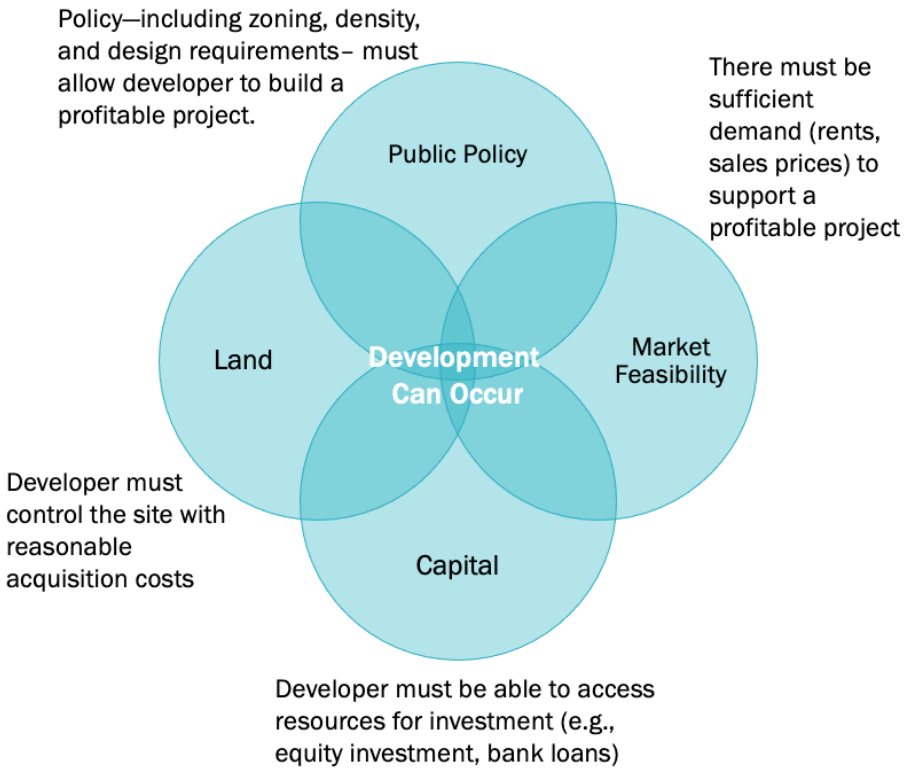
**Land Availability** – Ownership and infrastructure readiness.

**Market Feasibility** – Construction costs, demand, and achievable rents/home prices.

**Access to Capital** – Funding sources, developer financing, and public-private investment.

**Exhibit 2. Four Necessary Factors that Allow Development of New Market-Rate Housing**

Source: ECONorthwest




Each of these factors plays a crucial role in shaping housing development. Public policy at the local level is largely influenced by state policy. Land is generally

controlled by private landowners, and the cost of necessary infrastructure (such as roads, utilities, and sewer systems) is a significant factor in unit cost. Market feasibility depends on economic conditions, including construction costs, labor availability, and whether developers can charge rents or sales prices high enough to cover costs. Access to capital is largely controlled by investors, banks, and financial institutions, which fund projects based on risk assessments and potential returns.

Of these factors, Salem has the greatest influence over public policy and land availability. The City can shape zoning and infrastructure planning to support housing development. It can also leverage government-owned or acquired land to encourage new housing for specific populations. While Salem has a more limited role in market feasibility, it can help reduce development costs through tax abatements, fee waivers, and other incentives.

As part of its obligation to Affirmatively Further Fair Housing (AFFH), Salem must also ensure that its housing policies promote equitable access. This includes removing barriers to housing choice, increasing affordable housing options in high-opportunity areas, and preventing displacement of historically marginalized communities due to rising costs. By embedding AFFH principles into the HPS, Salem is working toward a more inclusive housing market that aligns with state and federal fair housing requirements.

## Advancing Equity in Housing

Promoting equity in housing includes ensuring that race, income, or other social factors do not determine a person's ability to access safe, affordable housing. Achieving this requires not only addressing current disparities but also ensuring that future housing policies actively promote inclusion and affordability. Appendix F describes how the actions in this HPS achieve fair and equitable housing outcomes.

This HPS applies an equity framework to identify and prioritize housing actions that benefit low-income households and vulnerable groups, such as people with disabilities and communities of color, groups that have historically faced barriers to housing access. Equitable housing goes beyond affordability; it also means providing a variety of housing choices to accommodate different needs, including physically accessible homes; ensuring access to housing near jobs, services, and transit to reduce displacement risks; and expanding homeownership opportunities to build long-term housing stability, especially for historically underserved populations.

**Exhibit 3. Housing Production Strategy Equity Framework**

| IDENTIFY UNMET HOUSING NEEDS | ENGAGEMENT PROCESS[2] | HPS PLAN DEVELOPMENT | MEASUREMENT AND ANALYSIS |
|---|---|---|---|
| Identify unmet housing needs, such as lower-income, cost-burdened households.<br><br>Identify historically marginalized people within the community who are at risk or who could benefit from access to more affordable housing. | Engage community members to learn about their priorities, needs, and challenges to affordable housing.<br><br>Build community awareness and support through the engagement process.<br><br>Continue engagement in implementation of the actions within the HPS. | Ensure that the actions in the HPS address Salem's unmet housing needs, integrating feedback from the engagement process.<br><br>Identify outcomes within the HPS that respond to community needs and promote housing stability and choice, particularly for those households with the unmet housing need and historically marginalized people. | Develop measurements to understand the impact and progress toward increasing equity of the actions.<br><br>Monitor outcomes during implementation of the HPS and meet the State requirements to report outcomes. |

The process to develop this HPS followed an equity framework, shown in Exhibit 2 above. This included identifying and engaging historically marginalized community members early in the process to understand their housing needs and challenges. The equity framework also included identifying actions that respond to the needs of the community, including those who have been historically marginalized.

This equity framework closely aligns with the City of Salem's Equity Program Planning Tool for New Programs and Services, which was completed in 2024. That tool includes the City's definition of equity and is intended to help guide program and service development with equity-related principles at the forefront. For example, the tool is designed to help the City foresee barriers to pursuing equity in the program and better plan to conduct equitable engagement.

[2] Engagement builds on prior engagement that the City has done on other housing and community development projects, such as work on the Our Salem, Comprehensive Plan. It also includes engagement completed for the HPS. Implementation of the HPS will include additional engagement.

## Stakeholder Involvement in Developing the HPS

A key part of developing the HPS was consulting community members to learn more about their housing priorities, needs, and challenges. The community engagement process for developing the HPS was collaborative and included input from the groups listed below. Appendix D provides more information about groups involved in developing the HPS.

- **Focus Groups and Events.** The City held focus groups and co-hosted targeted outreach events to engage community groups and learn more about housing challenges and opportunities in the community. Two rounds of focus groups were held in late spring and fall 2024. These discussions – both at the focus groups and events - helped the City develop actions that could be included in the HPS.
    - The first round of focus groups (Spring 2024) and targeted outreach events engaged community members and organizations that serve people who traditionally have not participated in housing strategy development. They also focused on communities whose housing needs have not been sufficiently met. In particular, the focus groups, events, and meetings provided insights into the unmet housing needs for the following groups:
        - Low-income service providers, Focus Group 1: Catholic Community Services, Family Promise, and Church at the Park
        - People with Disabilities and service providers, Focus Group 2: Shangri-La, Salem-Keizer Community Transition Program, Sunny Oaks, and Project Able
        - Communities of Color, Focus Group 3: Farmworkers Housing Development Corporation, Salem for Refugees, Equity Splash, and Mano-a-Mano
        - The following are targeted outreach events:
            - Willamette University students
            - Micronesian Islander Community
            - Confederated Tribes of the Grande Ronde Housing Department
            - Enlace Cross-Cultural Community Development, Latine Community
    - The second round of focus groups was held in early October 2024. The purpose of these focus groups was to understand barriers to developing

housing and possible opportunities to resolve these barriers. The following three groups participated:

  - Affordable housing developers and providers, Focus Group 1 (October 1st)
  - Market-rate developers, Focus Group 2 and 3 (October 2nd)
  - Homebuilders and realtors, Focus Group 4 (October 4th)

- **Community Survey and Public Webinars.** In Spring 2024, the City conducted an online survey about housing needs in English, Spanish, Marshallese, and Chuukese. Roughly 535 people took the English-language survey. In addition, 13 people responded to the surveys that were conducted in Spanish, Marshallese, and Chuukese. The respondents who identified as non-white were split between homeowners and renters, and they represented a mix of income levels. The City also hosted two webinars. One webinar was hosted in June 2024 to learn more about Salem's housing needs and to provide the community with an overview of the HPS project. Another webinar was hosted in January 2025 to discuss potential actions for the HPS. Both webinars included interactive surveys to ensure everyone had a chance to provide input.
- **Meetings with Decision Makers.** City staff consulted with the Planning Commission and City Council on the Housing Production Strategy work through work sessions and small group meetings throughout the duration of the project. ECOnorthwest presented the results of its housing analysis and action development at meetings with the Planning Commission and City Council.
- **Community Events and Meetings**. City staff tabled at numerous citywide events to inform the public about the HPS project and solicit input on housing needs and actions. Events included Viva Salem, World Beat Festival, Lancaster Health Fair, Englewood Forest Festival, and others. Staff also participated in or presented at a variety of community group meetings, including the Land Use Network, Homebuilders Association of Marion and Polk Counties, Edgewater Partners, Southwest Association of Neighbors, Creekside Rotary, and others.
- **Our Salem.** From 2018 to 2022, the City engaged the public to inform updates to the Salem Area Comprehensive Plan, Comprehensive Plan Map, zoning map, and zoning code. The City engaged the community on a broad range of issues, including housing needs, through more than 180 meetings and collaborations with more than 80 community groups. The HPS builds on this previous public engagement.
- **Study of Walkable Mixed-Use Areas.** In 2023, the City worked with the Mid-Willamette Valley Council of Governments to study areas that could be

designated as Walkable Mixed-Use Areas – called Climate Friendly Areas by the State – to meet part of the State's Climate Friendly and Equitable Communities rules. During this work, City staff met with the City of Salem's Equity Roundtable to discuss housing needs and anti-displacement strategies.

## How stakeholder involvement influenced the Housing Production Strategy

Stakeholders helped identify the actions in the HPS and refine the details of each action. The HPS builds on the City's prior engagement of the community focused on housing needs (as described in Section 2 of this report). The policies that resulted from those previous engagement processes also informed the potential actions that were developed as part of the HPS project.

Early in the HPS project, the Planning Commission, City Council, and community provided input to develop and refine the details of the preliminary housing actions. A survey and webinar in early 2025 gave the public an opportunity to weigh in on and prioritize potential actions, and the responses were used to help prioritize housing actions in the HPS.

The Planning Commission and City Council gave feedback on potential actions, and their responses helped refine the actions that were carried forward into the HPS. Focus groups with housing developers and service providers also helped identify barriers to housing development and further refine details of the potential housing actions to address those barriers. The Planning Commission and City Council will be given an opportunity to review and provide comments on a full draft of the HPS, and their feedback will be incorporated into the document before it is finalized.

Key themes from stakeholder involvement included:

- **Affordability & Housing Choice**. City Councilors, Planning Commissioners, local organizations, the development community, and other stakeholders raised strong concerns about housing costs rising faster than incomes. Housing affordability was cited as a major issue in Salem. Stakeholders also stated a significant need for more homeownership opportunities (including middle-income households that don't qualify for subsidies but struggle with market-rate prices) and diverse housing types, including multi-generational housing.
- **Development Barriers.** Developers identified long permitting timelines, regulatory complexity, and limited land availability as significant challenges to housing production. Many stakeholders supported zoning and permitting

process reforms to clarify and streamline approval processes and regulations while maintaining neighborhood character.

- **Permanent Supportive Housing & Homelessness.** Feedback included broad agreement on the need for more permanent supportive housing units. However, stakeholders raised concerns about funding for supportive services, ensuring transit accessibility, and addressing community opposition.
- **Equity & Fair Housing**. Communities of color, people with disabilities, and immigrant households stated that they continue to face barriers to housing access. These and other stakeholders emphasized the importance of tenant protections, housing education, and policies that promote mixed-income neighborhoods.
- **Infrastructure & Incentives**. Stakeholder feedback included continued support for using urban renewal funding to address infrastructure needs to support housing development. Stakeholders also highlighted the need for tax incentives, land banking, and public-private partnerships to support affordable housing development.

Additional details of themes from stakeholder engagement are presented in the details of each action in Appendix A.

## How to continue and improve engagement practices for future housing efforts conducted by the City

As the City implements the HPS, staff should continue to engage with the stakeholders who advised on the development of the HPS as well as other community members and organizations. For example, staff should circle back to community organizations and members of the development community to discuss how specific HPS actions can and should be implemented. For example, the development community can provide valuable input on the City's efforts to revise local regulations to better promote housing development. The City should also work with service providers, such as those interviewed for this project, to help ensure projects that implement the HPS support their work.

City staff should continue efforts to engage and strengthen relationships with underrepresented and underserved populations in Salem. The City has worked with community partners to tailor its engagement strategies to best meet the needs of different populations in Salem, particularly underserved community members. This work should continue, with an emphasis on engaging more directly with members of underserved communities.

# 2. Salem Unmet Housing Needs

Across Oregon, many low- and middle-income households face challenges in finding affordable and suitable housing. Beyond affordability, some households also struggle to find homes that meet specific needs, such as accessibility for people with disabilities, multigenerational living spaces, or housing with support services. Housing discrimination further limits options for certain groups, contributing to substantial unmet housing needs across the state.

A Housing Production Strategy (HPS) aims to address these unmet needs by focusing on actions that promote the production of affordable housing across all income levels, preserve existing affordable housing, enhance housing stability, provide options for individuals experiencing homelessness, and advance Fair Housing initiatives.

Before developing actions to encourage affordable housing, the City of Salem first needed to assess the unique housing needs of its residents. While the 2014 Salem Housing Needs Analysis (HNA) provided valuable insights into housing needs based on demographic factors like age and income, the HPS takes a broader approach. It examines housing needs through additional lenses, including race, ethnicity, disability status, and homelessness.

This chapter summarizes key findings and supplements it with detailed data on housing needs for various demographic groups. Drawing on past and current engagement as well as sources such as the U.S. Census, Oregon Housing and Community Services, HUD, Costar, and City data, this chapter contextualizes Salem's housing needs beyond the scope of the HNA, fulfilling the requirements for the HPS.

## Understanding Housing Need in Salem

Like other Oregon communities, many households in Salem face housing affordability challenges. The following section summarizes key findings about Salem's housing needs regarding housing affordability and other challenges, highlighting the importance of promoting equitable outcomes for current and future residents. (For more information on housing need, please refer to Appendix B and Appendix D).

Every household requires housing that is affordable to them. Therefore, when defining housing needs in Salem, we begin with affordability for both current and future residents. However, housing needs extend beyond affordability and must also address the specific requirements of each household, including factors like household size and composition, age, disability status, and the relationships between household members.

Additionally, housing needs are shaped by location, considering things like access to transportation and proximity to essential services. Many households require housing close to schools, workplaces, and amenities such as retail, medical services, parks, and open spaces. Access to transit, bicycle, and pedestrian infrastructure is also crucial for many households.

Another critical aspect of housing need is access to housing free from discrimination, which is protected under federal Fair Housing law. Both Oregon and its cities have a legal responsibility to Affirmatively Further Fair Housing (AFFH). The HPS takes into account AFFH requirements when evaluating the City's existing policies and developing actions to be included in the strategy.

### AFFIRMATIVELY FURTHERING FAIR HOUSING (AFFH)

**AFFH requires jurisdictions to take meaningful steps to overcome historical segregation and create inclusive communities free from barriers based on protected characteristics, including race, color, national origin, religion, sex, familial status, and disability. Oregon also protects additional classes: sexual orientation, gender identity, age, and marital status.**

**AFFH requires jurisdictions to understand and address Oregon's long history of discrimination that precluded many people from accessing housing and homeownership. The Fair Housing Council of Oregon (FHCO) is a statewide civil rights organization that advocates for housing justice, equity, and inclusion. Their report, *State of Fair Housing in Oregon 2014-2022*, provides information about housing discrimination across Oregon. The key findings of the report are:**

- **FHCO receives about 2,000 housing complaints annually, though they estimate only 10% of discriminatory acts are reported.**
- **Complaints most commonly come from people with disabilities, people of color, and women, with many involving multiple protected classes.**
- **Common discrimination issues include failure to provide reasonable accommodation for disabilities, unfair lease terms, tenant harassment, refusal to rent (especially to Section 8 voucher holders), and evictions.**

**The findings of Salem's Consolidated Plan are discussed in Chapter 2 and in Appendix B.**

## Housing Need Key Findings

**Salem must plan for 23,355 new housing units through for the period of 2015 to 2035.** This growth will necessitate a diverse array of housing types affordable across income levels shown in Exhibit 5.

**Housing costs in Salem have risen substantially in recent years, consistent with national trends.** Between 2014 and 2024, Salem's average multifamily asking rent increased 53% from $933 per month to $1,428 per month, excluding utilities (Exhibit 83). Salem's median price of a home increased 173% during the 2012 to 2024 period, from $157,000 to $429,000 (Exhibit 81). The median household income in Salem increased 64% between 2010 and 2022 from $42,898 to $70,220 (not adjusted for inflation).

**A household earning 100% of MFI for a family of four in Salem ($91,300 in 2023) can afford monthly housing costs of about $2,280.** Exhibit 4 shows financially attainable housing across income levels, based on the standard that households should spend no more than 30% of their gross income on housing (including utilities). Households exceeding this threshold may struggle to afford other essentials.

### DEFINING MEDIAN FAMILY INCOME

**This report uses housing affordability based on 2024 Median Family Income (MFI) as defined by the U.S. Department of Housing and Urban Development (HUD) for a household of four in the Salem MSA. The following income groups are used to assess housing affordability.**

- **Extremely Low Income: Less than 30% MFI (up to $31,200 annually)**
- **Very Low Income: 30% to 60% MFI ($31,200 to $54,780 annually)**
- **Low Income: 60% to 80% MFI ($54,780 to $73,050 annually)**
- **Middle Income: 80% to 120% ($73,050 to $109,600 annually)**
- **High Income: More than 120% MFI (greater than $109,600 annually)**

**Exhibit 4. Financially Attainable Housing in Salem by Area Median Income (AMI) for Salem MSA ($91,300)**

**In Salem a family of four must make:**

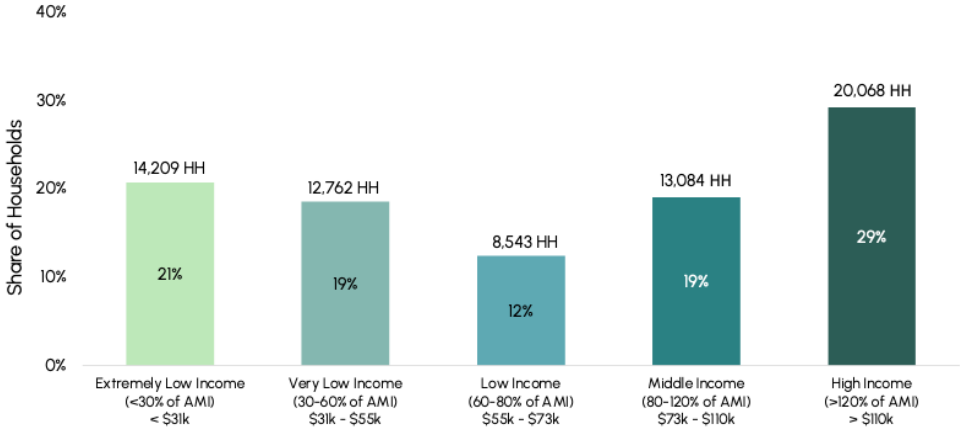
**159% of MFI ($145,000) to afford the median sales price of a home ($435,000).**

**57% of MFI ($52,160) to afford Salem's average median gross rent ($1,304).**

Source: U.S. Department of Housing and Urban Development, Salem MSA, 2024. U.S. Bureau of Labor Statistics, 2023. Note: The estimates of affordable home sales prices below are rough estimates. Affordability will vary for each borrowing household, based on interest rates, loan term, down payment, and similar factors. These sales prices are illustrative estimates and do not make assumptions about interest rates, amount of down payment, whether mortgage insurance will be required, or other factors that are unique to an individual household's mortgage.

**Approximately 38% of Salem households earn less than 60% MFI and are considered very low income.** Exhibit 5 shows that 40% of Salem households had incomes less than 60% MFI ($54,780) and cannot afford the average monthly rent and utilities of $1,700 for an apartment in Salem.[3]

**Exhibit 5. Share of Salem Households by 2024 Area Median Income (AMI) in Salem MSA for a Family of Four**




Source: US Department of Housing and Urban Development, Salem MSA, 2024. US Census Bureau, 2018-2022 ACS Table 19001.

**About 16% of households in Salem have sufficient income to afford the median home sales price of $435,000.**

**Just under half of Salem households are able to afford the average rent.**

**Housing options for low- and moderate-income households in Salem are limited, reflecting a broader issue across Marion and Polk Counties.** Salem offers a relatively diverse housing stock and is more affordable than some comparable cities like Hillsboro and Gresham, but more costly than others like Eugene and Medford. Overall, housing costs remain out of reach for many residents. To purchase a median-priced home in Salem ($435,000), a household needs an income of $145,000, which is 159% of the MFI. Renting an average apartment, including utilities ($1,700 per month), requires an annual income of $67,640, or 74% of MFI.

[3] Average asking rent was about $1,441 in Q1 of 2024 according to Costar. ECOnorthwest assumed $259 per month for utilities for a total housing cost of $1,700.

**About 37% of households in Salem pay more than 30% of their income on housing.** Over half of renter households in Salem experience cost burden (51%), compared with 25% of owner households. Salem has lower levels of cost burden in relation to most of its comparable cities, but experiences higher levels of cost burden in relation to the state.

**Fair Housing planning in Salem.** The City is in the process of updating its Consolidated Plan and Fair Housing Plan for the 2025-2029 period. At the time of developing this report, the results of the new Consolidated Plan are not available. The following presents some of the key conclusions from the 2020-2024 Salem-Keizer Consolidated Plan and Analysis of Impediments to Fair Housing and their relationship to this HPS:

- *Access to low-poverty areas is a high priority for Black and Latine households.* Hispanic and Non-White populations are concentrated in Northeast Salem (Exhibit 45), and Salem has a racial or ethnic concentration of poverty in Northeast Salem (Exhibit 95). Areas of lower poverty are located generally in South and West Salem (Exhibit 62). Based on this information, Salem should look for opportunities for development of more housing that is affordable and accessible to People of Color in areas such as South and West Salem.
- *Insufficient affordable housing in a range of unit sizes.* Many locations around Salem have high rates of rent-burdened households (Exhibit 89). Affordable housing is more frequently located in North and Northeast Salem (Exhibit 73). Discussions with Latine stakeholders (as a part of the HPS) identified a specific need for housing suitable for multigenerational households. Since the Analysis of Impediments was completed, Salem changed its zoning code to allow more housing types, including middle housing types. As part of the HPS actions, Salem should look for additional opportunities for development of housing that is affordable, both for income-restricted housing and for housing that is affordable at or above 60% of AMI, including housing for multigenerational households.
- *Latine households tend to have higher rates of housing problems.* Latine and Non-White populations are concentrated in Northeast Salem (Exhibit 45), an area with higher rates of renter cost burden (Exhibit 89). This finding suggests that Salem should continue to engage with the Latine community in implementing the actions in the HPS, with an emphasis on decreasing Latine housing problems.

**WHAT IS COST BURDEN?**

**A household is defined as cost burdened if their housing costs exceed 30% of their gross income.**

**A household that spends 50% or more of their gross income on housing costs in said to be severely cost burdened.**

- *Other "high" Fair Housing issues identified by the Analysis of Impediments include failure to make reasonable accommodations, lack of fair housing infrastructure, and insufficient fair housing education.* These issues all apply to households across the City of Salem. That said, these issues are likely to be more acute in areas with high concentrations of People of Color and higher levels of poverty, such as in Northeast Salem. These findings suggest that Salem should look for opportunities to strengthen Fair Housing implementation and education as part of the HPS.

**Salem residents have a variety of housing needs, with some populations facing additional barriers to accessing housing.** These challenges often stem from historical and/or ongoing discrimination, as well as socioeconomic factors. To gain a better understanding of housing needs in Salem, the project team engaged the community inclusively, including reviewing past engagement findings, holding focus groups, and providing surveys and public webinars.

This engagement revealed several key issues for the following groups:

- **Latine population:** The Latine population, in particular, expressed a need for larger units to accommodate extended and multigenerational families, quality housing, accessible housing for people with disabilities, and more rentals. They also emphasized the need for support in accessing housing and resources, communicating with landlords, and navigating the permitting process.
- **Micronesian population:** They stated a need for larger units to accommodate multigenerational families as well as help accessing resources and high-quality housing. They also emphasized the need for lower rents to help people afford to own homes. They stated a preference for housing near grocery stores and retail shops, and they would like more affordable housing options throughout Salem, including in South Salem. People have challenges getting into rental housing due to the lack of rental or work histories, poor credit scores, and unclear requirements. They reported having low homeownership rates and high eviction rates.
- **Local Tribes:** There is a need for a variety of housing types for tribal members, including multigenerational housing and workforce housing. Displacement caused by rising rents was also a concern for tribal members. It is important to tribal members to have more housing near transit service, grocery stores, and Chemeketa Community College.
- **College Students:** Students stated that they are searching for more rental housing near businesses and Downtown Salem since many rely on walking or riding the bus to get around. They are also interested in micro housing units, as they are smaller and more affordable. Students also stated that they want

to live in walkable neighborhoods near their college campuses, parks, shops, and restaurants.

- **Immigrant and refugee population:** Refugees who rent housing fear that reporting a quality, health, or safety issue related to their housing will lead to retaliation from landlords. This population has challenges getting into rental housing due to the lack of rental or work histories and unclear requirements. They need larger units to accommodate multigenerational families and help accessing resources and high-quality housing. Language barriers, burdensome application processes, and program/resource navigation limit their ability to access housing. Tenanting criteria such as requiring a monthly income that is three times higher than monthly payments, application fees, first and last month's rent, rental history, credit history, or criminal history pose barriers.
- **People with disabilities:** Many people with disabilities require housing with different accessibility features (depending on the disability) to facilitate independent living. Cohousing, cottage clusters, and single-story homes where there is more of a connected community are needed to help provide a supportive environment for those isolated with disabilities. Housing near transit service, jobs, amenities, and services is also desired, and community spaces are needed to build community. Single-level housing is needed for persons with disabilities and seniors.
- **People experiencing homelessness:** This group often struggles with meeting income requirements for rentals. More acute crises response options are needed, such as affordable housing with on-site services and transitional housing.
- **Seniors:** Seniors expressed a need for single-level homes or homes with bedrooms and living spaces on the first floor.
- **Low- and middle-income workers:** West and South Salem were mentioned as areas of the city that lacked affordable housing options. Downpayment requirements are a financial barrier to homeownership. Down payment assistance programs often require participants to be below the poverty line, which excludes those who do not qualify but could still benefit from an assistance program. Homes in a more attainable price range often need major repairs that render them unaffordable due to lack of funds for repairs.

Across all groups, affordability remains a primary concern, along with the need for more workforce housing options. Compounding costs associated with housing, including increasing rental rates and utilities, are placing a greater burden on already stretched households.

These findings underscore the need for targeted efforts to address the unique housing challenges faced by various groups in Salem. Exhibit 6 highlights those different housing needs.

**Exhibit 6. Populations with Unmet Housing Needs**

| Target Population | Scale and Characteristics of Need | Meeting Future Need |
|---|---|---|
| **Extremely Low Income (<30% MFI)** | 21% of total households<br>• 14,209 existing households<br>• 1,402 new units for 6-year period[4]<br>Afford up to $780 per month<br>23% of Renters of Color had income below 30% of MFI in Salem, compared to the overall renter average of 21% | New subsidized housing; preserving existing income-restricted housing |
| **Very Low Income (30% to 60% MFI)** | 19% of total households<br>• 12,762 existing households<br>• 911 new units for 6-year period<br>Afford up to $1,370 per month<br>24% of Renters of Color had income between 30% and 50% of MFI in Salem, compared to the overall renter average of 20% | New subsidized housing; preserving existing "naturally occurring affordable housing" |
| **Low Income (60% to 80% MFI)** | 12% of total households<br>• 8,543 existing households<br>• 1,332 new households<br>Afford up to $1,830 per month<br>21% of Renters of Color had income between 50% and 80% of MFI in Salem, compared to the overall renter average of 24% | New subsidized housing; preserving existing "naturally occurring affordable housing" |
| **Middle Income (80% to 120%)** | 19% of total households<br>• 13,084 existing households<br>• 1,472 new households<br>Afford up to $2,280 per month | New market-rate rental housing and smaller market rate homes for ownership; preserve existing smaller, older homes |
| **People of Color (POC), including Latine** | The largest community of color is Latine, accounting for 51,360 or 29% of people in Salem. | Increased access to affordable housing options; housing for multigenerational households; |

[4] The projections in this table are from the *Salem Housing Needs Analysis 2015 to 2035* report, which was adopted by the City in 2020. The 2015-2035 HNA used slightly different income levels than the rest of this HPS (30%-50% MFI instead of 30%-60%, and 50%-80% MFI instead of 60%-80%). The amount of new households is based on a 6-year need.

| Target Population | Scale and Characteristics of Need | Meeting Future Need |
|---|---|---|
| | Latino households had lower median incomes (about $49,600) compared to the overall median for Salem households ($70,200).<br>Latino and most other Households of Color were more likely to occupy a multifamily unit and more likely to rent than white households.<br>Households of Color were more likely to be cost burdened, especially as homeowners, more frequently than white households.<br>People of Color are more likely to have income below 80% of MFI and be renters than the overall average for Salem.<br>Salem has a racial or ethnic concentration of poverty in Northeast Salem. | access to housing in areas with access to services and public transportation; access to housing without discrimination |
| **Immigrant community, including refugees** | 15% of Salem residents are considered foreign born in 2022, an estimated 25,852 people. Latin America has the largest representation within this group (67%). | Culturally-considerate housing; increased access to affordable housing options; housing for multigenerational households; access to housing without discrimination |
| **People with a Disability** | 16% of Salem's population have a disability<br>Housing need for 6 year period: 1,122 new units (16% of total need) | Housing with accessibility features that meet their needs; access without discrimination; access to services; access to public transportation |
| **Seniors** | 22% of Salem residents are 60+, 38,641 people.<br>Marion and Polk Counties are forecast to have growth of 37,380 people 60 years and older through 2040.<br>People over 60 years old are more likely to be homeowners than people younger than 60 in Salem. | Single-level housing; access without discrimination; access to services; access to public transportation; ability to age in place |
| **People Experiencing Homelessness** | Estimated 1,683 individuals experiencing homelessness in the Salem/Marion, Polk County Continuum of Care as of 2023. | Emergency assistance and shelter; permanent supportive housing; transitional housing; deeply affordable units |

| Target Population | Scale and Characteristics of Need | Meeting Future Need |
|---|---|---|
| | Salem had an estimate of 750 unsheltered homeless people in 2021 and 687 in 2022.<br>Estimated 1,241 students experiencing homelessness in the Salem-Keizer School District in 2022-2023. | |

# 3. Actions to Meet Future Housing Need

This section describes the list of actions that Salem is including in its HPS for further consideration and study by the city to address its unmet housing needs, as described in Chapter 2. The project involved evaluating the community's interest in a wide range of actions for inclusion in the HPS. Exhibit 7 summarizes the actions included in the HPS. A subsequent section of the chapter presents additional Recommendations for Future Actions in Salem, beyond those included in Exhibit 7. Appendix A presents full descriptions of the actions in the HPS.

## Existing City Programs and Policies

The HPS builds on policies, programs, and actions that the City has implemented over many years to support housing development, production, and Affirmatively Further Fair Housing. This section briefly summarizes the actions the City has taken that are connected to the unmet housing needs presented in Chapter 2. Appendix C presents more details about these existing policies.

- **City of Salem Urban Renewal Areas (URA) Funding:** A URA is a plan area where the City has the authority to establish an urban renewal governing body to finance improvements and redevelopment activities to improve the economic viability and safety of specific areas. Salem's URA program provides resources and support to help meet housing needs in a variety of ways, including the examples below. A full description of URA programs in Salem are included in Appendix C.
    - The North Gateway URA Rehabilitation, Affordable Housing, Development Infrastructure Grant offers matching grants for developing new affordable housing units (up to $300,000 with a 50% matching grant). The grant is also available for capital improvements needed for existing affordable housing (multi-unit development). An estimated $300,000 has been provided for Redwood Crossings (31 units), with the URA directing $1.5 million to acquire the site for the project as of April 2024. The URA funding has also been used to provide infrastructure for housing development.
    - The Riverfront Downtown URA Capital Improvement Grant, allows up to $750,000 and provides a 15%-50% matching grant for new mixed-use construction, including housing. This incentive can also be used for

alley improvements, upper floor renovations to make spaces ready for tenants, beautification projects, and more. An estimated $85.5 million has been granted for this URA as of April 2024.

- **Waivers for System Development Charges (SDCs):** SDCs are impact fees paid at the time of permit issuance for new development that helps pay for infrastructure that serves the development or provides capacity for growth. The City has provided SDC waivers for 14 affordable housing projects that resulted in about 800 dwelling units (as of April 2024).
- **Property tax exemptions and incentives.** The City offers the following incentives:
  - Low-Income Housing Property Tax Exemption Program: This program offers a property tax exemption for housing held by a charitable or nonprofit organization serving people making less than 60% of the AMI. Roughly 30 different properties have used this incentive program (such as Cornerstone Apartments, United Way of Mid-Willamette Valley, and Salem Self Help Housing LLC) as of March 2024.
  - Multi-Unit Housing Tax Incentive Program (MUHTIP): The MUHTIP program allows up to 10 years of a tax exemption for new or converted residential construction projects located in the "core area" and including at least two dwelling units and one or more public benefits. This program has helped roughly 8 different properties (such as the South Block Apartments) as of March 2024. In late 2021, the City added an affordability requirement – projects with 50 or more units must provide at least 15 percent of units at rents affordable to households at 80% or less of the average median income – to the MUHTIP program.
  - Single Property URA Districts for Affordable Housing: This URA program provides a property tax rebate for new affordable housing construction projects with at least 15% of the total units or 20 units (whichever is greater) set aside to affordable housing (e.g., average 60% AMI or less). The City of Salem approved its first Single Property TIF, Jory, in 2020.
- **Safety and Livability Bond:** The Safety and Livability fund was approved in 2022 to provide $300 million for various community infrastructure improvements. This includes $10 million allocated to an affordable housing opportunity fund and $7.5 million to acquire properties for branch libraries and affordable housing. The $10 million in bond money for affordable housing can only be used for City-owned projects, so the money cannot be granted to developers. However, the bond money can be used for off-site improvements

that can lower development costs, as the improvements would be owned by the City. The funds can also be used for Salem Housing Authority projects.

- **Federal Funds:** The City provides federal grant funding to help local nonprofit organizations and other groups provide services, public facilities, and affordable housing for low- and moderate-income residents and neighborhoods.
- **Sell Surplus Land for Housing:** In 2021, the City of Salem sold surplus land to a nonprofit organization that is developing cottage clusters for low-income seniors. Specifically, the City sold roughly 1.1 acres of surplus land ($20 per lot) to the United Way of the Mid-Willamette Valley to develop cottage clusters for low-income seniors.
- **Housing Development Regulatory Reform:** In recent years, the City has made many updates to Salem's zoning code to promote the development of housing. This included revising regulations through the Multifamily Housing Design project (adoption in 2020) and the Our Salem project, which updated the Comprehensive Plan and rezoned land throughout Salem to promote housing development (adopted in 2022). In 2024, the City adopted a code amendment that allowed more housing options, streamlined the approval process, and updated standards for housing development.
- **Partnerships and other tools.** The City partners to support affordable housing development in the following ways:
    - Historic Toolbox Grants: The City offers grants to help offset the cost of repairing and maintaining historic structures. These grants, providing $15,000 per year, are intended for restoration or enhancement of historically designated residential properties.
    - Community Land Trusts (CLTs): The City provided $950,000 in federal funding to DevNW (Community Housing Development Corporation) for a Community Land Trust project on Macleay Road SE. The DevNW project will include 24 single-family homes and townhomes. The City also provided funding to DevNW to offset operating expenses related to CLT counseling, home sales, Down Payment Assistance administration, and other costs.
    - Green Building and Housing-Related Climate Mitigation: The City recently implemented part of the State's Climate-Friendly and Equitable Communities (CFEC) rules that require developers of large parking lots to mitigate the climate impacts of those lots. As part of the code amendment to implement that requirement, the City created a fee-in-lieu option whereby developers can choose to pay a fee instead of installing solar or additional trees on their property. The money from

those payments will go to support wind and solar power generation capacity in affordable housing projects supported by the Salem Housing Authority.

- **Housing Retrofit/Upgrade Programs:**
  - Blight to Bright: The City started a Blight to Bright program in 2018 to remove dangerous issues of blight, such as derelict buildings. Public dangers can be removed and, where possible, new development can occur.
  - The Salem Housing Authority helps provide additional affordable housing units (augmenting the existing supply), housing choice vouchers, utility assistance payments, various supportive services, and more. The Housing Authority developed the following projects:
    - The Redwood Crossing project added 31 new units that fall within the allowable rent thresholds for Section 8 (including several Single-Room Occupancy units).
    - The Sequoia Crossing project added 60 Permanent Supportive Housing Units to Northeast Salem.
    - The Yaquina Hall project provided 51 new housing units accepting assistance through the Project-Based Voucher program.
  - Purchase Land for Affordable Housing: The Salem Urban Renewal Agency used TIF money to purchase properties that make up a block of land in downtown. Those buildings were subsequently demolished in order to prepare the site for redevelopment. In early 2024, Salem chose a development team to redevelop the block, known as Block 50, into a mixed-use project that will include affordable housing.
- **Fair Housing and Housing Anti-Displacement**. The City developed policies to affirmatively further fair housing in its updated Comprehensive Plan. Follow-up actions to this new policy include removing regulatory barriers to housing choice for protected classes, coordinating with other agencies and organizations to affirmatively further fair housing, and partnering with the Fair Housing Council of Oregon.
- **One-Stop Shop for Housing Assistance:** The City has established a webpage listing rental and utility assistance and resources in English and Spanish.

## New HPS Actions

The actions included in this HPS build on existing City policies and programs. Multiple City departments and divisions were involved in the identification of potential HPS actions, and the development of the actions included in the HPS. They include:

- Planning Division staff led development of the HPS and provided input on land use regulations and planning programs
- Urban Development Division staff provided input on urban renewal programs, Federal programs, financial incentives, and information from the Salem Consolidated Plan
- Salem Housing Authority (SHA) staff provided input about SHA programs and projects
- Development Services staff provided input on permitting processes and fees, and infrastructure planning
- Finance Department staff provided input about financial resources
- Public Works Department staff provided input on infrastructure needs and planning

Exhibit 7 describes the actions included in the HPS. The remainder of this chapter provides additional information about the actions, and Appendix A presents detailed information about each of these actions.

**Exhibit 7. Summary of Actions in the HPS**

| Name | Action Description | Housing Type Primarily Supported by Action | Additional Information |
|---|---|---|---|
| A. Develop a New Urban Renewal Area | Create a new traditional urban renewal area (URA) to support the development of housing and related infrastructure in the north waterfront area. | Variety of housing types such as affordable rent-restricted housing (specifics to be determined at adoption of URA plan) | The Salem Urban Renewal Agency initiated the creation of a potential new North Waterfront URA in March 2024. |

| Name | Action Description | Housing Type Primarily Supported by Action | Additional Information |
|---|---|---|---|
| Develop a Single Property Urban Renewal Program | Expand the use of the City's existing single property URA program (similar to the Jory Tax Increment Financing District) to provide property tax rebates to multifamily developments that include affordable housing. This could be applied in areas near frequent transit service. | Multifamily housing, including affordable housing | This is an existing program that could be expanded to other areas in Salem. |
| B. Develop a New Middle Housing Urban Renewal Area Program | Create a new program supported by URA funding that incentivizes the development of middle housing. This could be applied throughout Salem. | Middle housing | This could target areas where middle housing development has been financially challenging. |
| C. Fund Infrastructure Improvements to Support Housing Development | Support improved infrastructure for housing development through the following ways.<br>• Plan for infrastructure improvements that support housing development.<br>• Lobby the legislature for funding for infrastructure to support housing development. | All housing types | The City could identify priority areas where infrastructure investment is needed to support housing development and seek State or other funding for large-scale infrastructure improvements. |
| D. Revise System Development Charges (SDCs) Methodology for Smaller Housing Types | Revise the SDCs to promote the development of different housing types, focusing on developing SDC rates specific for middle housing types and potentially scaling SDCs to account for different housing unit sizes. | Middle housing, smaller homes, and/or other housing types | The current SDC methodology was developed prior to the allowance of middle housing in single-family areas. SDCs could be tied to the scale of development. Reducing SDCs may require another source of funding to backfill this cost. |

| Name | Action Description | Housing Type Primarily Supported by Action | Additional Information |
|---|---|---|---|
| E. Identify a New Multi Unit Housing Tax Incentive Program (MUHTIP) area | Create a new MUHTIP area to support housing development near frequent transit service outside of the downtown core. | Multifamily housing, including affordable housing (income-restricted or unregulated) | The City's existing MUHTIP area focuses on the "core area" in and around downtown Salem. It provides a tax abatement for up to 10 years. A new MUHTIP area could promote affordable units in large multifamily projects. |
| F. Support Housing Development in Areas of Opportunity | Purchase land or provide financial incentives for development of affordable or mixed-income housing in areas of high opportunity (e.g., employment opportunities, parks, transportation options, and services). This would promote mixed-income areas. The City could use funding sources such as MUHTIP, urban renewal, the Safety and Livability Bond, or federal funding. The City might identify a development partner (through an RFP or RFQ process) to develop affordable housing on land in West or South Salem. | Affordable or mixed-income housing | This would help diversify areas of Salem where the City would support development of affordable or mixed-income housing, avoiding further concentration in North Salem. |
| G. Support Development of Permanent Supportive Housing | Provide financial support to developers, organizations, or partners to develop permanent supportive housing with on-site wrap-around services. This could include infrastructure improvements or development costs. The City could use funding from the Safety and Livability Bond and state or federal funding. | Affordable housing (income-restricted) and people experiencing homelessness, most likely multifamily housing | The City could act as convener or facilitator, bringing together non-profits, developers, and service providers to coordinate resources and expertise. This action focuses on long-term solutions for homelessness. |

| Name | Action Description | Housing Type Primarily Supported by Action | Additional Information |
|---|---|---|---|
| H. Support Development by Community Land Trusts | Facilitate and provide funding, land, or other forms of support to establish and/or expand community land trusts (CLTs). This could include partnering with nonprofit organizations that develop CLTs on City-owned land or supporting the conversion of existing Salem Housing Authority-owned properties into CLTs. This could also include working with CLTs that provide services specifically to Communities of Color, speakers of a language other than English, or other underserved communities. | Affordable homeownership | The City has provided funding to DevNW, which is developing a CLT on Macleay Road SE. |
| I. Provide Homebuyer Assistance | Provide homebuyer assistance such as downpayment assistance or closing costs using federal funds. Includes contracting with qualified nonprofit organizations to facilitate assistance. | Affordable homeownership (homebuyers) | This would help lower-income residents purchase homes. Downpayment assistance can target specific household income levels, such as 60%-80% MFI, and can include homebuyer education workshops to ensure participants understand long-term borrowing conditions. |

| Name | Action Description | Housing Type Primarily Supported by Action | Additional Information |
|---|---|---|---|
| J. Revise the Zoning Code to Support more Development of Needed Housing | Revise the zoning code to:<br>• Incentivize or require the creation of housing units designed to meet Universal Design, visitability, accessibility, or other similar standards. This could include decreasing setbacks, increasing maximum lot coverage, providing a density bonus, or other regulatory changes.<br>• Update the zoning code to remove potential barriers to the development of all types of housing, including multifamily, middle housing, and/or mixed-use projects. This could include revising standards to promote the development of small infill projects and housing for multigenerational families. | All housing types, including multifamily housing and mixed-use development, low-and moderate-income affordable housing, accessible housing | More permissive zoning would encourage the development of more housing options. This action would include an analysis of barriers to development in Salem's code, research about model codes and other cities' approaches to lowering development barriers, and outreach to housing developers in Salem. |
| K. Revise the Zoning Code to Preserve Nonconforming Housing | Revise the zoning code to update nonconforming and/or continued use and development regulations to support the rebuilding of housing and improvements to existing housing. | Existing housing (preservation or rebuilding), affordable housing, affordable homeownership | Preserving existing housing is a less costly way to ensure Salem has enough housing for residents. Incentivizing the rehabilitation and maintenance of existing housing helps preserve naturally occurring affordable housing and prevents displacement. |

| Name | Action Description | Housing Type Primarily Supported by Action | Additional Information |
|---|---|---|---|
| L. Improve the Permitting Process | Revise the permitting process to:<br>• Develop online dashboards with permit timeline data and process clarity<br>Expand project coordinator role to include assistance for housing developments. This role will help usher projects through the permitting process and serve as a primary point of contact.<br>Upgrade the City's website and Permit Application Center (PAC) portal to help applicants better prepare permit applications and more easily navigate the permit review and approval process.<br>• Integrate and streamline city workflows with a "one-voice" approach in permit application reviews with standardized communication across all reviewing divisions.<br>• Increase transparency of the permitting timeline and processes through online data and dashboards. | All housing types | The City has been working to improve its permitting process. This action will build on the Bloomberg-Harvard project. |
| M. Advocate for Manufactured Home Park Residents | Advocate for changes in State law that provide greater protections for residents at risk of displacement from manufactured home parks. This could include advocating for stronger rent controls or a new requirement whereby tenants get first right of refusal when a manufactured home park is put up for sale. | Manufactured homes (preservation), preserve existing supply of low- and moderate-income affordable housing | There are roughly 30 manufactured home parks in Salem, serving roughly 3,000 people. They provide an opportunity for affordable homeownership, which cannot easily be replaced by other types of housing. |

| Name | Action Description | Housing Type Primarily Supported by Action | Additional Information |
|---|---|---|---|
| N. Increase Developer Understanding and awareness of existing programs | Raise awareness of and encourage development of housing- including affordable housing- in the following ways:<br>• Provide information about vacant or public land to housing developers when these development opportunities arise.<br>• Provide information about changes in State law and Salem regulations that support development of housing, including middle and affordable housing.<br>• Provide information about Salem's expedited process for reviewing affordable housing projects.<br>• Share City resources for housing development and affordable housing opportunities (such as financial incentives and online mapping resources). | All housing types, including affordable housing | As the State continues to implement new State rules and laws related to housing development, it is important to help ensure the information is readily available to the development community. This is especially important to smaller developers or developers of lower-cost housing, where a lack of information can discourage building in Salem. |
| O. Expand Ready-Build Plans | Expand ready-build plans to include middle housing and/or other accessory dwelling unit designs. | Middle housing and accessory dwelling units | Ready-build plans help expedite the permitting process and reduce development costs. The City has one set of building plans for a detached accessory dwelling unit that can be downloaded for free. |

| Name | Action Description | Housing Type Primarily Supported by Action | Additional Information |
|---|---|---|---|
| P. Affirmatively Furthering Fair Housing | Continue and increase efforts to affirmatively further Fair Housing in the following ways:<br>• Continue to partner with the Fair Housing Council of Oregon (FHCO) to conduct landlord training about Fair Housing and Investigate Fair Housing complaints<br>Require participation – or proof of participation – in FHCO training or other equivalent fair housing training as a condition of receiving and retaining federal funding, City grants, and City tax abatements for housing, as well as receiving or renewing a City multifamily license.<br>Invite landlords, management companies, tenants, and others interested in discussing ways to lower barriers to accessing rental housing. | All housing types, including income-restricted rental affordable housing units, unregulated low- and moderate-income affordable rental housing (protected classes) | |

Exhibit 8 connects the unmet housing needs (presented in Chapter 2) with the HPS actions and key existing City actions.

**Exhibit 8. Connection Between Unmet Housing Needs, Actions in the HPS, and Existing Actions**

| Unmet Housing Needs | Actions that Address the Unmet Housing Needs | |
|---|---|---|
| | Existing Salem Policies and Programs | Actions in the HPS |
| **Actions that Increase Development of Housing** Regardless of Income Level or Demographic Group | Many of Salem's existing policies support development of housing regardless of income level and are not documented here. | ▪ A. Develop a New Urban Renewal Area *<br>▪ D. Fund Infrastructure Improvements to Support Housing Development<br>▪ E. Revise System Development Charges (SDCs) Methodology for Smaller Housing Types<br>▪ K. Revise the Zoning Code to Support more Development of Needed Housing<br>▪ M. Improve the Permitting Process<br>▪ O. Increase Developer Understanding and Awareness of Existing Programs |
| **Extremely Low Income (<30% MFI) and Very Low Income (30% to 60% MFI):** New subsidized housing; preserving existing "naturally occurring affordable housing" | ▪ Recent development of housing for this income group:<br>  ▪ Redwood Crossing project<br>  ▪ Sequoia Crossing project<br>  ▪ Yaquina Hall project<br>▪ Low-Income Housing Property Tax Exemption Program: tax exemption for housing serving people at or below 60% AMI.<br>▪ Safety and Livability Bond: approximately $17.5M for affordable housing support.<br>▪ Salem Housing Authority: helps provide affordable housing units, housing choice vouchers, utility assistance payments, and various supportive services.<br>▪ Salem sold surplus land in 2021 to United Way of the Mid-Willamette Valley for cottage clusters for low-income seniors. | ▪ G. Support Housing Development in Areas of Opportunity<br>▪ H. Support Development of Permanent Supportive Housing<br>▪ N. Advocate for Manufactured Home Park Residents<br>▪ Q. Affirmatively Furthering Fair Housing |
| **Low Income (60% to 80% MFI):** New subsidized housing; preserving existing "naturally occurring affordable housing" | ▪ Waivers for System Development Charges (SDCs): The City has provided SDC waivers for projects that provide housing to households with an income at or below 80 percent AMA. Waivers have been provided to 14 affordable housing projects that resulted in about 800 dwelling units (as of April 2024). | ▪ A. Develop a New Urban Renewal Area<br>▪ B. Develop a Single Property Urban Renewal Program<br>▪ C. Develop a New Middle Housing Urban Renewal Area Program<br>▪ E. Revise System Development Charges (SDCs) Methodology for Smaller Housing Types |

| Unmet Housing Needs | Actions that Address the Unmet Housing Needs | |
|---|---|---|
| | Existing Salem Policies and Programs | Actions in the HPS |
| | ▪ North Gateway URA Rehabilitation: grants for new and improvements to existing affordable housing.<br>▪ Multi-Unit Housing Tax Incentive Program (MUHTIP): tax exemption for projects with 50 or more units that include units at or below 80% AMI.<br>▪ Single Property URA Districts for Affordable Housing: tax rebate for projects with units at or below 80% AMI.<br>▪ Safety and Livability Bond: approximately $17.5M for affordable housing support.<br>▪ Salem Urban Renewal Agency: developing Block 50 with mixed-use and affordable housing at 80% MFI.<br>▪ Community Land Trusts: the City provided $950,000 in federal funding to DevNW for construction subsidy at MacLeay CLT, and $300,000 for downpayment assistance when units are ready for sale. | ▪ F. Identify a New Multi Unit Housing Tax Incentive Program (MUHTIP) area<br>▪ G. Support Housing Development in Areas of Opportunity<br>▪ I. Support Development by Community Land Trusts<br>▪ J. Provide Homebuyer Assistance<br>▪ N. Advocate for Manufactured Home Park Residents<br>▪ P. Expand Ready-Build Plans<br>▪ Q. Affirmatively Furthering Fair Housing |
| **Middle Income (80% to 120%):** New market-rate rental housing and smaller market rate homes for ownership; preserve existing smaller, older homes | ▪ Riverfront Downtown URA Capital Improvement Grant: allows up to $750,000 and provides a 15%-50% matching grant for new mixed-use construction including housing (but not only housing).<br>▪ Multi-Unit Housing Tax Incentive Program (MUHTIP): tax exemption for projects with 50 or more units that include units at or below 80% AMI. | ▪ A. Develop a New Urban Renewal Area<br>▪ B. Develop a Single Property Urban Renewal Program<br>▪ C. Develop a New Middle Housing Urban Renewal Area Program<br>▪ E. Revise System Development Charges (SDCs) Methodology for Smaller Housing Types<br>▪ F. Identify a New Multi-Unit Housing Tax Incentive Program (MUHTIP) area<br>▪ G. Support Housing Development in Areas of Opportunity<br>▪ L. Revise the Zoning Code to Preserve Nonconforming Housing<br>▪ P. Expand Ready-Build Plans<br>▪ Q. Affirmatively Furthering Fair Housing |
| **People of Color (POC), including Latine:** Increased access to affordable housing options; housing for multigenerational households; access to housing in areas with access to services and public | ▪ The City updated its zoning code to allow middle housing throughout Salem.<br>▪ The City rezoned land to allow multifamily housing in areas near transit service and in areas that historically only allowed single-family housing.<br>▪ Fair Housing and Housing Anti-Displacement: actions to this policy include coordinating with other agencies and | To the extent that POC are more likely to have lower incomes than the citywide average, the actions that support development of housing below 120% AMI above would positively impact POC as well (and are not listed below).<br><br>▪ G. Support Housing Development in Areas of Opportunity |

| Unmet Housing Needs | Actions that Address the Unmet Housing Needs | |
|---|---|---|
| | Existing Salem Policies and Programs | Actions in the HPS |
| transportation; access to housing without discrimination | organizations to affirmatively further fair housing and partnering with the Fair Housing Council of Oregon.<br>▪ One-Stop Shop for Housing Assistance: The City has established a webpage listing rental and utility assistance and resources in English and Spanish. | ▪ I. Support Development by Community Land Trusts<br>▪ J. Provide Homebuyer Assistance<br>▪ N. Advocate for Manufactured Home Park Residents<br>▪ Q. Affirmatively Furthering Fair Housing |
| **People with a Disability:** Housing with design standards that meet their needs; access without discrimination; access to services; access to public transportation | ▪ North Gateway URA Rehabilitation: includes incentives for accessibility improvements.<br>▪ Multi-Unit Housing Tax Incentive Program (MUHTIP): public benefit options for tax abatement include accessibility features. | To the extent that people with a disability are more likely to have lower incomes than the citywide average, the actions that support development of housing below 120% AMI above would positively impact people with a disability as well (and are not listed below).<br><br>▪ G. Support Housing Development in Areas of Opportunity<br>▪ K. Revise the Zoning Code to Support more Development of Needed Housing, which includes increasing development of accessible housing<br>▪ Q. Affirmatively Furthering Fair Housing |
| **Seniors:** Housing with design standards that meet their needs; access without discrimination; access to services; access to public transportation; ability to age in place | ▪ Salem sold surplus land in 2021 to United Way of the Mid-Willamette Valley for cottage clusters for low-income seniors. | To the extent that seniors are more likely to have lower incomes than the citywide average, the actions that support development of housing below 120% AMI above would positively impact seniors as well (and are not listed below).<br><br>▪ G. Support Housing Development in Areas of Opportunity<br>▪ K. Revise the Zoning Code to Support more Development of Needed Housing, which includes increasing development of accessible housing<br>▪ Q. Affirmatively Furthering Fair Housing |
| **People Experiencing Homelessness:** Emergency assistance and shelter; permanent supportive housing; deeply affordable units | ▪ The City allows Managed Safe Parking Shelter Sites for individuals using their vehicle as their home.<br>▪ Two Mirco-Shelter Villages were opened for up to 200 guests with direct access to electricity, laundry, washrooms, meals, health, and social support. A third micro-shelter site was opened to focus on youth and young adults, ages 18-24. | To the extent that people experiencing homelessness are more likely to have lower incomes than the citywide average, the actions that support development of housing below 60% AMI above would positively impact people experiencing homelessness as well (and are not listed below).<br>▪ H. Support Development of Permanent Supportive Housing<br>▪ Q. Affirmatively Furthering Fair Housing |

| Unmet Housing Needs | Actions that Address the Unmet Housing Needs | |
|---|---|---|
| | Existing Salem Policies and Programs | Actions in the HPS |
| | ○ The City worked with other agencies and organizations to open Salem's first Navigation Center, which added 75 low-barrier shelter beds.<br>○ The Salem Housing Authority and other organizations like DevNW have created permanent supportive housing developments like Redwood Crossing and Sequoia Crossing in recent years. | |
| **Immigrant community, including refugees:** Culturally-considerate housing; increased access to affordable housing options; housing for multigenerational households; access to housing without discrimination | ○ Fair Housing: City added policies in its updated Comprehensive Plan to remove regulatory barriers to housing choices for people in protected classes.<br>○ One-Stop Shop for Housing Assistance: The City has established a webpage listing rental and utility assistance and resources in English and Spanish. | To the extent that immigrants are more likely to have lower incomes than the citywide average, the actions that support development of housing below 120% AMI above would positively impact immigrants as well (and are not listed below).<br>▪ G. Support Housing Development in Areas of Opportunity<br>▪ I. Support Development by Community Land Trusts<br>▪ J. Provide Homebuyer Assistance<br>▪ N. Advocate for Manufactured Home Park Residents<br>▪ Q. Affirmatively Furthering Fair Housing |

* Note: URA program funds can be used to support housing development in flexible ways, aligning with various AMI levels.

Exhibit 9 shows the primary and secondary housing needs primarily addressed for each of the HPS actions for the development and preservation of existing housing. Many of the actions in the HPS in this section can be used to meet housing needs at different income levels. This section describes how groupings of actions, into areas of focus, are necessary to work together to meet Salem's housing needs.

**Exhibit 9. Salem Housing Production Strategy Actions, Action Focus Evaluation**

■ Primary Focus of the action ☐ Secondary Focus of the action

| Name | Encourage development of income-restricted affordable housing units (60% of AMI or Less) | Encourage development of low- and moderate-income affordable rental housing (60% to 120% AMI) | Increase opportunities for affordable homeownership | Preserve existing supply of low- and moderate-income affordable housing (120% AMI or less) |
|---|---|---|---|---|
| A. Develop a New Urban Renewal Area | ■ | ■ | ☐ | ☐ |
| B. Develop a Single Property Urban Renewal Program | ■ | ■ | ☐ | ☐ |
| C. Develop a New Middle Housing Urban Renewal Area Program | ☐ | ■ | ■ | |
| D. Fund Infrastructure Improvements to Support Housing Development | ■ | ■ | ■ | |
| E. Revise System Development Charges (SDCs) Methodology for Smaller Housing Types | | ■ | ■ | |
| F. Identify a New Multi Unit Housing Tax Incentive Program (MUHTIP) area | | ■ | | |
| G. Support Housing Development in Areas of Opportunity | ■ | ■ | ■ | |
| H. Support Development of Permanent Supportive Housing | ■ | | | |
| I. Support Development by Community Land Trusts | | | ■ | |
| J. Provide Homebuyer Assistance | | | ■ | |

| Name | Encourage development of income-restricted affordable housing units (60% of AMI or Less) | Encourage development of low- and moderate-income affordable rental housing (60% to 120% AMI) | Increase opportunities for affordable homeownership | Preserve existing supply of low- and moderate-income affordable housing (120% AMI or less) |
|---|---|---|---|---|
| K. Revise the Zoning Code to Support more Development of Needed Housing | ■ | ■ | ■ | |
| L. Revise the Zoning Code to Preserve Nonconforming Housing | | | □ | ■ |
| M. Improve the Permitting Process | ■ | ■ | ■ | □ |
| N. Advocate for Manufactured Home Park Residents | | | □ | ■ |
| O. Increase Developer Understanding and Awareness of Existing Programs | ■ | ■ | ■ | ■ |
| P. Expand Ready-Build Plans | | ■ | ■ | |
| Q. Affirmatively Furthering Fair Housing | ■ | ■ | ■ | ■ |

## Implementation Considerations for Each Action

Exhibit 10 provides information about each action, based on the criteria below.

- **City Role** considers whether City staff would take the lead role in implementing an action, or if the City's role would be to partner with other organizations. This evaluation will include a high-level description of what the City's role might entail.
- **Administrative effort** considers how much staff and decision-maker time is required to develop and implement the action, and whether the action is difficult to administer once it is in place. The HPS defines Administrative Complexity as follows:

  **Low effort:** Requires some staff and/or decision-maker time; Could be implemented relatively quickly; Requires some ongoing staff time to implement the action.

  **Medium effort:** Requires more staff and/or decision-maker time; Would take longer to implement; Requires more ongoing staff time.

  **High effort:** Requires significant staff and/or decision-maker time to develop the action; Would take a significant length of time to implement; Requires significant ongoing staff time to implement the action.
- **Potential Impact on Housing** considers whether the action will result in a little or a lot of change in the housing market. How many dwelling units might be produced, more affordable units produced, or affordable housing units preserved? Can the action leverage investments from other partners? The scale of impact depends on conditions in the city, such as other existing or newly implemented housing policies, land supply, and housing market conditions.

  **Low impact:** May result in development of a small number of new units or no units. Approximately 1% to 3% of needed units over the six-year HPS period (71 to 211 new units).[5] May have small impact on production or preservation of affordable units.

[5] The Salem Housing Needs Analysis projects that Salem will add 23,355 new dwellings between 2015 and 2035. This analysis uses that estimate of new dwellings for a 6-year period, a total of 7,006 new units.

**Medium impact:** May result in development of a moderate number of new units. Approximately 3% to 5% of needed units over the six-year HPS period (212 to 511 new units). May have medium-sized impact on production or preservation of affordable units.

**High impact:** May result in development of a larger number of new units. Approximately 5% to 10% of needed units over the six-year HPS period (512 to 701 new units). May have larger impact on production or preservation of affordable units.

- **Funding Required** considers what financial resources, outside of existing staff and decision-maker time, are required to develop and implement an action. This includes the additional cost of establishing and maintaining a new program, including new staff or consultant assistance. The HPS defines Funding Required as follows:

  **Low funding:** Requires little funding and little to no new staff

  **Medium funding:** Requires a moderate amount of funding

  **High funding:** Requires a larger amount of funding and/or is largely an expenditure of funding

- **Revenue Generated** considers whether the action will generate revenue to support housing production or preservation programs, or infrastructure to support housing development. The easier the program is to administer; the more net revenue will likely be available to offset costs for housing production or preservation. The HPS defines Revenue Generation as follows:

  **None:** Does not generate revenue.

  **Low revenue:** Generates little revenue.

  **Medium revenue:** Generates moderate amount of revenue.

  **High revenue:** Generates larger amount of revenue.

- **Community Support** assesses the acceptability of the action for community stakeholders. It considers community support or opposition during the development of the HPS and estimates the degree to which the action is likely to be supported or cause concerns in the community as the City works to implement the action. We define community support as follows:

  **High Support:** Likely to be more accepted and supported by the community.

**Medium Support:** Likely to be somewhat accepted and supported by the community.

**Low Support:** Likely to generate concerns from the community.

**Exhibit 10. Salem Housing Production Strategy Actions, Implementation Evaluation**

| Name | City Role | Administrative Effort | Potential Impact on Housing | Funding Required | Revenue Generated | Community Support |
|---|---|---|---|---|---|---|
| A. Develop a New Urban Renewal Area | Lead (Community Planning and Development) | Medium | High | Medium (contract in place, underway) | High | Medium |
| B. Develop a Single Property Urban Renewal Program | Lead (Community Planning and Development) | Medium | Medium | Low | Medium | Medium |
| C. Develop a New Middle Housing Urban Renewal Area Program | Lead (Community Planning and Development) | High | Medium | Medium | Medium | High |
| D. Fund Infrastructure Improvements to Support Housing Development | Partner with agencies, lead for planning for improvements and administering funds (Public Works) | Medium | High | High | None | High |
| E. Revise System Development Charges (SDCs) Methodology for Smaller Housing Types | Lead (Community Planning and Development) | Medium | Low to Medium | Medium | None | High |
| F. Identify a New Multi-Unit Housing Tax Incentive Program (MUHTIP) area | Lead (Community Planning and Development) | Medium | Medium | Medium | None | Medium |
| G. Support Housing Development in Areas of Opportunity | Lead for purchasing land (Community Planning and Development), partner with developer(s) or nonprofit | Medium | Low to Medium | High | None | High |
| H. Support Development of Permanent Supportive Housing | Lead for providing land/support, Partner with developer(s) or nonprofit, or agency | High | Low to Medium | High | None | Medium |

| Name | City Role | Administrative Effort | Potential Impact on Housing | Funding Required | Revenue Generated | Community Support |
|---|---|---|---|---|---|---|
| I. Support Development by Community Land Trusts | Lead for providing land/support, Partner with developer(s) or nonprofit, or agency | Medium | Low to Medium | Medium | None | High |
| J. Provide Homebuyer Assistance | Lead (Community Planning and Development), potentially partner with agency | Low | Low | High | None | Medium |
| K. Revise the Zoning Code to Support more Development of Needed Housing | Lead (Community Planning and Development) | Medium | Low to Medium | Low | None | High |
| L. Revise the Zoning Code to Preserve Nonconforming Housing | Lead (Community Planning and Development) | Low | Low | Low | Low | Medium |
| M. Improve the Permitting Process | Lead (Community Planning and Development) | Medium | Low | Low | None | High |
| N. Advocate for Manufactured Home Park Residents | Partner | Low | Low | Low | None | Medium |
| O. Increase Developer Understanding and Awareness of Existing Programs | Lead (Community Planning and Development) | Low | Low | Low | None | High |
| P. Expand Ready-Build Plans | Lead on implementation (Community Planning and Development), Partner to create plans | Low | Low | Low | None | Medium |
| Q. Affirmatively Furthering Fair Housing | Lead on funding (Community Planning and Development), Partner on training | Low | Low | Low | None | Medium |

## Potential Partners

Implementing the actions in this strategy will require participation of key partners who have roles essential to the construction, delivery, and preservation of housing units. Exhibit 11 shows who the main partners would be in different actions.

**Exhibit 11. City Department Involvement and Partner Roles**

| Actions | City Departments Directly Involved | Partners and Roles |
|---|---|---|
| ○ Develop a New Urban Renewal Area | Community Planning and Development Department | Public Works Department and development community/Property Owners |
| ○ Develop a Single Property Urban Renewal Program | Community Planning and Development Department | Property owners/developers: |
| ○ Develop a New Middle Housing Urban Renewal Area Program | Community Planning and Development Department | Development community, housing organizations, and other jurisdictions |
| ○ Fund Infrastructure Improvements to Support Housing Development | Community Planning and Development, and Public Works Departments | State agencies<br>Development community |
| ○ Revise System Development Charges (SDCs) Methodology for Smaller Housing Types | Community Planning and Development, and Public Works Departments | Development community and all City and County agencies with SDCs |
| ○ Identify a New Multi-Unit Housing Tax Incentive Program (MUHTIP) area | Community Planning and Development: Define new area with City Council adoption and administer/monitor program and compliance | City and County taxing districts<br>Development community |
| ○ Support Housing Development in Areas of Opportunity | Community Planning and Development: Choose areas of opportunity and provide incentives/purchase land | Development community |
| ○ Support Development of Permanent Supportive Housing | Community Planning and Development: Convene developers and service providers, and coordinate and provide funding for | Salem Housing Authority and/or development community<br>Nonprofit service providers |

| Actions | City Departments Directly Involved | Partners and Roles |
|---|---|---|
| | infrastructure, land, and/or development activity | |
| ○ Support Development by Community Land Trusts | Community Planning and Development: Identify and/or provide available land and provide financial/technical assistance | Nonprofit organizations and/or land trusts<br>Development community |
| ○ Provide Homebuyer Assistance | Community Planning and Development: Identify program partners and administer funds | Qualified nonprofit organizations |
| ○ Revise the Zoning Code to Support more Development of Needed Housing | Community Planning and Development Department: Develop code amendment | Development community, neighborhoods, residents, and organizations that advocate for accessible housing |
| ○ Revise the Zoning Code to Preserve Nonconforming Housing | Community Planning and Development Department: Develop code amendment | Development community and property owners |
| ○ Improve the Permitting Process | Community Planning and Development Department | Development community |
| ○ Advocate for Manufactured Home Park Residents | Support future state legislative action | Manufactured home park residents, associations, and advocacy groups |
| ○ Increase Developer Understanding and Awareness of Existing Programs | Community Planning and Development Department: Distribute information on local and state programs | Development community |
| ○ Expand Ready-Build Plans | Community Planning and Development Department | Development community (e.g. architects and designers) |
| ○ Affirmatively Furthering Fair Housing | Community Planning and Development Department | Fair Housing Council of Oregon (FHCO)<br>Landlords, investors, developers, Neighborhood Associations, and social service agencies |

## Benefits, Burdens, Opportunities, Risks

The City is required to consider the benefits, burdens, risks, and opportunities of each action. This analysis answers the following questions:

- What are the potential benefits, and who is potentially burdened by this action for the following groups of people who have been historically marginalized: low-income communities, communities of color, people with disabilities, and other state and federal protected classes?[6]
- What are the broader opportunities or risks with the adoption of the actions proposed in the HPS?

Appendix F provides an analysis of how the actions in the HPS, taken together, help Salem achieve more fair and equitable outcomes for housing.

**Exhibit 12. Potential Benefits, Burdens, Opportunities, and Risks of the HPS Actions**

| Actions | Equity Benefits | Equity Burdens | Broader Opportunities | Broader Risks |
|---|---|---|---|---|
| ○ Develop a New Urban Renewal Area | ▪ Provides a flexible source of funding to support housing development at a range of income levels and can benefit moderate and lower-income households who may occupy housing in the URA.<br>▪ New URA may be located in areas well-served by transit, benefiting residents of the URA and potentially decreasing dependance on automotive transportation. | ▪ Potential for displacement due to gentrification.<br>▪ If the City did see displacement risks increasing, the City's approach to mitigating potential displacement of these populations is to ensure that incentives related to housing in the URA include an affordability component (e.g., not market-rate housing), whether the incentives support infrastructure | ▪ Provides opportunities for development of new housing, including housing affordable below 80% AMI, and infrastructure needed to support housing development.<br>▪ Provides opportunities for more affordable housing built in the North Waterfront area, diversifying the location of new affordable housing, in an area expected to be designated as Walkable, Mixed-Use Areas (or climate-friendly areas). | ▪ Delays benefits of assessment growth to taxing jurisdictions for the life of the Urban Renewal District.<br>▪ Increased cost to monitor rent restrictions during affordability period. |

[6] Federal protected classes are race, color, national origin, religion, sex, familial status, and disability. Oregon's additional protected classes are marital status, source of income, sexual orientation and gender identity, and status as a domestic violence survivor. Salem's additional protected classes are: age, marital status, domestic partnership, and housing status. Under Fair Housing laws, it is illegal to deny access to housing based on the characteristics of people within these protected classes.

| Actions | Equity Benefits | Equity Burdens | Broader Opportunities | Broader Risks |
|---|---|---|---|---|
| | | improvements, grants, or other programs.<br>▪ Required element of blight must be identified to qualify a geographic area for an urban renewal area. | ▪ Serves as an incubator for private development leading to assessment growth | |
| ○ Develop a Single Property Urban Renewal Program | ▪ Provides a source of funding to support development of affordable housing units. This can benefit moderate and lower-income households.<br>▪ New URAs may be located in areas well-served by transit, benefiting residents of the URA and potentially decreasing dependance on automotive transportation. | ▪ Given that this action is a rebate program for development of affordable housing, it is unlikely to increase burdens for protected classes. | ▪ Provides property tax rebates for development of multifamily housing that incorporates affordable housing.<br>▪ Does not require long term debt instruments to finance capital improvements. | ▪ Risk of developers not participating in the program.<br>▪ Delays benefits of assessment growth to taxing jurisdictions for the life of the Urban Renewal District.<br>▪ Increased cost to monitor rent restrictions during period of affordability. |
| ○ Develop a New Middle Housing Urban Renewal Area Program | ▪ Provides a flexible source of funding to support housing development at a range of income levels. This can benefit moderate and lower-income households who may occupy housing in the middle housing URA. | ▪ Unlikely to increase burdens for protected classes.<br>▪ Potential for displacement due to gentrification.<br>▪ Salem has not seen displacement from urban renewal in the past because staff have not requested variances for development that would displace residents. If the City did see displacement risks increasing, the City's approach to mitigating potential displacement of these populations is to ensure that incentives related to housing in the | ▪ Middle housing is more likely to be lower cost than traditional single-family detached housing, providing a wider range of housing sizes, especially smaller units, and opportunities for multigenerational housing (such as duplexes) and affordable homeownership. | ▪ Risk of developers not participating in the program.<br>▪ Middle housing without rent restrictions is not always guaranteed to be affordable to lower-income households.<br>▪ Delays benefits of assessment growth for the life of the Urban Renewal District. |

| Actions | Equity Benefits | Equity Burdens | Broader Opportunities | Broader Risks |
|---|---|---|---|---|
| | | URA include an affordability component (e.g., not market-rate housing), whether the incentives support infrastructure improvements, grants, or other programs. | | |
| ○ Fund Infrastructure Improvements to Support Housing Development | ▪ Improves livability for all residents by upgrading public infrastructure<br>▪ Provides development potential in areas the City has identified as high opportunity areas. | ▪ Unlikely to increase burdens. | ▪ May increase areas of the City where housing can be built, especially at a higher density. | ▪ Depends on State and other funding sources<br>▪ Risk of project stranding without sufficient support.<br>▪ Risk of time delay and cost escalation to assemble sufficient financing. |
| ○ Revise System Development Charges (SDCs) Methodology for Smaller Housing Types | ▪ Provides an incentive to support housing development that can benefit moderate and lower-income households who tend to occupy smaller housing.<br>▪ New smaller housing may be located in areas well-served by transit, benefiting residents and potentially decreasing dependance on automotive transportation. | ▪ Unlikely to increase burdens. | ▪ Smaller housing types are more likely to be lower cost than traditional large single-family detached housing, providing a wider range of housing options.<br>▪ Could encourage more smaller housing types to be built that would help serve unmet needs and provide more housing options and choices. | ▪ Will need to ensure that the change in SDC does not result in less SDC revenue overall.<br>▪ Smaller housing is not always guaranteed to be affordable to lower-income households.<br>▪ Developer buy-in for smaller housing vs more profitable sizes.<br>▪ Reduction is SDCs for smaller housing types will result in an increase in SDCs for larger housing types. This could result in a reduction of housing while developers adjust to the change. |
| ○ Identify a New Multi-Unit Housing Tax Incentive | ▪ Provides an incentive to support mixed income housing development that supports diverse household incomes. | ▪ | ▪ Provides opportunities for development of new housing, including housing affordable below 80% AMI and creates | ▪ If 51% percent of the total combined rate of taxation on the property approve, City and all taxing districts would forgo property tax |

| Actions | Equity Benefits | Equity Burdens | Broader Opportunities | Broader Risks |
|---|---|---|---|---|
| Program (MUHTIP) area | ▪ Groups more likely to have qualifying incomes include: POC, people with disabilities, and seniors. To increase benefits to these groups, the City may want to ensure that participating developments engage people in these groups.<br>▪ Benefits low-to moderate income households since it requires a portion of the housing to be set aside for low to moderate income households occupying housing in the MUHTIP area.<br>▪ New MUHTIP area may be located in areas well-served by transit, benefiting residents and potentially decreasing dependance on automotive transportation. | | diverse mixed-income housing developments. | revenue for up to 10 years where MUHTIP is granted. |
| Support Housing Development in Areas of Opportunity | ▪ Provides development potential in areas the City has identified as high opportunity areas.<br>▪ New housing may be located in areas well-served by transit and pedestrian infrastructure, benefiting residents and potentially decreasing dependance on automotive transportation. | ▪ Unlikely to increase burdens. | ▪ Provides opportunities for housing, including more affordable housing, built in the West or South Salem areas, diversifying the location of new affordable housing or mixed-income housing.<br>▪ Increasing housing in high opportunity areas will give residents the chance to live near places of employment, diverse transportation | ▪ Risk of not having enough funding to purchase suitable land, should land purchases be needed. |

| Actions | Equity Benefits | Equity Burdens | Broader Opportunities | Broader Risks |
|---|---|---|---|---|
| | | | options, services, and amenities like parks. | |
| ○ Support Development of Permanent Supportive Housing (PSH) | ▪ Benefits the lowest income households, people experiencing homelessness, and could benefit persons with disabilities.<br>▪ The new PSH may be located in areas well-served by transit and pedestrian infrastructure, benefiting residents and potentially decreasing dependance on automotive transportation. | ▪ Unlikely to increase burdens. | ▪ PSH provides housing for those with the most challenges securing stable housing.<br>▪ Reduces homelessness and the associated public costs. | ▪ High cost of ongoing service provision.<br>▪ Need for ongoing operational funding, which will require partners with sufficient funding. |
| ○ Support Development by Community Land Trusts | ▪ Depending on how the CLT operates, this may benefit POC and seniors because some CLTs specialize in providing services to federal protected classes.<br>▪ Benefits low-to moderate income households and communities who have historically had difficulty achieving homeownership. | ▪ Unlikely to increase burdens. | ▪ Provides long-term affordability and wealth-building opportunities for homeowners.<br>▪ Encourages mixed-income communities and equitable access to housing.<br>▪ Fosters stable neighborhoods. | ▪ Depends on having effective partnerships, without which this action may not be implemented sufficiently.<br>▪ Could depend on federal funding. |
| ○ Provide Homebuyer Assistance | ▪ Benefits moderate income households and, in some cases, low-income households. | ▪ Unlikely to increase burdens. | ▪ Provides long-term affordability and wealth-building opportunities for homeowners. | ▪ Depends on federal funding.<br>▪ Cost to implement limits size of population served. |

| Actions | Equity Benefits | Equity Burdens | Broader Opportunities | Broader Risks |
|---|---|---|---|---|
| | ▪ Federal funding source and partnership structure ensures AFFH. | | ▪ Could benefit first-time homebuyers.<br>▪ Fosters stable neighborhoods.<br>▪ Serves as outlet for Housing Authority tenants ready to move on from subsidized multi-family living. | |
| ○ Revise the Zoning Code to Support more Development of Needed Housing | ▪ Benefits persons with disabilities, seniors, and households of all income levels.<br>▪ City could evaluate opportunities to promote the development of smaller-scale middle housing or multi-unit housing. | ▪ Unlikely to increase burdens. | ▪ Middle and multifamily housing is more likely to be lower cost than traditional single-family detached housing, providing a wider range of housing sizes - especially smaller units - and opportunities for multigenerational housing (such as duplexes) and affordable homeownership. | ▪ Smaller housing types without rent restrictions is not always guaranteed to be affordable to lower-income households. |
| ○ Revise the Zoning Code to Preserve Nonconforming Housing | ▪ Could benefit households of all income levels.<br>▪ Could help preserve existing housing serving low to moderate-income households. | ▪ Unlikely to increase burdens. | ▪ Could support opportunities for affordable homeownership.<br>▪ Could provide more incentives to repair existing housing. | ▪ Impacts are likely to be minor or have no negative impact. |
| ○ Improve the Permitting Process | ▪ Could benefit households of all income levels. | ▪ Unlikely to increase burdens. | ▪ Could increase housing development through easier and faster development processes. | ▪ This could require additional staff and additional resources to implement. |
| ○ Advocate for Manufactured Home Park Residents | ▪ Could help preserve existing housing serving low to moderate-income households and | ▪ Unlikely to increase burdens. | ▪ Could preserve opportunities for affordable homeownership.<br>▪ Could provide more incentives to repair existing housing. | ▪ Depends on legislative bills that seek to limit rent increases and/or create a right of first refusal for current residents to avoid |

| Actions | Equity Benefits | Equity Burdens | Broader Opportunities | Broader Risks |
|---|---|---|---|---|
| | communities vulnerable to displacement, which often include historically marginalized populations. | | | displacement due to conversion.<br>▪ Depends on sufficient funding if opportunity to purchase park arises. |
| ○ Increase Developer Understanding and Awareness of Existing Programs | ▪ Could benefit households of all income levels, middle housing, and low to moderate income affordable housing. | ▪ Unlikely to increase burdens. | ▪ Organizations representing and serving communities of color and people with disabilities advocated for affordable homeownership programs and better outreach about existing programs and resources. | ▪ Depends on developers and other stakeholders engaging on this topic. |
| ○ Expand Ready-Build Plans | ▪ Could benefit households of all income levels.<br>▪ If ready-build plans include smaller housing types, this may increase the availability of housing more affordable to lower-income households. | ▪ Unlikely to increase burdens. | ▪ Supports the construction of more smaller housing types that would help serve unmet needs.<br>▪ Middle housing is more likely to be lower cost than traditional single-family detached housing, providing a wider range of housing sizes - especially smaller units - and opportunities for multigenerational housing (such as duplexes) and affordable homeownership. | ▪ Impacts are likely to be minor or have no negative impact.<br>▪ Smaller housing types without rent restrictions is not always guaranteed to be affordable to lower-income households.<br>▪ Depends on participation from developer/design community. |
| ○ Affirmatively Furthering Fair Housing | ▪ Benefits all members of protected classes such as POC, low-to moderate income households, people experiencing homelessness, | ▪ Unlikely to increase burdens. | ▪ Provides opportunities for renters and property owners to better understand their rights and responsibilities. | ▪ Likely to have little effect unless combined with other efforts.<br>▪ Ongoing cost to contract with the Fair Housing Council of Oregon. |

| Actions | Equity Benefits | Equity Burdens | Broader Opportunities | Broader Risks |
|---|---|---|---|---|
| | persons with disabilities, and communities vulnerable to displacement.<br>▪ Could help preserve existing housing serving low to moderate-income households. | | | ▪ Potential resistance from landlords. |

## Relationship of Actions to Walkable Mixed-Use Areas

Under the new Climate Friendly and Equitable Communities (CFEC) rules, the City must designate Walkable, Mixed-Use Areas (WaMUAs) – called "climate friendly areas" (CFAs) by the State – and adopt regulations in these areas to promote housing and mixed-use development. Walkable, Mixed-Use Areas are urban, compact areas that support a mix of uses, including housing, jobs, businesses, and services, and they provide easy access to these uses by walking, biking, or taking transit.

The Downtown Salem, North Downtown, and West Salem have been identified as potential WaMUAs in Salem.[7] The designation of these areas will be brought forward for adoption by mid-2026. Several of the Housing Production Strategy actions will likely support housing development in Salem's proposed WaMUAs. Specifically, the potential impact of HPS actions on housing production in the potential WaMUAs can be broadly categorized in the following ways:

- **Direct impact:** The action will likely have a direct impact in the WaMUA by encouraging housing production.
- **Citywide:** The action will likely impact housing production citywide, including in the WaMUAs.
- **Implementation dependent:** The action may impact housing production in WaMUAs depending on how the action is implemented. For example, some of the actions in this category will be implemented in specific locations, but those locations will be determined during implementation.
- **Low or no impact:** The action has low or no impact on housing production in WaMUAs. These actions often advance housing goals, but they do not necessarily result in more housing development, or they are not likely to be located within a WaMUA.

Exhibit 13 shows the impact that each action is expected to have on housing production in the potential WaMUAs.

**Exhibit 13. Impact of HPS Actions on Potential WaMUAs**

| Action | Downtown | North Downtown | West Salem |
|---|---|---|---|
| A. Develop a New Urban Renewal Area | Low or no impact | Direct impact | Low or no impact |
| B. Develop a Single Property Urban Renewal Program | Low or no impact | Low or no impact | Low or no impact |

[7] A map of potential WaMUAs Candidates is here: https://salem.legistar.com/View.ashx?M=F&ID=12311608&GUID=40B2AC3E-54AC-46DE-9AA4-9A4E2CD7E24E

| Action | Downtown | North Downtown | West Salem |
|---|---|---|---|
| C. Develop a New Middle Housing Urban Renewal Area Program | Low or no impact | Low or no impact | Low or no impact |
| D. Fund Infrastructure Improvements to Support Housing Development | Implementation dependent | Implementation dependent | Implementation dependent |
| E. Revise the system development charges (SDCs) methodology | Citywide | | |
| F. Create a new Multi-Unit Housing Tax Incentive Program (MUHTIP) | Low or no impact | Low or no impact | Low or no impact |
| G. Support Housing Development in Areas of Opportunity | Implementation dependent | Implementation dependent | Implementation dependent |
| H. Support Development of Permanent Supportive Housing | Implementation dependent | Implementation dependent | Implementation dependent |
| I. Support Development by Community Land Trusts | Low or no impact | Low or no impact | Low or no impact |
| J. Provide Homebuyer Assistance | Low or no impact | Low or no impact | Low or no impact |
| K. Revise the Zoning Code to Support more Development of Needed Housing | Citywide | | |
| L. Revise the Zoning Code to Preserve Nonconforming Housing | Low or no impact | Low or no impact | Low or no impact |
| M. Improve the Permitting Process | Citywide | | |
| N. Advocate for Manufactured Home Park Residents | Low or no impact | Low or no impact | Low or no impact |
| O. Increase Developer Understanding and Awareness of Existing Programs | Citywide | | |
| P. Expand Ready-Build Plans | Citywide | | |
| Q. Affirmatively Furthering Fair Housing | Low or no impact | Low or no impact | Low or no impact |

As part of the development of the City's WaMUA study required by the State's CFEC rules, the City conducted an analysis of potential for displacement in potential WAMUAs.[8] That analysis showed potential for displacement risk in North and Northeast areas of Salem, as well as in inner West Salem, along Wallace Road NW, inner Southeast Salem, and along Commercial Street SE near Salem's city limits. The findings of this analysis informed the development of several of the actions in this HPS.

[8] More information at "Walkable, Mixed-Use Areas Study" Attachment 3: https://salem.legistar.com/View.ashx?M=F&ID=12311597&GUID=50D5C08F-7449-4AA2-A95E-5D70BE04E7A5.

Specifically, the anti-displacement work and input from the City's Equity Roundtable influenced and supported the following actions: Action G (Support Housing Development in Areas of Opportunity), Action L (Support Development by Community Land Trusts), Action K (Revise the Zoning Code to Support more Development of Needed Housing), and Action O (Increase Developer Understanding and Awareness of Existing Programs). Appendix F provides more information about the City's anti-displacement analysis and its connection to this HPS.

## Funding the Actions

One of the key limitations to implementing the actions in the HPS is the availability of funding. Funding is needed not only to build units, preserve affordable housing, and provide access to equitable housing but also for staff time to implement the Plan. Identifying a set of realistic funding sources is necessary for achieving the vision of affordable housing in Salem.

A robust set of housing preservation and development programs requires funding sources that are dedicated to these activities and that are stable and flexible. In addition to existing available funding options, the City will need to pursue new funding sources that can help fund its programs. The City's existing primary funding sources for actions in the HPS are:

- **Urban Renewal Revenues**. Salem has several Urban Renewal Areas, including the North Gateway URA, the Riverfront Downtown URA, and the West Salem URA. Urban Renewal Areas – including new URAs – could provide funding for some of the actions in the HPS. For example, URAs could provide funding for the construction of housing or for infrastructure improvements that support housing development.[9]
- **Safety and Livability Bond:** The Safety and Livability fund was approved in 2022 to provide $300 million for various community infrastructure improvements. This included $10 million allocated for affordable housing. That bond money can only be used for City-owned projects, so it cannot be granted to private developers. However, the bond money can be used for off-site improvements that can lower development costs, as the improvements would be owned by the City. The funds can also be used for Salem Housing Authority projects. For example, bond money could fund infrastructure improvements to support housing development (Action D).
- **Federal Funds**: The City provides federal grant funding to help local nonprofit organizations and other groups provide services, public facilities, and affordable housing for low- and moderate-income residents and neighborhoods. The primary sources of funding for housing are HOME funds and CDBG funds. Federal funding could support land acquisition and infrastructure improvements (Action D), a homebuyer program (Action J), Fair Housing training (Action Q), and the development of a community land trust (Action I), among other actions.

The City has a variety of other options for locally controlled funding sources that could support affordable housing. While this project did not include a robust funding analysis component, the project team discussed these funding sources with the City. Exhibit 14. provides an overview of which funding sources advanced to the HPS.

[9] Information and map of Salem's URAs: https://www.cityofsalem.net/government/departments-agencies/urban-renewal-agency/urban-renewal-areas.

**Exhibit 14. Funding Sources Evaluated**

| Recommendation for Inclusion in the HPS to Support Actions? | Revenue Source | Rationale for Inclusion/Exclusion? |
|---|---|---|
| Yes | Urban Renewal Area | Provides a stable, dedicated revenue source in an area with limited existing infrastructure. |
| Yes | General Obligation Bond | Salem passed a Safety and Livability Bond; funds from that bond may be used to support HPS actions |
| Yes | Federal Funds | Salem receives CDBG and HOME funds, which may be used to support HPS actions |
| No but staff will continue to pursue | Grants and State Funding | Not included as an action but considered as a source of funding for other housing actions. |
| No but the City will accept these | Private donations and gifts | Pursue as the City has staff capacity, without dedicated staff this is not likely to be a substantial source of funding |
| No | General Fund | Salem has a projected budget shortfall, so substantial funding of HPS actions from the General Fund is unlikely |
| No | Use of Construction Excise Tax funding | The City considered a CET in 2024 and is not pursuing one at this time |
| No | New local option levy | May not be politically feasible |
| No | New business license fee | May not be politically feasible |
| No | New food and beverage tax | May not be politically feasible |
| No | New sales tax | May not be politically feasible |
| No | New payroll or business income tax | May not be politically feasible |

# Monitoring Outcomes of the HPS

This is Salem's first HPS. As a result, the City is required to describe how it will measure the implementation and progress of the HPS. This section describes the metrics the City will use to evaluate HPS progress. When Salem produces its next HPS in six years, the City will be required to summarize the efficacy of each action included in this HPS.[10] The information resulting from these measures will help Salem to summarize the outcomes and efficacy of the actions in this HPS.

The City will review its progress toward the plan on a consistent basis, coinciding with the implementation plan in Exhibit 15.

During its periodic review of implementation progress, the City will report to DLCD on the implementation actions taken for the actions in progress, or any scheduled to begin, along with the housing development activity that has occurred. In the fourth year after the HPS is adopted, the City will provide a report to the State that provides an update on implementation of the HPS. Key questions that the City can consider in its assessment include:

- Are new or different actions needed to address new or changing conditions?
- Have any specific actions proven to be impractical and/or counterproductive?
- What benefits has the City seen from its efforts to date? Are the City's residents, and especially its lower-income residents and communities of color, seeing a return on the investments that the City has made?

In addition, the City can track indicators of plan progress in Exhibit 13.

**Exhibit 15. Monitoring by Action**

| Actions | Annual Monitoring |
|---|---|
| Overall Monitoring | ▪ Number of affordable units developed by income range.<br>▪ Number of affordable projects developed. |
| A. Develop a New Urban Renewal Area | ▪ Progress on developing the URA Plan.<br>▪ Amount of funding from urban renewal dollars to support housing development.<br>▪ Total number of new dwelling units built with urban renewal funding.<br>▪ Total number of units affordable at or below 120% AMI built with urban renewal funding. |
| B. Develop a Single Property Urban Renewal Program | ▪ Amount of funding from urban renewal dollars to support housing development.<br>▪ Number of developers who express interest in using the program.<br>▪ Total number of units affordable at or below 120% AMI built with urban renewal funding. |

[10] A detailed summary of DLCD's monitoring and reporting requirements for Housing Production Strategies is included in Appendix A.

| Actions | Annual Monitoring |
|---|---|
| C. Develop a New Middle Housing Urban Renewal Area Program | ▪ Progress on developing the URA Plan.<br>▪ Amount of funding from urban renewal dollars to support middle housing development.<br>▪ Total number of new middle housing dwelling units built with urban renewal funding. |
| D. Fund Infrastructure Improvements to Support Housing Development | ▪ Identify and summarize amount of funding investment adopted to support infrastructure improvements in the Capital Improvement Plan that are correlated to housing development projects.<br>▪ Location of new significant infrastructure improvements that support housing development. |
| E. Revise System Development Charges (SDCs) Methodology for Smaller Housing Types | ▪ Progress on revising SDC methodology.<br>▪ Number and type of smaller units built with the new SDCs.<br>▪ Number of SDC waivers awarded to qualifying developments. |
| F. Identify a New Multi-Unit Housing Tax Incentive Program (MUHTIP) area | ▪ Number of total new units built with the MUHTIP exemption.<br>▪ Number of new affordable units built with the MUHTIP exemption. |
| G. Support Housing Development in Areas of Opportunity | ▪ Identification of areas of opportunity.<br>▪ New housing built in areas of opportunity, including type of units.<br>▪ Amount of funding investment made to support housing development in areas of opportunities. |
| H. Support Development of Permanent Supportive Housing (PSH) | ▪ Amount of funding investments made to support PSH development.<br>▪ Number of PSH and affordable units developed. |
| I. Support Development by Community Land Trusts (CLT) | ▪ Number and type of units built and sold in CLT model by affordability range.<br>▪ Amount of funding or other support provided to CLT by the City, if any.<br>▪ Percentage decrease in unit cost to buyer by virtue of using CLT model. |
| J. Provide Homebuyer Assistance | ▪ Amount of funding provided for the program.<br>▪ Number of households served by the program, including basic demographic information. |
| K. Revise the Zoning Code to Support more Development of Needed Housing | ▪ Progress with developing code revisions.<br>▪ Number of new accessible dwelling units built. |
| L. Revise the Zoning Code to Preserve Nonconforming Housing | ▪ Progress with developing code revisions. |
| M. Improve the Permitting Process | ▪ Description of measures made to improve permitting process.<br>▪ Monitoring of average time to process key housing development permits.<br>▪ Number and type of educational materials developed. |
| N. Advocate for Manufactured Home Park Residents | ▪ Description and progress with implementing action. |
| O. Increase Developer Understanding and Awareness of Existing Programs | ▪ Number and type of educational materials or webpages created<br>▪ Number and type of educational events or meetings. |

| Actions | Annual Monitoring |
|---|---|
| P. Expand Ready-Build Plans | ▪ Description and progress with implementing action.<br>▪ Number of available ready-build plans.<br>▪ Number of dwelling units using ready-build plans by type unit. |
| Q. Affirmatively Furthering Fair Housing | ▪ Description and progress with implementing action.<br>▪ Number of participants at training events.<br>▪ Number and type of training events.<br>▪ Decrease in number of complaints. |

In addition, the City could monitor current market conditions to help the Council understand the context in which the overall HPS is operating:

- Number and type of new dwelling units produced in the city over time.
- Share of rent-burdened residents.
- Sales prices and rents for existing homes.
- Number and location of regulated affordable units produced in the city.

## Implementation Timeline

Implementation of the HPS will take time because each action will require further consideration, such as additional analysis, engagement of consultants, changes to existing standards or programs, discussions with decision makers, or public hearings. The City has initiated some of the actions listed in the HPS. For these actions, the HPS provides additional details about implementation of these actions and puts them into the broader context of Salem's housing needs. For actions that the City has not yet adopted, the City may be unable to or may choose not to implement some of these actions after the adoption of this HPS because of new information that arises from further consideration about the specifics of each action.

- **Evaluation:** The actions will require some level of evaluation or refinement prior to adoption, which may range from simple logistics (such as developing materials about an existing program) to complicated coordination between multiple internal and external stakeholders (such as implementation of a tax abatement). The evaluation period will occur before adoption.
- **City Council direction:** This occurs when the City takes official action to adopt an action, uses another official acknowledgement that the City is going to execute on the action, or gives staff official direction on implementation of an action. The table below shows the expected time of adoption or receiving official direction from council. The City's deadline for adoption or for other official city action is the last day of the year shown in Exhibit 16.
- **Implementation:** This occurs when the City officially allows the action to be used, represented by a tan color in the table.

If the City is unable to or chooses not to implement an action, the City may propose an alternative schedule for implementing the action or may identify a different action (or actions) to meet the specific housing need addressed by this action at the mid-point review (end of year 4 of the HPS). Furthermore, the City may identify reasons for why an action is found to be infeasible.

**Exhibit 16. Implementation Schedule**

| Action | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|
| A. Develop a New Urban Renewal Area | Evaluate | Council Direction | Implement | | | | |
| B. Develop a Single Property Urban Renewal Program | Evaluate | Council Direction | Implement | | | | |
| C. Develop a New Middle Housing Urban Renewal Area Program | Evaluate | | | | Council Direction | Implement | |
| D. Fund Infrastructure Improvements to Support Housing Development | Evaluated | | Council Direction | Implement | | | |
| E. Revise System Development Charges (SDCs) Methodology for Smaller Housing Types | Evaluate | | Council Direction | Implement | | | |
| F. Identify a New Multi Unit Housing Tax Incentive Program (MUHTIP) area | Evaluate | | | Council Direction | Implement | | |
| G. Support Housing Development in Areas of Opportunity | Evaluate | | | Council Direction | Implement | | |
| H. Support Development of Permanent Supportive Housing | Evaluate | Council Direction | Implement | | | | |
| I. Support Development by Community Land Trusts | Evaluate | | Council Direction | Implement | | | |
| J. Provide Homebuyer Assistance | Evaluate | | Council Direction | Implement | | | |
| K. Revise the Zoning Code to Support more Development of Needed Housing | Evaluate | | Council Direction | Implement | | | |
| L. Revise the Zoning Code to Preserve Nonconforming Housing | Evaluate | Council Direction | Implement | | | | |
| M. Improve the Permitting Process | Evaluate | Staff Action On-going Implementation | | | | | |
| N. Advocate for Manufactured Home Park Residents | Evaluate | Council Direction | Implement | | | | |

| Action | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|
| O. Increase Developer Understanding and Awareness of Existing Programs | Evaluate | Council Direction | Implement | | | | |
| P. Expand Ready-Build Plans | Evaluate | Council Direction | Implement | | | | |
| Q. Affirmatively Furthering Fair Housing | Evaluate | Council Direction | Implement | | | | |

## Recommendations for Potential Future Actions

The following actions, while important and useful, are not included as actions in the HPS because of uncertainty about the availability of funding, short-term feasibility of implementation, or for other reasons. Instead, the HPS will include them as recommendations that the City may want to consider in the future or as part of another process. The City will not have to report on progress toward these actions.

- **Funding for Manufactured Home Sites.** Provide funding to nonprofit organizations and/or existing manufactured home park residents to gain site control of an existing park when placed for sale.
- **Vertical Housing Tax Abatement.** Establish a Vertical Housing Tax Abatement program to encourage mixed-use development. A Vertical Housing Development Zone (VHDZ) incentivizes multi-story mixed-use development by offering a partial property tax exemption for 10 years to developments that include housing as well as non-residential use (e.g., retail on the ground floor), with a larger tax exemption for higher-density developments.
- **Recreational Vehicles.** Update the zoning code to expand where tiny homes on wheels or occupied recreational vehicles are allowed.
- **Construction Excise Tax (CET).** Establish a CET that would create a dedicated revenue source for affordable housing development. A CET is a tax assessed on construction permits issued by local cities that is assessed as a percent of the value of improvements for the permit being sought for projects with residential, commercial, or a mixture of residential and commercial.
- **Identify Opportunity for a UGB Land Exchange.** Determine the feasibility of pursuing an alternative urban growth boundary land exchange (under Senate Bill 1537 adopted in the 2024 Legislative session).
- **Funding to rehabilitate affordable housing.** Provides funding to nonprofit and other organizations to rehabilitate and preserve existing affordable housing projects.

- **Zone for Manufactured Home Parks.** Develop a zone that only allows manufactured home park (MHP) uses to support the preservation of existing manufactured home parks.
- **Resilience Hub Network.** Work with Marion County to establish a network of resilience hubs, which would serve as overnight shelters and resource centers and provide needed services for people experiencing homelessness or people at risk of homelessness. This would include strengthening and facilitating networks of community-based organizations that have established or are looking to serve as a resilience hub.
- **Homebuyer Opportunity Limited Tax Exemption (HOLTE) program.** Establish a HOLTE program that would provide up to a 10-year tax exemption on improvements to single-family homes that are sold to low to moderate-income households.

# Appendix A: Details of Each Action

## Actions Included in the HPS

This section presents more detailed information about each action.

### A. Develop a New Urban Renewal Area

**Rationale**

Urban renewal, also known as Tax Increment Financing, is a tool used throughout Oregon to stimulate investment and economic development, address blight, and grow property tax valuation within communities. Urban renewal revenue can only be used for acquisition, capital projects, related studies and plans, and administration. When an Urban Renewal Area (URA) is created, the property value in the district is frozen. As the property value in the URA increases above the frozen level, the tax revenue from the increase in value goes into the URA to be used on approved projects. State statute requires that each URA have a boundary and a plan that defines the purpose of the URA and the projects to be completed. Funds for projects can only be used within the URA boundary and on projects identified in the URA Plan. Urban renewal funds can be utilized to support goals of the Housing Production Strategy as they align with the adopted URA plan projects.

**Description**

**This action proposes to create a new URA to support the development of housing (including affordable housing) and related infrastructure in the North Waterfront area.** As the downtown area of Salem becomes built out, there has been an enhanced interest in opportunities within the North Waterfront/North Downtown area. Staff have identified an opportunity for redevelopment of properties left blighted due to changing economics and uses.

In the spring of 2024, staff received direction from the Urban Renewal Agency to move forward with a draft URA plan, report, and boundary determination for a new URA in the North Waterfront/North Downtown area. Staff aims to provide draft documents to the Urban Renewal Agency in 2025. The establishment of a new URA would be a tool to assist in the redevelopment of this North Waterfront area, which could provide additional incentives to support the construction of housing, including affordable rent restricted housing (specifics to be determined at the adoption of the new URA plan).

The boundaries of the new URA are anticipated to overlap with one of the City's potential Walkable, Mixed-Use Areas (or climate-friendly areas), which is expected to encompass the area north of downtown Salem. The potential Walkable, Mixed-Use Areas are shown on the hyperlinked map in the footnote and are expected to be officially designated in 2026.[11]

### Connection to Comprehensive Plan Goals and Policies

The HPS incorporates and builds off the community input received during the Our Salem project, which was a multi-year project to update our Comprehensive Plan, Comprehensive Plan Map, zoning map, and zoning code. That project resulted in new Comprehensive Plan goals and policies, as discussed below and throughout this appendix.

This action advances housing goals by encouraging housing that is affordable at a range of incomes and is located near downtown Salem and Cherriots' Core Network. Further, it addresses economic development, land use, and other goals and policies. Exhibit 17 highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 17. New Urban Renewal Area's connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 1: Housing Choice | **H1.1** |
| Housing Goal 2: Housing Affordability | **H2.1,** H2.4 |
| Housing Goal 3: Land Supply | **H3.1,** H3.3, H3.4 |
| Housing Goal 4: Complete Neighborhoods | **H4.4, H4.3** |
| Community Engagement and Equity Goal 2: Equity | CE2.1 |
| Economic Development Goal 1: Economic Development | **E1.12** |
| Economic Development Goal 2: Land Supply | **E2.6** |
| Land Use Goal 4: Plan Administration | **L4.4** |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City is the lead role in developing an urban renewal plan with projects and/or funding programs that best align with the redevelopment goals and objectives of the proposed area. Implementation of the plan would be done utilizing tax increment

[11] Map of Potential walkable, mixed-use area candidates: https://salem.legistar.com/View.ashx?M=F&ID=12311608&GUID=40B2AC3E-54AC-46DE-9AA4-9A4E2CD7E24E

funding and/or additional funding opportunities that might arise, both via other City departments and/or grants.

### Partners and Their Role

Lead Partner. Salem Urban Renewal Agency, City of Salem Community Planning and Development

Partners. Public Works Department and development community/Property Owners.

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| Extremely low, very low, low, and moderate-income households | Emphasis on below market-rate (affordability to be defined through AMI or other factors) | Renter and Owner | High impact on housing. Potentially 500 or more units, depending on funding |

### Stakeholder Input[12]

- Affordability was a priority across HPS focus groups and survey results.
- College students stated a desire for more housing close to downtown, which would be encouraged by this action.
- In HPS focus groups and other outreach, affordable housing near transit was important to low-income service providers, organizations representing communities of color, people with disabilities and disability service providers, and college students. This URA would include or likely be near frequent transit service.

### Implementation Steps

- Oregon Revised Statute 457.085 details the requirements for establishing a new URA. Blight is a precondition to any URA. If the precondition is met, the following process is required. A Tax Increment Financing District Plan must be developed that identifies the projects and what the funding can be used for in the jurisdiction. This process can be aligned with the HPS by including potential projects with housing needs based on geographic area and opportunities.

[12] The HPS incorporates and builds off the community input received during the Our Salem project, which was a multi-year project to update our Comprehensive Plan, Comprehensive Plan Map, zoning map, and zoning code. That project resulted in new Comprehensive Plan goals and policies, as discussed below and throughout this appendix.

- Develop a Tax Increment Financing Report, which is a financial analysis of the proposed TIF District. It determines impact to the taxing districts and establishes the maximum indebtedness (total amount of increment the urban renewal area can collect). This report also looks at the demographics of the proposed area and the current zoning and comprehensive plan requirements to maintain alignment with proposed projects in the Plan.
- Determine Final Geographic Boundaries of the Urban Renewal Area and have a survey conducted.
- Request Agency Board Approval of Draft Documents listed above; if approved, the following steps will be implemented.
- The TIF Plan and TIF Report will be distributed to the taxing districts with an offer to consult and confer.
- A super notice of the proposed TIF District will be distributed to all mailing addresses within the City of Salem.
- Public Comment would be made available through both a Planning Commission Meeting and City Council Ordinance Process.
- Final Resolution Adoption by the Urban Renewal Agency.
- Public Notice Posting and Recording of new urban renewal area with County no more than 30 days after approval by Agency.

### Funding or Revenue Implications

Urban renewal will provide a source of funding to support infrastructure improvements and housing development. The City will need staff to conduct necessary urban renewal studies and implement the new district.

## B. Develop a Single Property Urban Renewal Program

### Rationale

Salem is using urban renewal to provide a financial incentive tool in the form of a property tax rebate for the development of newly constructed affordable housing. The shortage of affordable housing in Salem is due, in part, to limited developer funding and public incentives for construction of new units. Existing incentives such as the Multi-Unit Housing Tax Incentive Program, Low Income Rental Housing Property Tax Exemption Program, and Community Partners Property Tax Exemption Program, while helpful, are not a fit for all housing development due to program guidelines that limit project geography, ownership type, and income level.

### Description

**The City will expand the use of the City's existing Single Property Urban Renewal Area (URA) for Affordable Housing program to provide property tax rebates to multifamily housing development projects that incorporate affordable housing.** The program is applicable within all of the City of Salem boundaries, with the exception of geographic areas that are currently in an existing urban renewal area. This could be applied in areas near frequent transit service and in areas with lower rates of poverty, increasing opportunities for people in protected classes to access more housing options. Projects cannot utilize additional property tax exemption benefits to qualify for the Single URA Program.

The City utilizes this URA Program to incentivize development of multifamily affordable housing. The level of affordable housing should equal 15% of the total units or 20 units, whichever is greater. Adoption of a Single Property URA would follow ORS requirements, consisting of a public hearing process with City Council, including public outreach. Following the establishment of a Single URA, staff would return to the Urban Renewal Agency with a development agreement outlining the details of any incentive program. This agreement would define the requirements of affordable housing and the term limits for the rebate. Examples of affordable housing include rent at 80% AMI or less, annual rent increase caps less than statutory requirements, etc. The length of time that the exemption would be in effect will be determined on a project-by-project basis, depending on the affordability considerations in the project, with the potential for longer tax exemptions for projects that propose affordability beyond the minimum.

### Connection to Comprehensive Planning Goals and Existing Related City Programs

By incentivizing affordable housing, this action advances many housing goals and policies as well as several economic development and land use policies. Depending on where the single-property URA is used, this action could also promote transit access

and contribute to mixed-income neighborhoods. Exhibit 18 highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 18. Single Property URA program's connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 2: Housing Affordability | **H2.1, H2.5,** H2.6 |
| Housing Goal 3: Land Supply | H3.1, H3.2, H3.3 |
| Housing Goal 4: Complete Neighborhoods | H4.3 |
| Economic Development Goal 1: Economic Development | **E1.12** |
| Economic Development Goal 3: Access and Livability | E3.2 |
| Land Use Goal 4: Plan Administration | **L4.4** |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City is the lead role working with developers in the development of an urban renewal plan and report. The City would lead the approval of a development agreement and then provide an annual audit to ensure the terms of agreement are being met prior to a rebate being issued.

### Partners and Their Role

Lead Partner. Salem Urban Renewal Agency, City of Salem Community Planning and Development

Partners. Property Owner/Developer

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| Extremely low-, very low-, low- and moderate-income households | Emphasis on below market-rate (affordability to be defined through AMI or other factors) | Renter | Medium impact on housing. Potentially 200 units or more depending on funding |

### Stakeholder Input

- Affordability was a priority across HPS focus groups and survey results.

- A lack of available rental housing was noted as an urgent concern and challenge, according to the Housing Needs Survey. Expanding affordable rental opportunities would address both needs.

### Implementation Steps

- Process begins with Developer reaching out to City.
- Developer required to provide City with: completed project valuation, timeframe for project completion, final survey of project site, and affordability element.
- Develop a Tax Increment Financing District Plan, this will identify property tax rebate program.
- Develop a Tax Increment Financing Report, which is a financial analysis of the proposed TIF District. This identifies the maximum indebtedness (maximum amount of increment to be collected) along with the maximum number of rebates. This report also looks at the demographics of the proposed area and the current zoning and comprehensive plan requirements of the site.
- Request Agency Board Approval of Draft Documents listed above; if approved, the following steps will be implemented.
- The TIF Plan and TIF Report will be distributed to the taxing districts with an offer to consult and confer.
- A super notice of the proposed TIF District will be distributed to all mailing addresses within the City of Salem.
- Public Comment would be made available through both a Planning Commission Meeting and City Council Ordinance Process.
- Final Resolution Adoption by the Urban Renewal Agency.
- Public Notice Posting and Recording of new urban renewal area with County no more than 30 days after approval by Agency.
- Development Agreement Approval by the Agency.
- Annual Audit Process Prior to Rebate Issuance

### Funding or Revenue Implications

Urban renewal will provide a source of funding to support infrastructure and housing development. The City will need staff to conduct necessary urban renewal studies and implement the new district.

## C. Develop a New Middle Housing Urban Renewal Area Program

### Rationale

Creating Urban Renewal Areas (URAs) specifically tailored for middle housing development can help address Salem's growing housing affordability crisis. By focusing on the "missing middle" (duplexes, triplexes, quadplexes, townhouses, and cottage clusters), the program will support housing types that accommodate a diversity of needs, including young professionals, families, and retirees, with lower overall housing costs than single-dwelling detached units. This action can provide the opportunity for greater housing choice in more affluent areas with access to services.

### Description

**The City will create a new program supported by URA funding that incentivizes the development of middle housing.** The goal of the URA program would be to provide funding to support the development of middle housing within a newly designated URA area(s) in Salem. The new program would focus on area(s) where multiple larger residential lots could support infill or redevelopment into more housing units. This could be applied in different areas in Salem.

### Connection to Comprehensive Planning Goals and Existing Related City Programs

A new middle housing URA would encourage housing diversity and affordability, thus addressing several housing goals and policies. Depending on how the program is structured and where it is implemented, it could also improve access to jobs and services and support public transit. The chart below highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 19. New middle housing URA program's connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 1: Housing Choice | **H1.1, H1.2, H1.5**, H1.6 |
| Housing Goal 2: Housing Affordability | **H2.1** |
| Housing Goal 5: Livability and Sustainability | H5.4 |
| Economic Development Goal 1: Economic Development | **E1.12** |
| Economic Development Goal 3: Access and Livability | E3.2 |
| Land Use Goal 4: Plan Administration | **L4.4** |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City would create an urban renewal area (URA) program for middle housing, select an area(s) suitable for middle housing, and provide funding to support middle housing projects in that area.

### Partners and Their Role

Lead Partner. Salem Urban Renewal Agency, Community Planning and Development

Partners. Development community, housing organizations, and other jurisdictions

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| Extremely low-, very low-, low- and moderate-income households | Emphasis on below market-rate (affordability to be defined through AMI or other factors) | Renter and owner | Medium impact on housing. potentially 200 or more units, depending on funding |

### Stakeholder Input

- The Housing Needs Survey showed an overall need for a greater variety of housing types in Salem, with respondents indicating a specific desire for more middle housing.
- Cottage clusters and single-story homes in a connected community setting were a priority for people with disabilities and the disability service providers in HPS focus groups.
- Single-level living in middle housing types was desired by seniors in the Micronesian Islander community.

- Developers in HPS focus groups expressed that middle housing is not always financially viable.
- In the Housing Actions webinar and survey, participants indicated that the creation of a new middle housing URA was a high priority.

**Implementation Steps**

- Evaluate incentive options and areas where middle housing could be built to take advantage of this program and complete an analysis that reviews local examples and associated best practices to help inform how to structure this new program and the incentives.
- Decide how to use and leverage the urban renewal funding to support affordable housing development. The best use of funding may be in coordination with other actions in the HPS.
- Oregon Revised Statute 457.085 details the requirements for establishing a new URA. Blight is a precondition to any URA. If the precondition is met, the following process is required:
- Develop a Tax Increment Financing District Plan, this will identify the projects which funding can be used for. This process can partner with the HPS to align potential housing projects/incentives.
- Develop a Tax Increment Financing Report, which is a financial analysis of the proposed TIF District. It determines the impact on the taxing districts and establishes the maximum indebtedness (total amount of increment the urban renewal area can collect). This report also looks at the demographics of the proposed area and the current zoning and comprehensive plan requirements to maintain alignment with proposed projects in the Plan.
- Determine Final Geographic Boundaries of the Urban Renewal Area and have a survey conducted.
- Request Agency Board Approval of Draft Documents listed above; if approved, the following steps will be implemented.
- The TIF Plan and TIF Report will be distributed to the taxing districts with an offer to consult and confer.
- A super notice of the proposed TIF District will be distributed to all mailing addresses within the City of Salem.
- Public Comment would be made available through both a Planning Commission Meeting and City Council Ordinance Process.
- Final Resolution Adoption by the Urban Renewal Agency.
- Public Notice Posting and Recording of new urban renewal area with County no more than 30 days after approval by Agency.

### Funding or Revenue Implications

Urban renewal will provide a source of funding to support housing development. The City will need staff to conduct necessary urban renewal studies and implement the new program.

## D. Fund Infrastructure Improvements to Support Housing Development

### Rationale

Infrastructure improvements are essential to enable housing development, particularly in areas constrained by inadequate transportation, utilities, or public amenities. Addressing these infrastructure gaps can facilitate the development of a range of housing types, including affordable, middle, and multifamily housing, by reducing uncertainty and costs for developers. One type of transportation improvement will be identifying opportunities that decrease the combined housing and transportation costs through supporting development of bicycle, pedestrian, and transit facilities. This action can provide the opportunity for more housing development in more affluent areas with access to services.

### Description

This action will support improved infrastructure for housing development through the following ways. The City will:

Identify priority areas for infrastructure investment that support housing development, considering locations that will increase access to high-opportunity areas. The Public Works Department will oversee the inclusion of infrastructure projects in the CIP that support housing.

Prioritize and administer timely System Development Charge reimbursements to housing developers with qualified public improvements that meet affordable housing goals.

Partner with state agencies and organizations to secure funding for large-scale infrastructure improvements. This involves coordinating and aligning City lobbying efforts and applications for State funding with identified infrastructure needs to support housing development.

Weigh utilizing City CDBG grants to provide funding in concert with other sources.

The City funds infrastructure through a variety of funding sources, including System Development Charges, Urban Renewal Area funds, Development District Funds, bonds, and grants. The City compiles projects in a Capital Improvement Plan (CIP), which is a five-year plan for financing improvements to major public assets based on City-adopted master plans, goals, and policies.

### Connection to Comprehensive Planning Goals and Existing Related City Programs

By planning and seeking funding for infrastructure improvements, the City can help ensure land is more ready for development, thereby addressing the housing land supply goal. This action would also advance several land use policies that focus on using infrastructure investments strategically to encourage the development of

available urban land and ensure residents have adequate levels of service. Exhibit 20 highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 20. Infrastructure funding's connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 2: Housing Affordability Goal | H2.4 |
| Housing Goal 3: Land Supply Goal | |
| Land Use Goal 1: Urbanization and Growth Management | **L1.1, L1.11, L1.12** |
| Land Use Goal 3: Urban Development | L3.6 |
| Land Use Goal 5: Transportation and Land Use Coordination | **L5.1** |
| Transportation Goal 14: Transportation Finance | |
| Public Facilities and Infrastructure Goal 2: Service Provision and Development | PF2.10 |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City will lead the implementation of this action, mainly the Community Planning and Development and Public Works departments.

### Partners and Their Role

Lead Partner. Community Planning and Development, and Public Works Departments

Partners. Oregon Department of Transportation (ODOT) or other State agencies: Provide funding and technical support for infrastructure improvements.

Developers: Utilize funds to create housing developments aligned with HPS goals.

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| Extremely low-, very low-, low- and moderate-income households | All incomes | Variety of housing types, renter and owner | High impact on housing. This action will not directly produce housing but will potentially help facilitate significant amounts of new housing |

### Stakeholder Input

- In HPS focus groups, developers noted existing vacant land has high predevelopment costs and challenges, including infrastructure costs.
- The Housing Needs Survey highlighted residents' desire for well-maintained infrastructure with adequate capacity to accommodate any proposed growth.
- In the Housing Actions webinar and survey, participants indicated that infrastructure funding was a high priority.

### Implementation Steps

- Identify current CIP projects in priority housing areas that have the potential to unlock production. Examine infrastructure needs to unlock housing production and add to CIP as funding allows.
- Partner with developers to align infrastructure investments with housing projects
- Seek State funding for infrastructure improvements to support housing development through lobbying and other efforts.
- Evaluate the impact of infrastructure funding on housing production goals.
- The City will prioritize funding in the CIP through City Council adoption of the CIP.

### Funding or Revenue Implications

This action may be implemented by existing City staff if they have enough capacity for the additional work.

## E. Revise System Development Charges (SDCs) Methodology for Smaller Housing Types

### Rationale

One of the ways a city can influence project costs is through exempting some developments from paying Systems Development Charges (SDCs). SDCs typically account for between 2% and 13% of total development costs for housing in Oregon.[13] Reducing SDC costs for middle housing or smaller units can reduce overall development costs and may result in lower housing prices for these unit types.

The City of Salem's current SDC methodology was last updated in 2019, which was prior to the allowance of middle housing in single-family areas. SDCs could be tied to the scale of development or to the income level at which a unit sells.

### Description

The City of Salem charges SDCs on new and expanding development within the city that connects to or creates additional demand on existing capital improvements. Currently, the City of Salem provides SDC waivers for affordable housing. Launched in 2019, the waivers for affordable housing have been used by approximately 16 projects that have included a total of nearly 950 housing units as of February 2025. In addition, the City established full SDC waivers for ADUs in 2019. More than 200 ADUs have been developed under the waiver through February 2024. In 2024, the City amended the code to remove the expiration date for ADU SDC exemptions.

When the City revises its SDC methodology next, scheduled for 2025, **the City will update SDCs for different housing types, particularly focusing on creating SDC rates specific for middle housing types and potentially scaling SDCs to housing unit sizes.** Currently, the City charges middle housing units at the multifamily rate, which is less than the rate for single-family development. The result may be an increase in SDC costs for larger housing types, such as larger single-family detached housing. The exemption for ADU SDCs will also be considered in the next SDC methodology update.

### Connection to Comprehensive Planning Goals and Existing Related City Programs

This action aligns with several housing goals and policies by promoting the development of a variety of housing types needed in Salem, such as middle housing. This action provides greater housing choice to meet the diverse needs of the community. This action also advances the City's goals to reduce costs and use

[13] *Oregon System Development Charges Study: Why SDCs Matter and How they Affect Housing*, ECOnorthwest, December 2022. https://www.oregon.gov/ohcs/development/Documents/Oregon%20SDC%20Study_FinalReport_121422.pdf

incentives to support housing affordability. The chart below highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 21. Revise SDC methodology for smaller housing types' connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 1: Housing Choice | **H1.1, H1.2,** H1.5, H1.6 |
| Housing Goal 2: Housing Affordability | **H2.2, H2.5** |
| Housing Goal 3: Land Supply | **H3.3** |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City of Salem Community Planning and Development Department would revise the City's methodology for charging SDCs.

### Partners and Their Role

Lead Partner. Community Planning and Development, and Public Works Departments

Partners. Development community and all City and County agencies with SDCs

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| Households residing in middle housing | Low and moderate-income households | Variety of housing types, renter and owner | Low to Medium impact on housing. Potentially 70 or more units |

### Stakeholder Input

- In the HPS survey, residents voiced a need for smaller homes suitable for aging in place, middle housing, and affordable housing.
- Developers in HPS focus groups expressed that middle housing is not always financially viable.
- Low-income service providers indicated that fees can be a financial barrier for nonprofit developers.
- In the Housing Actions webinar and survey, participants indicated that revising the SDC methodology was a high priority.

### Implementation Steps

- Form a SDC Methodology review committee.
- Conduct the studies necessary to revise the Salem SDC methodology.
- Adopt the new SDC methodology through a public process with the City Council.

### Funding or Revenue Implications

Revising the SDC methodology will require staff time and hiring a consultant. The City will need to ensure that the revisions to the SDC methodology do not substantially change SDC revenues.

## F. Identify a New Multi-Unit Housing Tax Incentive Program (MUHTIP) area

### Rationale

The Multi-Unit Housing Tax Incentive Programs (MUHTIPs) can promote the development of multifamily housing in targeted areas by reducing operational costs post-development. This action encourages the production of diverse housing types. This could focus on areas that help the City advance its other goals and policies, such as reducing greenhouse gas emissions or efficiently using land and existing infrastructure. This action can provide opportunity for more affordable multifamily housing development in more affluent areas with access to services.

### Description

The City of Salem has an existing MUHTIP program located in and around downtown Salem since the 1970s, and it is intended to stimulate development of transit-supportive multiple-unit housing. This MUHTIP program allows up to 10 years of tax exemption for new or converted residential construction projects that are located in the "core area" and include at least two dwelling units and one or more public benefits from an approved list comprising 19 public benefits. This program has helped 10 different properties (such as the South Block Apartments) with a total of more than 745 units as of March 2024. In late 2021, the City added an affordability requirement to qualify for MUHTIP; projects with 50 or more units must provide at least 15 percent of units at rents affordable to households at 80% or less of the average median income.

**The City will create a new MUHTIP area to support housing development near frequent transit service, outside of the downtown core.** Specifically, the City could establish a new MUHTIP area along Cherriots' Core Network.[14] This is a network of bus routes where Cherriots has prioritized maintaining frequent service. The new MUHTIP area would promote the inclusion of affordable housing units in large multifamily projects that might otherwise comprise only of market-rate units.

### Connection to Comprehensive Planning Goals and Existing Related City Programs

This action advances goals and policies across a multitude of areas, particularly related to housing affordability, complete neighborhoods, and transportation priorities.

Additionally, projects that receive the incentive are required to provide a qualifying public benefit; therefore, depending on which public benefit is selected, projects may advance a variety of policies such as greater accessibility, green building standards,

[14] Cherriot's Core Network

improved access to recreation facilities and open space, or providing mixed-use development. Exhibit 22 highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 22. New MUHTIP area's connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 1: Housing Choice | **H1.1,** H1.3 |
| Housing Goal 2: Housing Affordability | **H2.1, H2.4, H2.5, H2.8** |
| Housing Goal 3: Land Supply | **H3.1,** H3.3 |
| Housing Goal 4: Complete Neighborhoods | **H4.2, H4.3,** H4.1 |
| Housing Goal 5: Livability and Sustainability | H5.2, H5.3 |
| Community Engagement and Equity Goal 2: Equity | CE2.1 |
| Economic Development Goal 3: Access and Livability | **E3.2** |
| Land Use Goal 3: Urban Development | L3.6 |
| Land Use Goal 5: Transportation and Land Use Coordination | **L5.6** |
| Climate Change and Natural Hazards Goal 1: Greenhouse Gas Emissions | **CC1.1** |
| Transportation Goal 7: Transit System | |
| Transportation Goal 8: Travel Demand Management | |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City will define the new MUHTIP area and adopt enabling legislation through City Council. The City will administer the program, including accepting developer applications and monitoring compliance with affordability requirements.

### Partners and Their Role

Lead Partner. Community Planning and Development: Define new area with City Council adoption and administer/monitor program and compliance

Partners. Taxing districts, which can include the county, school districts, and special districts, will need to coordinate on the MUHTIP zones, implementation, and tax exemptions.

Developers, both market-rate and affordable, will be the recipients of the MUHTIP tax benefits and will be instrumental in rightsizing the program to encourage the desired multifamily housing development.

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| Low- and moderate-income households | Households at or below 80% of AMI | Multifamily housing, including affordable housing (income-restricted or unregulated) | Medium impact on housing. Potentially 100 to 200 units, depending on the number of developments to use MUHTIP and the size of the buildings |

### Stakeholder Input

- Affordability was a priority across HPS focus groups and survey results.
- Housing near transit was important to low-income service providers, organizations representing communities of color, people with disabilities and disability service providers, members of the Confederated Tribes of Grand Ronde, and college students.
- Members of the Land Use Network, comprised of Neighborhood Association land use chairs, wanted to encourage multifamily housing.
- Developers recommended expanding the MUHTIP beyond downtown. They also indicated the MUHTIP could be a tool to incentivize accessible or multigenerational housing.
- A lack of available rental housing was noted as an urgent concern and challenge, according to the Housing Needs Survey.

### Implementation Steps

- Identify an additional area to implement MUHTIP by conducting appropriate land and infrastructure utilization studies.
- Review the current MUHTIP criteria and requirements to determine if they are suitable for the new MUHTIP area.
- Work with the City Council to verify the criteria and requirements of the new MUHTIP area.
- Coordinate with the relevant taxing districts (county, school districts, and special districts) to secure approval for the addition of a MUHTIP district.
- Adopt and implement the new MUHTIP district.

### Funding or Revenue Implications

While the program will result in temporarily forgone tax revenue, the long-term benefits include increased property values, expanded housing stock, and the addition of affordable housing units during the duration of the tax abatement. Revenue implications will be offset by growth in tax base following the exemption period.

## G. Support Housing Development in Areas of Opportunity

### Rationale

Dispersing the development of affordable and mixed-income housing throughout Salem provides lower- and middle-income households opportunities to live in many parts of Salem. Increasing these types of housing in areas of high opportunity will give new residents the chance to live near places of employment, diverse transportation options, services, and amenities like parks.

### Description

**The City will purchase land or provide financial incentives to support the development of affordable or mixed-income housing in areas of high opportunity.** These are areas with a variety of employment opportunities, parks, transportation options, and services, such as the City's potential Walkable, Mixed-Use Areas. The City could use funding sources such as urban renewal, the Safety and Livability Bond, or federal funding.

Through this action, the City can promote affordable or mixed-income development on land in West or South Salem to distribute affordable housing across Salem, as called for in Salem's Comprehensive Plan. The action will diversify the areas where the City is supporting development of affordable or mixed-income housing, which avoids further concentrating affordable housing in Northeast Salem. This also increases access to opportunities for lower-income residents, including those in protected classes.

### Connection to Comprehensive Planning Goals and Existing Related City Programs

This action promotes goals and policies that promote the distribution of affordable housing across Salem and the creation of mixed-income neighborhoods. It also aligns with policies that encourage the development of housing near services, jobs, and transportation, as well as policies that advance complete neighborhoods. Exhibit 23 highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 23. Support housing development in areas of opportunity in connection with Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 1: Housing Choice | H1.5, H1.8 |
| Housing Goal 2: Housing Affordability | **H2.1,** H2.3, H2.4 |
| Housing Goal 3: Land Supply | **H3.1, H3.2,** H3.3 |
| Housing Goal 4: Complete Neighborhoods | **H4.2,** H4.1, H4.3 |

| | |
|---|---|
| Community Engagement and Equity Goal 2: Equity | **CE2.1** |
| Economic Development Goal 3: Access and Livability | E3.2 |
| Land Use Goal 3: Urban Development | **L3.6** |
| Natural Resources Goal 3: Design and Development | **N3.6** |
| Climate Change and Natural Hazards Goal 1 | CC1.1 |
| Transportation Goal 8: Travel Demand Management | |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City will select areas to purchase land for housing or offer incentives to ensure these areas are spread throughout Salem and increase access to areas of higher opportunity.

### Partners and Their Role

Lead Partner. Community Planning and Development: Choose areas of opportunity and provide incentives/purchase land

Partners: Developers (market-rate and affordable housing)

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| Low- and moderate-income households | Predominantly households with income at or below 80% AMI. | Renter or ownership | Low to Medium impact on housing. 70 to 200 units depending on funding and land purchases. |

### Stakeholder Input

- Affordability was a priority across HPS focus groups and survey results.
- In HPS focus groups, Micronesian Islander residents, college students, members of the Confederated Tribes of Grand Ronde, low-income service providers, organizations representing the communities of color, and people with disabilities and disability service providers expressed a desire to have more housing, especially affordable housing, located near transportation options, retail, employment, and other amenities was heard.

- South and West Salem were highlighted as areas of opportunity with insufficient affordable housing in HPS focus groups with the Micronesian Islander community and organizations representing communities of color. Additionally, the Equity Roundtable recommended acquiring land in South and West Salem for affordable housing to promote mixed-income areas.
- The Housing Needs Survey indicated that proximity to work, school, amenities, and services is an important factor when people are choosing housing.
- In the Housing Actions webinar and survey, participants indicated that adding affordable housing to areas of opportunity was a high priority.

### Implementation Steps

- Identify areas of high opportunity for new development, which may coincide with Climate Friendly Areas known as Walkable, Mixed-Use Areas in Salem.
- Examine and identify potential properties in high opportunity areas that could be purchased for future development into affordable or mixed-income housing.
- Develop incentives to support affordable or mixed-income housing. Examples of incentives could include MUHTIP, use of Urban Renewal to pay for infrastructure or provide financial support for new housing, or other types of incentives.
- Integrate the areas identified as higher opportunity into other housing planning projects.
- The City Council or other decision-making committee will give direction on the specifics of the support for areas of high opportunity for new development by 2028.

### Funding or Revenue Implications

The City could use funding sources such as urban renewal, the Safety and Livability Bond, or federal funding to pay for incentives. Federal funding could also be used to purchase properties for future development.

## H. Support Development of Permanent Supportive Housing

### Rationale

Permanent Supportive Housing (PSH) is a proven strategy to address chronic homelessness and housing insecurity for individuals with complex needs. By combining affordable housing with on-site wraparound services, PSH provides stability and support for vulnerable populations, including people with disabilities, individuals recovering from substance use, and those experiencing chronic homelessness.

### Description

**The City will provide financial support to developers, organizations, or partners to develop permanent supportive housing with on-site wrap-around services.** This could include providing funding for infrastructure improvements or development costs. Funding sources could include the City's Safety and Livability Bond and state or federal funding.

### Connection to Comprehensive Planning Goals and Existing Related City Programs

This action aligns closely with the City's housing goals. It specifically implements policies supporting housing for people with disabilities, providing housing along the shelter to housing continuum, coordinating shelter and services, and encouraging the development of affordable housing. Exhibit 24 highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 24. Support development of PSH's connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 1: Housing Choice | **H1.3, H1.7** |
| Housing Goal 2: Housing Affordability | **H2.1, H2.6, H2.7** |
| Housing Goal 5: Livability and Sustainability | H5.5 |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City acts as a convener or facilitator, bringing together non-profits, developers, and service providers to coordinate resources and expertise. The City can provide funding to support infrastructure improvements or development activities.

### Partners and Their Role

Lead Partner. Community Planning and Development: Convene developers and service providers, and coordinate and provide funding for infrastructure, land, and/or development activity

Partners. Salem Housing Authority, Developers, and nonprofit service providers

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| People without secure housing, people experiencing homelessness | Households with income below 60% AMI | Affordable housing (income-restricted) and transitional housing | Low to Medium impact on housing. 70 to 200 units, largely depending on funding |

### Stakeholder Input

- Organizations representing communities of color, low-income service providers, and people with disabilities and disability service providers stated a need for supportive housing in HPS focus groups.
- Developers shared barriers to developing permanent supportive housing in HPS focus groups.
- Housing Needs Survey respondents indicated that housing for people experiencing homelessness is an urgent housing issue.
- In the Housing Actions webinar and survey, participants indicated that supporting permanent supportive housing was a high priority.

### Implementation Steps

- The City will prioritize proposed developments with PSH funding for available financial subsidies and streamlined permitting assistance.
- The City will identify or establish funding mechanisms, such as grants, tax incentives, and partnerships with state and federal programs, to support construction.
- Streamlined permitting and expedited review processes will accelerate project timelines.

- Continuous evaluation of outcomes will guide adjustments to meet evolving needs.
- The City Council or other decision-making committee will give direction on the specifics of the support for PSH by 2026.

**Funding or Revenue Implications**

Funding for Permanent Supportive Housing (PSH) will combine state and federal grants, such as Oregon Housing and Community Services programs and HUD funding, with local resources like urban renewal funds and/or other sources. Partnerships with non-profits and private foundations will leverage additional contributions to cover development and operational costs to ensure the program's sustainability while minimizing the financial burden on local taxpayers. Reducing levels of chronic homelessness also reduces the public costs associated with medical intervention, law enforcement and safety, cleaning, and other costs related to homelessness.

## I. Support Development by Community Land Trusts

### Rationale

Community land trusts (CLTs) expand access to affordable homeownership, help stabilize neighborhoods, and prevent displacement. They provide a way to create and preserve affordable housing by separating the cost of land ownership from housing ownership. This model enables long-term affordability since land ownership remains with the trust while homes are sold to individual families. This action can provide increased housing choice in more affluent areas for lower-income households.

### Description

**The City will serve as facilitator and provide funding, land, or other forms of support to establish and/or expand community land trusts.** This could include partnering with nonprofit organizations that develop CLTs on City-owned land, providing funding to organizations that develop and maintain CLTs, or supporting the conversion of existing Salem Housing Authority-owned properties into CLTs. This could also include working with CLTs that provide services specifically to Communities of Color, speakers of a language other than English, or other underserved communities.

### Connection to Comprehensive Planning Goals and Existing Related City Programs

This action supports the City's housing affordability goals by providing affordable homeownership opportunities and reducing the risk of displacement. Exhibit 25 highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 25. Support community land trust's connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 1: Housing Choice | H1.5 |
| Housing Goal 2: Housing Affordability | **H2.1, H2.3, H2.5, 2.8** |
| Housing Goal 3: Land Supply | H3.2 |
| Community Engagement and Equity Goal 2: Equity | **CE2.1** |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City of Salem will serve as a facilitator, identifying vacant or underutilized land and/or providing financial resources and technical support to establish and/or expand community land trusts (CLTs). The City will ensure these initiatives align with housing equity goals, reduce barriers for low- and moderate-income households, and

foster partnerships with non-profits and developers to enhance the long-term affordability of housing.

### Partners and Their Role

Lead Partner. Community Planning and Development: Identify and/or provide available land and provide financial/technical assistance

Partners. Non-profit community land trusts will manage and operate CLTs, oversee property maintenance, and provide homeownership education to ensure the long-term affordability and sustainability of housing projects.

Affordable housing developers will construct or rehabilitate housing units on CLT-owned land.

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| Low- and moderate-income households, first-time homebuyers, and communities vulnerable to displacement. | Low- and moderate-income | Affordable homeownership, rentals possible, middle housing | Low to Medium impact on housing. Potentially 70 units, depending on funding and CLT capacity |

### Stakeholder Input

- Affordability was a priority across HPS focus groups and survey results.
- The Equity Roundtable recommended community land trusts in Salem.
- Housing Needs Survey respondents indicated that a lack of housing for sale is a moderately urgent concern, and finding affordable homes for purchase is a common challenge faced by residents.
- The Micronesian Islander community shared the barriers to homeownership faced by many in their community, including the inability to save for a home due to high rents, low credit scores, and high home prices.
- In the Housing Actions webinar and survey, participants indicated that funding for Community Land Trusts was a high priority.
- The City will identify specific approaches to supporting a CLT by the end of 2028, with direction from the City Council or other decision-making committee.

### Implementation Steps

- The City will prioritize proposed developments that utilize a CLT ownership model that fosters sustained affordability, balanced with wealth creation for available financial subsidy and streamlined permitting.
- Funding mechanisms, such as grants, low-interest loans, or state/federal programs, will be identified or established to support land acquisition and housing development.
- The City will consider System Development Charge (SDC) ordinance updates to make CLTs a distinct option for SDC exemptions when affordable housing options are provided.
- Partnerships with nonprofit organizations will enhance outreach, capacity-building efforts, and technical support for CLTs.

### Funding or Revenue Implications

Funding for CLT initiatives will come from a combination of public and private resources, including state and federal housing funds and potential allocations from urban renewal funds. These resources will help cover the costs of land acquisition and housing development. The City will ensure operational costs of maintaining the land trust portion of a property are adequately addressed so as not to become a public burden.

## J. Provide Homebuyer Assistance

### Rationale

Providing assistance to lower-income households can increase opportunities for homeownership and potential for wealth-building for lower-income households.

### Description

**The City will provide homebuyer assistance, such as downpayment assistance or closing costs, potentially using federal funds.** This would help lower-income residents purchase homes. Downpayment assistance can target specific household income levels, such as 60%-80% AMI, and can include homebuyer education workshops to ensure participants understand long-term borrowing conditions. The City will contract with qualified nonprofit organizations to provide homebuyer assistance in the community.

### Connection to Comprehensive Planning Goals and Existing Related City Programs

This action supports the City's housing affordability goal and policies, specifically those that promote affordable homeownership opportunities and reduce the risk of displacement. It may also encourage the dispersal of affordable housing throughout Salem and help ensure investments extend community benefits equitably. The chart below highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 26. Homebuyer assistance's connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 2: Housing Affordability | **H2.3, 2.8** |
| Housing Goal 3: Land Supply | H3.2 |
| Community Engagement and Equity Goal 2: Equity | CE2.1 |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City will provide funding and assistance to create this program, working with qualified nonprofit organizations.

### Partners and Their Role

Lead Partner. Community Planning and Development: Identify program partners and administer funds

Partners. Qualified nonprofit organizations

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| Low-income households | Households with incomes of 80% AMI or less | Affordable homeownership (homebuyers) | Low impact on housing. This action will not directly result in development of new housing. |

### Stakeholder Input

- Affordability was a priority across HPS focus groups and survey results.
- Organizations representing and serving communities of color and people with disabilities advocated for affordable homeownership programs, including help navigating the homebuying process and better outreach about existing programs and resources.
- According to the Housing Needs Survey, the lack of housing for sale is a moderately urgent concern, and finding affordable homes for purchase is a common challenge faced by residents. HPS Survey respondents who took the survey in Spanish also articulated the need for language assistance and general guidance in the home buying process.
- The Micronesian Islander community expressed the need for downpayment assistance because many residents are not able to save to buy a home due to high rents.

### Implementation Steps

- The City will identify one or more qualified nonprofit organizations to potentially contract with.
- The City will establish a maximum homebuyer assistance award per household.
- The City will provide federal funding to the selected nonprofit organization(s) via the City's annual funding application process.
- The City will identify funding to supporting homebuyer assistance by the end of 2028, with direction from the City Council.

### Funding or Revenue Implications

Funding from the program would come from federal funding sources, such as HOME or Community Development Block Grant (CDBG) funds.

## K. Revise the Zoning Code to Support More Development of Needed Housing

### Rationale

The zoning code can create barriers to development of needed housing. Lowering or removing those barriers allows needed housing to be developed more easily. More permissive zoning – including rightsized design and development standards – promotes more housing options to meet local housing needs.

### Description

**The City will revise the zoning code to:**

- **Incentivize or require the creation of housing units designed to meet accessibility, Universal Design, or other similar standards.** These standards are designed to increase accessibility and visitability of housing units for people with disabilities. This action could include decreasing setbacks, increasing maximum lot coverage, providing a density bonus, requiring a percentage of accessible units, or other regulatory changes. These zoning incentives or requirements would go beyond minimum accessibility requirements in the State Building Code and could focus on housing types, such as middle-housing units that are not subject to existing requirements.
- **Update the zoning code to remove potential barriers to the development of all types of housing, including multifamily, middle housing, and/or mixed-use projects.** This could include revising standards to promote the development of small infill projects and housing for multigenerational families. Completing this action will require analysis of barriers to development in Salem's code, research about model codes and other cities' approaches to lowering development barriers, and outreach to housing developers in Salem.

### Connection to Comprehensive Planning Goals and Existing Related City Programs

This action aligns with the City's housing policies that aim to encourage a variety of housing types and housing innovation, housing accessibility, specialized housing, and fair housing choice. It may also produce lower-cost housing. Finally, this action promotes infill development, which addresses the City's land use goals by minimizing environmental disturbance and preventing costly infrastructure extensions before they are necessary. Exhibit 27 highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 27. Code revisions to support the development of needed housing's connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 1: Housing Choice | **H1.1, H1.2, H1.3, H1.5, H1.7, H1.8** |
| Housing Goal 2: Housing Affordability | **H2.5,** H2.1, H2.2 |
| Housing Goal 3: Land Supply | **H3.3** |
| Housing Goal 4: Complete Neighborhoods | H4.1 |
| Community Engagement and Equity Goal 2: Equity | CE2.1 |
| Land Use Goal 1: Urbanization and Growth Management | **L1.10** |
| Land Use Goal 3: Urban Development | **L3.6** |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City of Salem Community Planning and Development Department will lead this project, which will include conducting research, engaging the community, developing draft code language, and bringing a code amendment through the adoption process.

### Partners and Their Role

Lead Partner. Community Planning and Development Department: Develop code amendment

Partners. Development community, neighborhoods, residents, and organizations that advocate for accessible housing

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| All Populations<br>People with Disabilities | All Incomes | Accessible housing and residential facilities<br><br>Multifamily housing and mixed-use development, low-and moderate-income affordable housing | Low to Medium impact on housing.<br>This action will not directly produce new housing but will reduce barriers to housing development, which can lead to more housing development. |

### Stakeholder Input

- Code revisions would support many of the needed housing types expressed in HPS focus groups, Housing Needs Survey, and other outreach.
- More multigenerational housing and housing for larger families were themes across many of the HPS focus groups and the survey results. Specifically, it was brought up by the Micronesian Islander community, members of the Confederated Tribes of Grand Ronde, Latine community, organizations representing communities of color, low-income service providers, and people with disabilities and disability service providers. Many of these groups also brought up the need for middle and multifamily housing suitable for seniors and people with disabilities.
- Members of the Land Use Network called for more multifamily housing, and the Equity Roundtable added a suggestion to refine design requirements for multifamily housing to reduce associated development costs.
- In HPS focus groups, developers articulated some of the barriers to developing needed housing types, including multigenerational housing, developing on small lots, middle housing types, and accessible housing.
- In the Housing Needs Survey, residents communicated the need for housing variety, including multigenerational and accessible housing.
- In the Housing Actions webinar and survey, participants indicated that removing code barriers to multifamily and mixed-use development was a high priority.

### Implementation Steps

For increasing accessible housing:

- Research how other cities in Oregon have incentivized or required housing units to be accessible or to include Universal Design or other similar principles.
- Research model codes and State adoption-ready actions for accessible housing.
- Evaluate the benefits and tradeoffs of different approaches to incentivizing or requiring accessible or visitable units.
- Draft code amendments.
- Bring code amendments through the adoption process, either as a standalone project or with other code changes as a package.
- Evaluate performance metrics for effectiveness and adjustment.

For the removal of potential barriers to the development of all types of housing:

- Review previous requests for adjustments related to housing development to help identify specific regulations that may have been challenging for developers to meet.
- Work with the community to identify additional major barriers to the development of different housing types, including multifamily, middle housing, and mixed-use development.
- Identify alternative approaches to meeting the intent of the different standards that have been identified as barriers. Evaluate the benefits and tradeoffs of revising the standards or creating new standards.
- Draft code amendments.
- Bring code amendments through the adoption process, either as a standalone project or with other code changes as a package.

**Funding or Revenue Implications**

Revisions to the zoning code can be accomplished with existing staff, possibly with assistance from consultants. The City may apply for a State grant to fund consulting assistance with the action.

## L. Revise the Zoning Code to Preserve Nonconforming Housing

### Rationale

Preserving existing housing is a less costly way to ensure that Salem has enough housing for residents in Salem. As the City changes its zoning code and/or rezones land, some existing housing becomes a nonconforming or continued use, which can make it difficult or impossible to rebuild the housing if it is destroyed.

### Description

Salem's zoning code regulates nonconforming uses and development as well as continued uses and development. The regulations vary across different zones and code chapters, which can create confusion when trying to determine if an existing residential use or building can be rebuilt following its destruction. In some cases, housing units cannot be rebuilt if, for example, the type of housing is no longer allowed under the City's current regulations.

**The City will revise the zoning code to update nonconforming and/or continued use and development regulations to support the rebuilding of housing and improvements to existing housing.** This action would ensure that the development code allows the rehabilitation and rebuilding of existing housing without expanding any existing nonconformities. This change can help preserve naturally occurring affordable housing and prevent displacement.

### Connection to Comprehensive Planning Goals and Existing Related City Programs

This action primarily advances housing goals and policies. The housing policies addressed by this action include preserving naturally occurring affordable housing, reducing the risk of displacement, and maintaining existing housing. The chart below highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 28. Code revisions to preserve housing's connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 2: Housing Affordability | **H2.2, H2.8** |
| Housing Goal 5: Livability and Sustainability | **H5.1** |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City of Salem Community Planning and Development Department will lead this project, which will include conducting research, engaging the community, developing draft code language, and bringing a code amendment through the adoption process.

### Partners and Their Role

Lead Partner. Community Planning and Development Department: Develop code amendment

Partners. Development community and property owners

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| All populations | All Incomes | Existing housing (preservation or rebuilding), affordable housing, affordable homeownership | Low impact on housing. This action will not result in development of new housing but will help preserve existing housing. |

### Stakeholder Input

- Members of the Latine community shared concerns about housing quality and the cost of maintaining housing.
- In the HPS focus group with disability service providers, aging of existing affordable housing and the need for repairs were discussed.
- According to the Housing Needs Survey results, the condition of housing is an important factor when people choose housing, and it has been a challenge that residents have faced in seeking housing. Residents who took the Spanish survey were especially concerned about home maintenance costs.

### Implementation Steps

- Examine the nonconforming and continued use/development provisions in Salem's zoning code to identify variations in zones and chapters.
- Research how other cities in Oregon have structured their nonconforming regulations.
- Evaluate alternative approaches to Salem's nonconforming and continued use/development regulations that allow existing housing to be rebuilt.
- Draft code amendments.
- Bring code amendments through the adoption process, either as a standalone project or with other code changes as a package.

### Funding or Revenue Implications

This action may be implemented by existing City staff if they have enough capacity for the additional work.

## M. Improve the Permitting Process

### Rationale

The permitting process can be complicated and difficult to navigate, especially for developers who have less experience or do not develop in Salem frequently. This action is intended to clarify and streamline the permitting process, create greater transparency, and offer more assistance to developers.

### Description

**Salem will improve the permitting process by increasing transparency and streamlining procedures through enhanced online resources and improved coordination.** The City has been working to improve its permitting process. This action will build on the Bloomberg-Harvard project. Key actions include:

- **Developing Online Dashboards**: The City will create publicly accessible dashboards displaying permit timeline data, providing greater visibility into the permitting process.
- **Providing Housing Development Expectations**: Specific guidance will be developed to help housing developers navigate the land use approval and permitting process. Expand the Project Coordinator role at the City to include assistance for housing developments. This role will help usher projects through the permitting process and serve as a primary point of contact.
- **Upgrading the City's Website and Permit Application Center (PAC) Portal**: Enhancements will provide a more comprehensive and user-friendly experience for permit applicants. Improvements will include a holistic view of the permit process across multiple reviewing divisions, the inclusion of all permit application types in the PAC portal, and pre-submittal checklists and guides outlining clear expectations for applicants.
- **Integrating and Streamlining City Workflows**: The City will adopt a "one-voice" approach in permit application reviews by standardizing and improving communication across all reviewing divisions. This effort is expected to reduce the number of plan review iterations through enhanced permit workflows.
- **Increasing Transparency and Accountability**: The City will actively engage with the development community to provide clear information about permitting processes and ongoing improvements.

These initiatives will create a more transparent, efficient, and applicant-friendly permitting experience, ensuring a more efficient process for development projects.

### Connection to Comprehensive Planning Goals and Existing Related City Programs

This action advances the City's policies that seek to ensure the community has the tools and resources to participate in the planning process and residents and businesses have the assistance they need to navigate City processes, regulations, and rules. It also aligns with the housing policy to reduce the impacts of development processes on housing affordability. The chart below highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 29. Streamline the permitting process's connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 2: Housing Affordability | **H2.5** |
| Community Engagement and Equity Goal 1: Community Engagement | **CE1.7, CE1.9** |
| Public Facilities and Infrastructure Goal 1: Public Facilities and Services | **PE1.5** |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City of Salem Community Planning and Development Department will lead this project, which includes improving the development permit process and updating the PAC portal.

### Partners and Their Role

Lead Partners. Community Planning and Development Department

Partners. Development community

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| All | All | All needed housing | Low impact on housing. This action will not directly produce housing. |

### Stakeholder Input

- The Latine community highlighted the challenges of the permitting system and the need for assistance to residents who have limited English proficiency.
- Developers noted barriers in the permitting system that delay housing and add costs.
- In the Housing Actions webinar and survey, participants indicated that improving the permitting process was a high priority.

### Implementation Steps

- Maintain a cross-divisional Permit Performance Team with representatives from all Community Planning and Development divisions involved in the permitting process. This team will focus on enhancing communication, tracking improvements, and strategizing ongoing monitoring of the process.
- Examine the permitting process to identify opportunities to provide additional guidance, streamline city workflows, and increase transparency and accountability.
- Draft permitting process guidance and expectations for developers.
- Update the Permit Application Center (PAC) portal to offer online application options for all permit types, ensuring accessibility and efficiency.
- Enhance the City's website and PAC portal, potentially integrating online dashboards to display real-time permit timeline data and increase user engagement.
- Pilot a new Project Coordinator role focused on supporting housing developments through the permitting process, ensuring timely and effective coordination.
- Create a comprehensive Development Engagement Strategy to ensure continuous communication and support for developers throughout the permitting process.
- The City anticipates these steps being implemented over the 2025 to 2029 period, with completion of these steps by the end of 2029.

### Funding or Revenue Implications

This will require Community Planning and Development staff time to create new guidance documents, develop dashboards, update web pages, maintain data, and make improvements to the City's PAC portal.

## N. Advocate for Manufactured Home Park Residents

### Rationale

Manufactured home parks provide an opportunity for affordable homeownership, which cannot easily be replaced by other types of housing. The City wants to prevent manufactured home park residents from being priced out of manufactured home parks by increasing rents or displacing them through the sale of the manufactured home park.

### Description

**The City will advocate for changes in State law that provide greater protections for residents at risk of displacement from manufactured home parks.** This could include advocating for stronger rent controls or a new requirement whereby tenants get first right of refusal when a manufactured home park is put up for sale.

### Connection to Comprehensive Planning Goals and Existing Related City Programs

This action aligns with the City's housing and equity goals. Specifically, it preserves existing housing, upholds housing choice, maintains affordable housing, and minimizes displacement. It also puts into practice the City's policy of ensuring plans, investments, and policy decisions minimize disproportionate negative impacts to low-income residents and renters. The chart below highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 30. Advocacy for manufactured home park residents' connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 1: Housing Choice | **H1.1** |
| Housing Goal 2: Housing Affordability | **H2.2, H2.8** |
| Housing Goal 5: Livability and Sustainability | **H5.1** |
| Community Engagement and Equity Goal 2: Equity | **CE2.1** |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City would support future legislation that protects manufactured dwelling park residents from displacement. This could include submitting letters of support or partnering with nonprofit organizations in their letters or testimony.

### Partners and Their Role

Lead Partner. Support future state legislative action

Partners. Manufactured home park residents, associations, and advocacy groups

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| Residents of manufactured home parks | Most likely households with lower-than-average incomes | Manufactured homes (preservation), preserve existing supply of low- and moderate-income affordable housing | Low impact on housing. This action will not directly produce housing but will help preserve existing affordable housing. |

### Stakeholder Input

- This action builds on input received during the Our Salem project, including preserving naturally occurring affordable housing and minimizing involuntary displacement.

### Implementation Steps

- Review bills during each legislative session and identify those that protect manufactured home park residents from displacement.
- Recommend a position of "support" on those bills that align with the City's policy statements related to preserving manufactured home parks.
- Submit letters of support or testimony when those bills have public hearings, or sign onto letters of support from coalitions of manufactured home park residents or related nonprofit organizations.

### Funding or Revenue Implications

This action may be implemented by existing City staff if they have enough capacity for the additional work.

## O. Increase Developer Understanding and Awareness of Existing Programs

### Rationale

One way to support and remove barriers to development of housing is to ensure that developers in Salem have the best available information about development opportunities, resources, and housing policies in Salem. This is especially important to smaller developers or developers of lower-cost housing, where a lack of information can discourage developers from building in Salem. As the State continues to implement new State rules and laws related to housing development – and affordable housing in particular – it is also important to help ensure that the information is made readily available to the development community.

### Description

**The City will raise awareness of and encourage development of housing, including affordable housing, in the following ways:**

- Provide information about vacant or public land to housing developers when these development opportunities arise.
- Provide information about changes in State law and Salem regulations that support development of housing, including middle housing and affordable housing.
- Provide information about Salem's expedited process for reviewing affordable housing projects.
- Share City resources for housing development and affordable housing opportunities (such as financial incentives and online mapping resources).

### Connection to Comprehensive Planning Goals and Existing Related City Programs

This action advances the City's affordable housing goal and policy that encourages the development of housing that is affordable to low- and moderate-income households. It also supports the City's policies that aim to increase the community's ability to engage in the planning process by providing tools, resources, and knowledge of existing programs and opportunities. The chart below highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 31. Education and awareness of existing programs' connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 2: Housing Affordability | **H2.1** |
| Community Engagement and Equity Goal 1: Community Engagement | **CE1.7** |
| Public Facilities and Infrastructure Goal 1: Public Facilities and Services | **PE1.5** |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City would create webpages and other materials to raise awareness of existing affordable housing programs and State laws. The City would distribute the information to the community through emails, handouts, forums, trainings, and/or other means. The City will also translate materials into Spanish.

### Partners and Their Role

Lead Partner. Community Planning and Development Department: Distribute information on local and state programs

Partner. Development community

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| All | All incomes | All housing types and tenure, including affordable housing (income-restricted) and middle housing | Low impact on housing. This action will not directly produce housing. |

### Stakeholder Input

- The Equity Roundtable expressed a need for increasing awareness of existing State and local resources for affordable housing development.
- Developers articulated a desire for more information on available land, land readiness, and incentives for housing development.

### Implementation Steps

- Create a list of existing local and State programs and regulations that promote housing development, including affordable housing.
- Develop mapping products that layer underutilized lands, planned infrastructure projects, and proposed tax incentive/URA areas.
- Develop a City webpage(s) and other materials that highlight the existing programs and regulations.
- Publicize the webpage to the community through email and other means and distribute handouts at community events and meetings.
- Maintain and update the webpages.
- The City anticipates these steps being implemented over the 2025 to 2026 period, with completion of these steps by the end of 2026.

### Funding or Revenue Implications

This action may be implemented by existing City staff if they have enough capacity for the additional work.

## P. Expand Ready-Build Plans

### Rationale

One way to lower the costs of development is to adopt ready-build plans for housing, which are building plans that are provided to the community at reduced or no cost. Ready-build plans also help expedite the building permit process.

### Description

**The City will expand ready-build plans to include middle housing and/or other accessory dwelling unit (ADU) designs.** The City has one set of building plans for a detached accessory dwelling unit that can be downloaded for free. The City would partner with architects, designers, and others in the development community to create additional ADU and/or middle housing designs that could then be provided to community members for free or at a reduced cost. Other potential designs could include accessible units.

The City would review the building plans for compliance with the Building Code and then publicize the different housing designs on its website. Providing more ready-build plans would lower barriers to building ADUs and middle housing by providing building plans at reduced or no additional charge to the community. Ready-build plans also expedite the building permit process.

### Connection to Comprehensive Planning Goals and Existing Related City Programs

This action supports the City's policies that promote housing options, innovation, infill, and naturally occurring affordable housing. Depending on the implementation and how the ready-build plans are ultimately used, this action could also result in more accessible housing and affordable homeowner opportunities. Additionally, the plans are a tool to help residents navigate land use regulations and rules. The chart below highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 32. Ready-build plans expansion's connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 1: Housing Choice | **H1.1,** H1.2, H1.3, H1.5, H1.6 |
| Housing Goal 2: Housing Affordability | **H2.2, H2.5** |
| Housing Goal 3: Land Supply | **H3.3** |
| Community Engagement and Equity Goal 1: Community Engagement | **CE1.7** |
| Public Facilities and Infrastructure Goal 1: Public Facilities and Services | **PE1.5** |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City would partner with local architects and other design professionals to develop additional building plans to include in the City's Ready Build program. The City's Building and Safety division would review the design professional's building plans for ADUs or middle housing at no cost. Then the City's Planning Division would publicize the plans on its website and through other means.

### Partners and Their Role

Lead Partner. Community Planning and Development Department

Partners. Development community (e.g. architects and designers)

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| All | All Incomes | Middle housing and accessory dwelling units, affordable homeownership | Low impact on housing. 70 or more units, depending on how many plans are developed and whether they are used |

### Stakeholder Input

- The Micronesian Islander community, the Latine community, organizations representing communities of color, people with disabilities and disability service providers, and low-income service providers all expressed a need for more housing with accessible features and aging in place options.

- The Latine community advocated for grants to build ADUs and improved permitting process.
- In the Housing Needs Survey, respondents said accessible housing, housing to age in place, multigenerational options, and middle housing were most needed.

### Implementation Steps

- Partner with architects, designers, and others in the development community to participate in the City's Ready-Build program by developing building plans for ADUs or middle housing.
- Review the building plans for compliance with the Building Code and seek refinements as needed.
- Upload renderings or sketches of the new building plans to the City's website, and link to the designers' websites where the building plans can be downloaded or purchased.
- Publicize the expanded Ready-Build program in the community and promote the new ADU or middle housing designs via emails, handouts, and/or other means.
- The City anticipates these steps being implemented by the end of 2026.

### Funding or Revenue Implications

The City may be able to use ready-build plans developed by the State or other jurisdictions, though partnering with the local development community would allow for plans to be tailored to Salem's housing needs. This action may be implemented by existing City staff if they have enough capacity for the additional work.

## Q. Affirmatively Furthering Fair Housing

### Rationale

Affirmatively Further Fair Housing is intended to ensure that people from all backgrounds have access to and opportunity for housing that they can afford. It is intended to eliminate housing discrimination, create inclusive communities, and reverse segregation.

### Description

The City will continue and increase efforts to Affirmatively Furthering Fair Housing in the following ways:

- Continue to partner with the Fair Housing Council of Oregon (FHCO) to conduct landlord training about Affirmatively Furthering Fair Housing and investigate complaints.
- Require participation – or proof of participation – in FHCO training or other equivalent fair housing training as a condition of receiving and retaining federal funding, City grants, and City tax abatements for housing, as well as receiving or renewing City multifamily license recipients. Invite landlords, management companies, tenants, and others interested in discussing ways to lower barriers to accessing rental housing.

### Connection to Comprehensive Planning Goals and Existing Related City Programs

This action advances the City's fair housing policy. Additionally, it may reduce displacement and promote equity and social justice. The action must ensure all grant, loan, or tax abatement agreements reference SRC Chapter 97, adding City-designated protected classes to federal designations. The chart below highlights the Comprehensive Plan goals and policies advanced by this action.

**Exhibit 33. Fair Housing's connection to Comprehensive Plan goals and policies**

| Comprehensive Plan Goals | Policies |
|---|---|
| Housing Goal 1: Housing Choice | **H1.8** |
| Housing Goal 2: Housing Affordability | H2.8 |
| Community Engagement and Equity Goal 2: Equity | CE2.1 |

**Bold**= will or likely to directly advance; not bolded= may advance

Source: City of Salem, City of Salem Comprehensive Plan (more detail on policies)

### City Role

The City of Salem Community Planning and Development Department would lead this project and undertake the following:

Contract with FHCO for needed services and training annually.

Ensure grant, loan, tax abatement, or licensing documents, condition receiving—or continued receiving—City assistance or licensing on compliance with AFFH.

Review AFFH marketing plans for compliance.

Advertise training availability widely.

### Partners and Their Role

Lead Partner. Community Planning and Development Department

Partners. Fair Housing Council of Oregon (FHCO)

Landlords, investors, developers, Neighborhood Associations, and social service agencies

### Anticipated Impacts

| Populations Served | Income | Housing Tenure | Magnitude of New Units Produced |
|---|---|---|---|
| All renters | All incomes but especially lower-income households | Income-restricted rental affordable housing units, unregulated low- and moderate-income affordable rental housing | Low impact on housing. This action will not directly produce housing. |

### Stakeholder Input

- The Micronesian Islander and Latine communities highlighted several issues working with property management, including fear of retribution, challenges getting needed repairs completed, and barriers to meeting application requirements for rental housing. They suggested having a third party to improve understanding between landlords and tenants and to serve as an advocate for tenants.
- The HPS focus group with organizations representing communities of color, people with disabilities and disability service providers, and low-income service providers reiterated common barriers for residents trying to obtain rental housing and the need for flexibility or options for people who cannot meet all of the rental application criteria.
- Residents who took the Housing Needs Survey in Spanish, Marshallese, or Chuukese noted that housing discrimination was an urgent housing issue.

### Implementation Steps

- Consult with City legal about standardized language to achieve the purpose.
- Identify process and documents granting and monitoring City financial assistance in some form to address the topic.

- Make FHCO or equivalent fair housing training mandatory for receipt of City-controlled tax incentives or grants.
- Make FHCO or equivalent fair housing training a condition of receiving or renewing a City multifamily license.
- The City anticipates these steps being implemented by the end of 2026 and will continue in an on-going manner.

**Funding or Revenue Implications**

- Current contract with FHCO is about $20,000/year and paid with federal funds from the City's administration allocation that is back-charged to the City's general fund.
- Added legal expenses in the first year.
- Added advertising/mailing costs in all years.
- Potential added annual training costs in all years.

# Appendix B: Contextualizing Salem's Housing Needs

This chapter provides information to contextualize Salem's housing needs. It provides an understanding of the issues before solutions are proposed. This appendix draws its information and findings from other planning efforts, described in the main report.

As a part of providing context to better understand Salem's housing needs, this appendix presents information about housing in Salem for race, ethnicity, age, disability status, and other characteristics of the community to understand disproportionate housing impacts on different groups.

## Demographic and Socio-Economic Characteristics Affecting Salem's Housing Needs

This section describes unmet housing needs for people in Salem by age, race and ethnicity, disability, household size and composition, and household income.

### Data Used in this Analysis

Throughout this analysis data is used from multiple well-recognized and reliable data sources. One of the key sources for housing and household data is the U.S. Census. This report primarily uses data from two Census sources:[15]

- The **Decennial Census**, which is completed every 10 years and is a survey of all households in the U.S. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2020, the Decennial Census does not collect more

[15] The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.54 million households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the decennial census long-form sample. It is also important to keep in mind that all ACS data are estimates that are subject to sample variability. This variability is referred to as "sampling error" and is expressed as a band or "margin of error" (MOE) around the estimate. This report uses Census and ACS data because, despite the inherent methodological limits, they represent the most thorough and accurate data available to assess housing needs. We consider these limitations in making interpretations of the data and have strived not to draw conclusions beyond the quality of the data.

detailed household information, such as income, housing costs, housing characteristics, and other important household information.

- The **American Community Survey (ACS),** which is completed every year, is a national survey of a sample of households in the U.S. The ACS collects detailed information about households, including demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.

This report primarily uses data from the 2022 and 2018-2022 ACS for Salem and comparison areas, primarily using 1-year ACS data when the margin of error is statistically reliable. Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census. Among other data points noted throughout this analysis, this report also includes data from Oregon's Housing and Community Services Department, the United States Department of Housing and Urban Development, Costar, the City of Salem (permit data), and other sources.

## Regional and Local Demographic Trends May Affect Housing Need in Salem

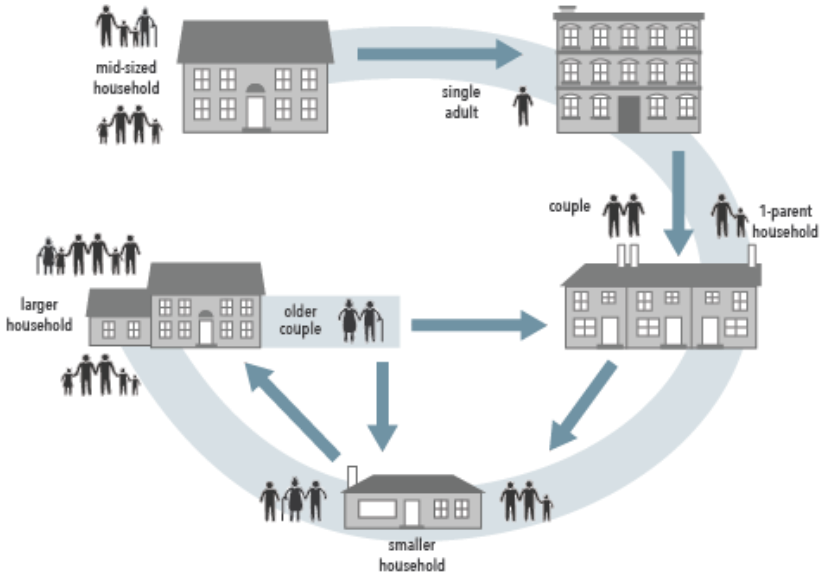
Demographic trends that might affect the key assumptions used in the baseline analysis of housing need are (1) the aging population, (2) changes in household size and composition, and (3) increases in diversity.

An individual's housing needs change throughout their life, with changes in income, family or household composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children or an 80-year-old single adult. As Salem's population ages, different types of housing will be needed to accommodate older residents. The housing characteristics by age data below reveal this cycle in action in Salem.

**Housing needs and preferences change in predictable ways over time, such as with changes in marital status and size of household.**

Households of different sizes need different types of housing.

**Exhibit 34. Effect of Demographic Changes on Housing Need**




Source: ECONorthwest, adapted from Clark, William A.V. and Frans M. Dieleman. 1996. Households and Housing. New Brunswick, NJ: Center for Urban Policy Research.

Within Oregon, historical racist policies affected and continue to affect availability of housing for Black, Indigenous, and People of Color (BIPOC). There is a long history of racial exclusion, discrimination, housing bias, and exclusionary zoning. Cities and counties throughout Oregon have a considerable amount of work to do to address the historical inequalities through the development of new policies that support integrating equity into their decision-making systems. The city of Salem is currently researching exclusionary historic policies and their effects on the city today.

## Growing Population

Exhibit 35 shows that Salem's population grew by 33% between 2000 and 2022. Salem added 45,802 new residents, at an average annual growth rate of 1.3%.

**Exhibit 35. Population Change, Salem, Marion and Polk Counties, State of Oregon 2000, 2010, 2022**

| | | | | Change 2000 to 2022 | | |
|---|---|---|---|---|---|---|
| | 2000 | 2010 | 2022 | Number | Percent | AAGR |
| Salem | 136,924 | 154,637 | 182,726 | 45,802 | 33% | 1.3% |
| Marion County | 284,834 | 315,335 | 352,249 | 67,415 | 24% | 1.0% |
| Polk County | 62,380 | 75,403 | 90,553 | 28,173 | 45% | 1.7% |
| Oregon | 3,421,399 | 3,831,074 | 4,291,525 | 870,126 | 25% | 1.0% |

Source: US Decennial Census 2000 and 2010, and Portland State University, Population Research Center.
AAGR: Average Annual Growth Rate.

## Age of People in Salem

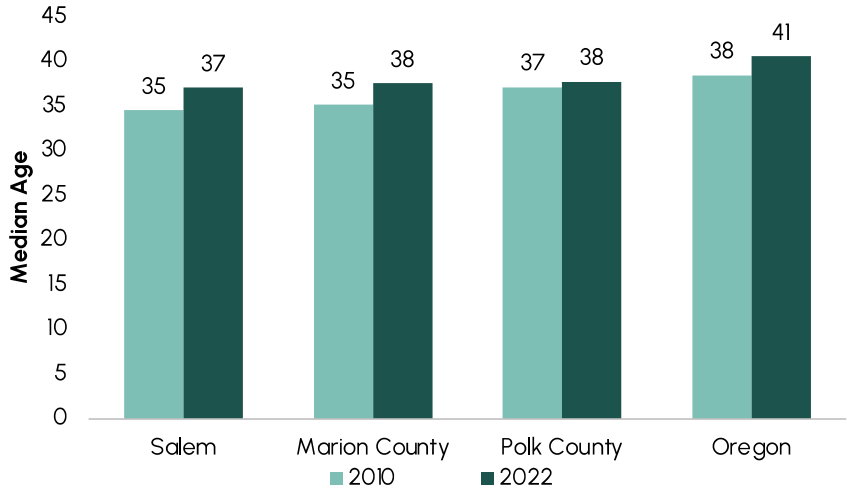
Growth in Salem's senior population, as well as other age cohorts, will continue to shape the city's housing needs. Seniors (over 60 years old) account for 22% of Salem's existing population (in 2022). Marion and Polk counties expect to have 37,380 more people over 60 years of age by 2040 than they did in 2020.[16]

Growth in the number of seniors will result in need for housing types specific to seniors, such as small and easy-to-maintain dwellings or age-restricted developments. Senior households will make a variety of housing choices, including remaining in their homes as long as they can or downsizing to smaller single-family homes (detached), middle housing types (like cottage housing, duplex, triplex, or quadplex), or multifamily units. Seniors may make other housing choices such as moving in with family or moving into group housing (such as assisted living facilities or nursing homes) as their health declines.

[16] Final Population Forecast for Marion and Polk County, prepared by the Population Research Center at Portland State University, June 30, 2021.

**From 2000 to 2022, Salem's median age increased, which is consistent with Marion and Polk counties and state trends.**

**Exhibit 36. Median Age, Salem, Marion County, Polk County, and Oregon, 2000 to 2022**

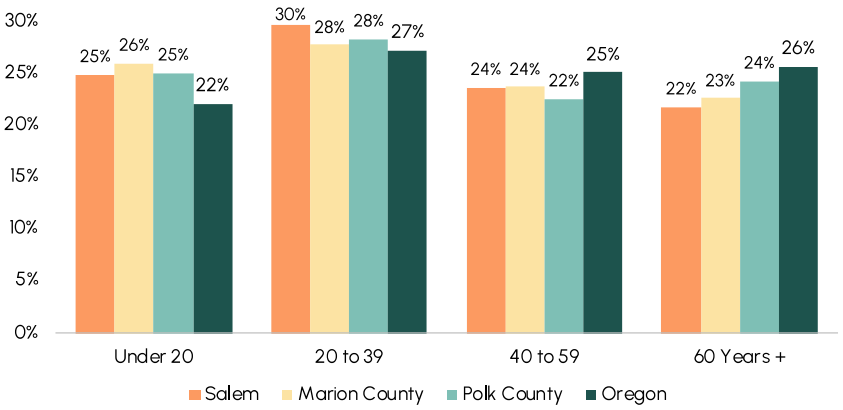



Source: US Census Bureau, 2000 Decennial Census Table B01002, 2022 ACS, Table B01002.

**55% of Salem's residents were younger than 40 years old in 2022.**

Salem had a slightly smaller share of residents over the age of 60 than the counties and the state in 2022.

**Exhibit 37. Population Distribution by Age, Salem, Marion County, Polk County, and Oregon, 2022**

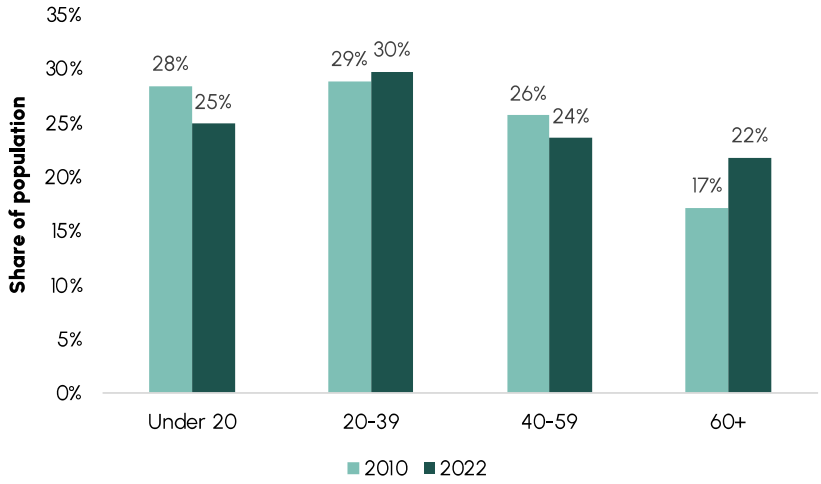



Source: U.S. Census Bureau, 2022 ACS, Table B01001.

**Between 2000 and 2022, the population aged 60 and older grew the most in Salem compared to other age cohorts.**

In this time, those aged 60 years and older grew by 12,166 people (from 26,475 people in 2000 to 38,641 people in 2022).

**Exhibit 38. Population Growth by Age, Salem, 2000, 2022.**

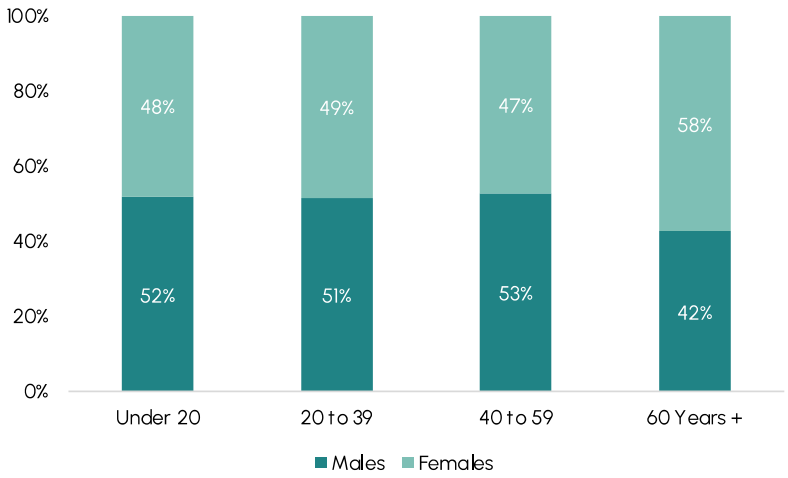



Source: U.S. Census Bureau, 2000 Decennial Census Table P012 and 2022 ACS, Table B01001.

**There are more males in every age group under 60 years old in Salem.**

Females make up nearly 60% of the population aged 60 and older.

**Exhibit 39. Population Distribution by Sex for Each Age Group, Salem, 2022**




Source: U.S. Census Bureau, 2022 ACS, Table B01001.

**People in age groups over 20 years old are expected to grow 21% or more in Marion and Polk counties over the next two decades.**

The 60+ cohort is forecast to grow by 45%, adding more than 37,000 new people, while the under 20 cohort is forecast to decrease by 2% (approximately 2,247 people).

**Exhibit 40. Fastest-Growing Age Groups, Marion County and Polk County, 2020 to 2040**

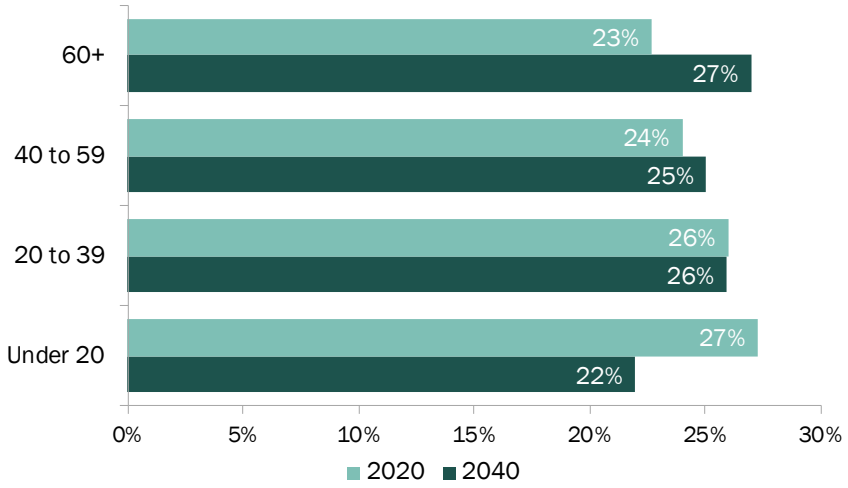
| Under 20 | 20-39 Yrs | 40-59 Yrs | 60+ Yrs |
|---|---|---|---|
| -2% (-2,247) People | 21% 24,126 People | 27% 28,206 People | 45% 37,380 People |

Source: PSU Population Research Center, Marion and Polk County Forecasts, June 2021

**Similar to recent trends, Marion and Polk counties expect to continue seeing growth in older adults (60+) and less youth (under 20) in the future (through 2040)**

This forecast is consistent with national trends with the life stages of the 'baby boom' generation and the recent decline in birth rates in Oregon.[17]

**Exhibit 41. Population Growth by Age Group, Marion and Polk County, 2020 and 2040**




Source: PSU Population Research Center, Marion County and Polk County Forecasts, June 2021.

[17] Josh Lehner, "Oregon's Fertility Rate." ,Oregon Office of Economic Analysis, March 9, 2023.

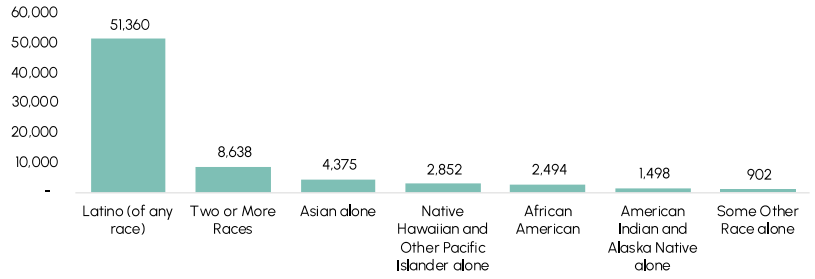
## Race and Ethnicity

Understanding the race and ethnicity characteristics in Salem is important for understanding housing needs because people of color can have certain housing needs, such as need for more relatively affordable housing, multigenerational housing, and opportunities for wealth building through homeownership. People of color are more likely to face discrimination when looking for housing than the average household.[18] Salem's population is about 40% people of color, with Latines comprising 29% of residents.

**About 72,000 people (40% of residents) identified as a race or ethnicity other than white, non-Hispanic in Salem.**

About 105,371 people in Salem identify as white, non-Hispanic.

**Exhibit 42. Population of Color by Race/Ethnicity, Salem, 2022**

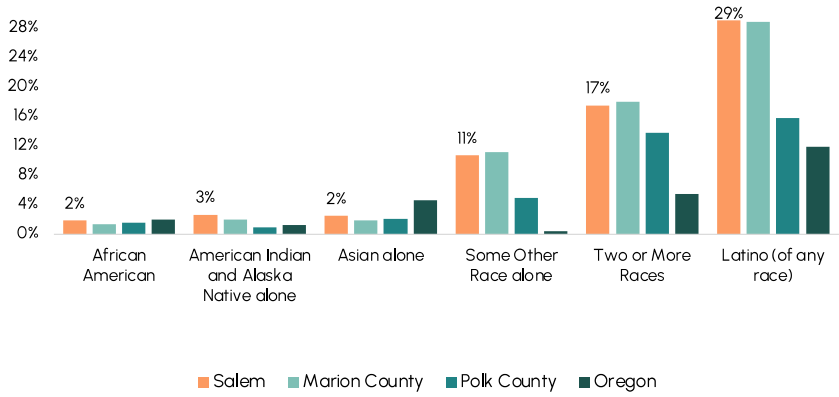



Source: U.S. Census Bureau, 2022 ACS, Table B03002.

**The representation of Latine residents in Salem and Marion County (nearly 30% in 2022) was significantly higher than the State of Oregon (12%) and Polk County (15%).**

Not shown in the exhibit, is the white, non-Hispanic category.

**Exhibit 43. Population Distribution by Race and Ethnicity, Salem, Marion County, Polk County, and Oregon 2022.**



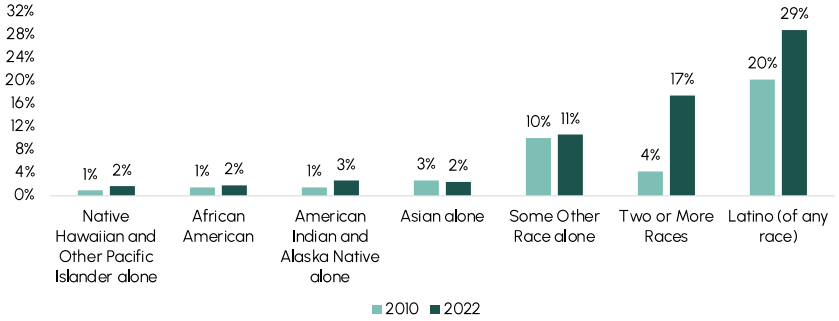

Source: 2022 ACS, Table B03002.

[18] The U.S. Census Bureau considers race and ethnicity as two distinct concepts. Latine is an ethnicity and not a race, meaning individuals who identify as Latine may be of any race.

**The share of households that identified as a Person of Color increased in Salem from 2010 to 2022, except for Asian alone.**

The greatest percent increase occurred in residents who identify as two or more races, which increased by 13% and is consistent with national trends.

**Exhibit 44. Change in Population by Race and Ethnicity as a Percent of the Total Population, Salem, 2010 and 2022**

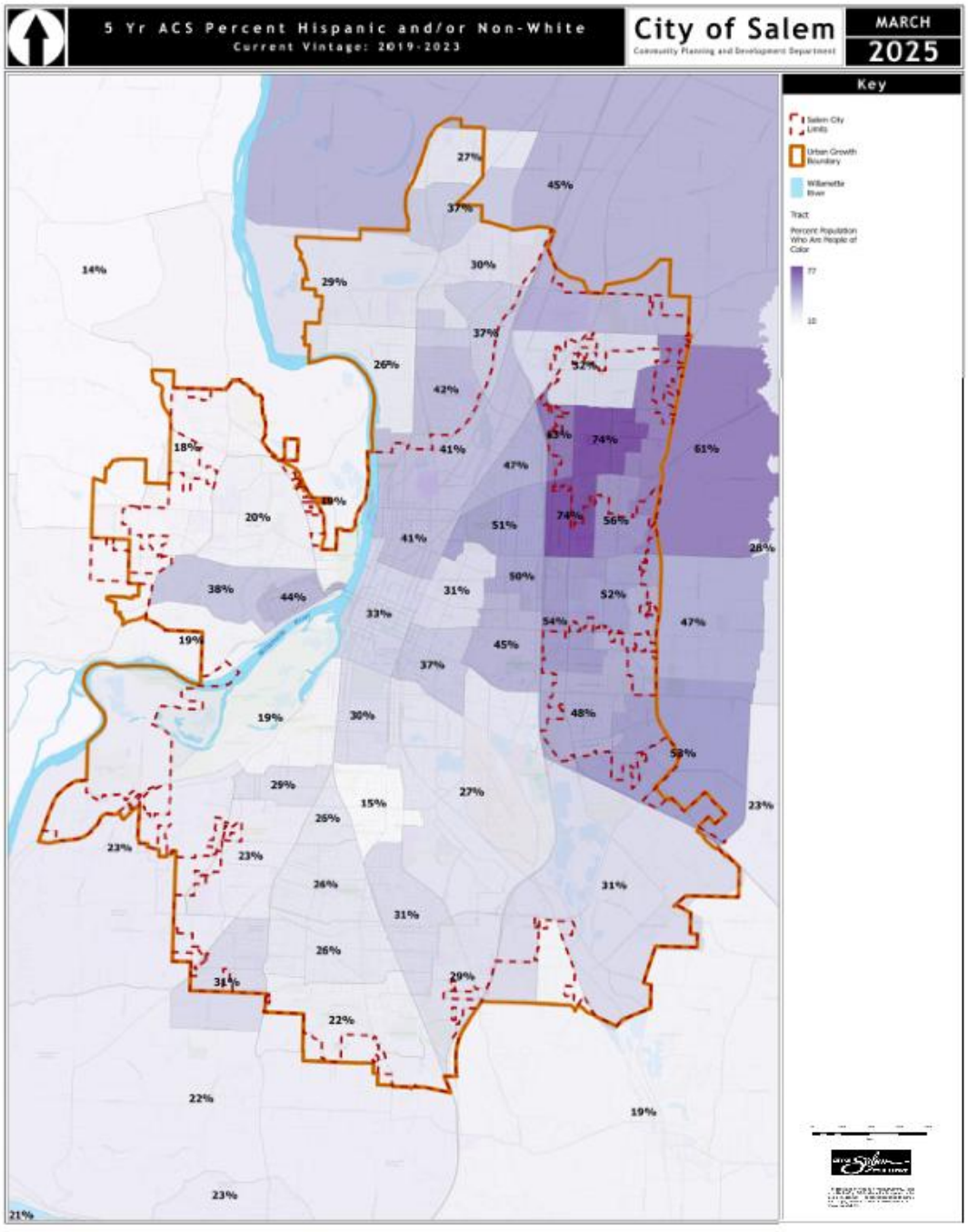



Source: U.S. Census Bureau, 2010 Decennial Census Table P005001, 2022 ACS Table B03002.

Exhibit 45 shows the percentage of population that are Hispanic and/or Non-White in Salem by Census Tract. Areas in north and northeast Salem are more diverse, with Hispanic and/or Non-White population in that area accounting for 40% or more of the population.

**Exhibit 45. Percentage of Hispanic and/or Non-White Population, City of Salem, 2019-2023**

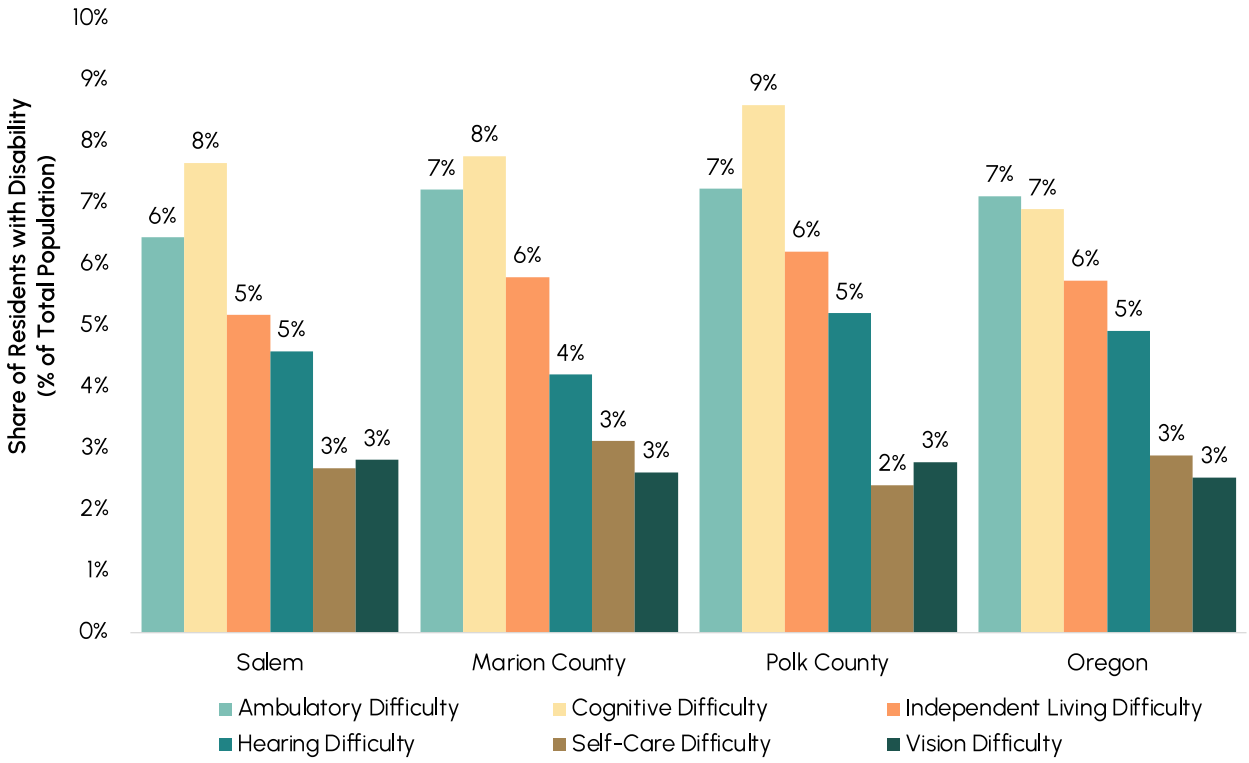
Source: U.S. Census Bureau American Community Survey 2019-2023, City of Salem



## People with a Disability

People with one or more disabilities have special housing needs because they may need housing that is physically accessible or includes specialized services. About 16% of Salem's population has one or more disabilities (about 27,900 people). Cognitive difficulties and ambulatory difficulties are the most common types of disability for Salem residents.

**Exhibit 46. Persons Living with a Disability by Type and as a Percent of Total Population, Salem, Marion County, Polk County, and Oregon, 2022**




Source: U.S. Census Bureau 2022 ACS, Table S1810.
Note: People with disabilities shown in Exhibit 46 may have more than one type of disability.

## Household Size and Composition

Housing need varies by household size and the composition of the family or household members living in homes. The housing needs of a single-person household are different than those of a multi-generational family. On average, the composition of Salem's households is similar to Marion County and statewide averages.

**Salem had similar average household sizes to Marion and Polk counties and the state.**

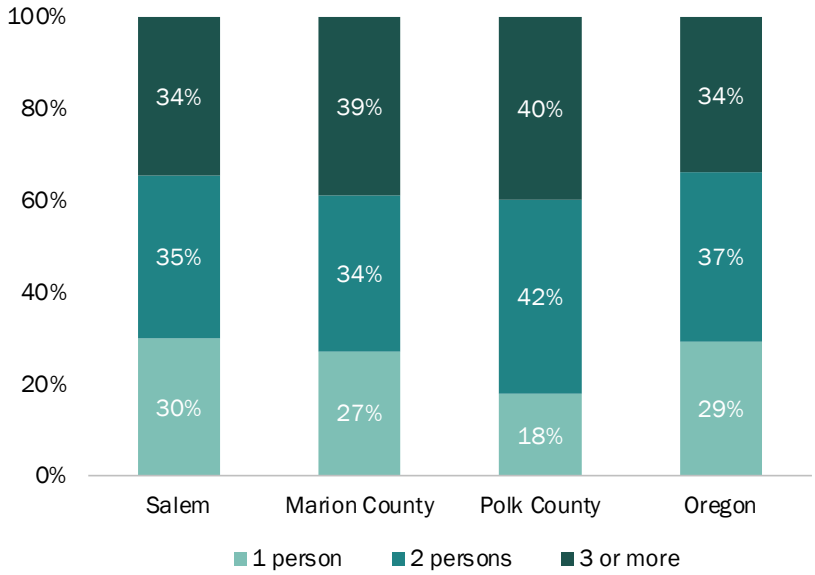
**Exhibit 47. Average Household Size, Salem, Marion County, Polk County, Oregon, 2022**

| 2.5 Persons | 2.6 Persons | 2.6 Persons | 2.4 Persons |
|---|---|---|---|
| Salem | Marion County | Polk County | Oregon |

Source: U.S. Census Bureau, 2022 ACS 1-year estimate, Table B25010.

**Salem had a larger share of one-person households compared to Marion and Polk counties.**

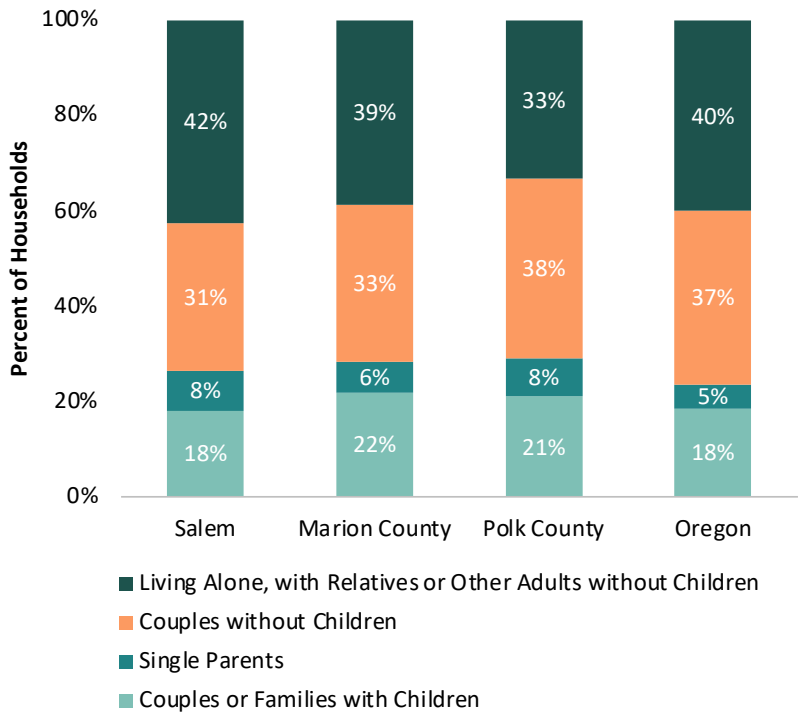
**Exhibit 48. Household Size, Salem, Marion County, Polk County and Oregon, 2022**




Source: U.S. Census Bureau 2022 ACS 1-year estimate, Table B25010.

**Salem had a larger share of single parent households and adults that live alone or with others (non-couples) than Marion and Polk counties and the state in 2022.** Salem had a lower share of couples without children than Marion and Polk counties and the state.

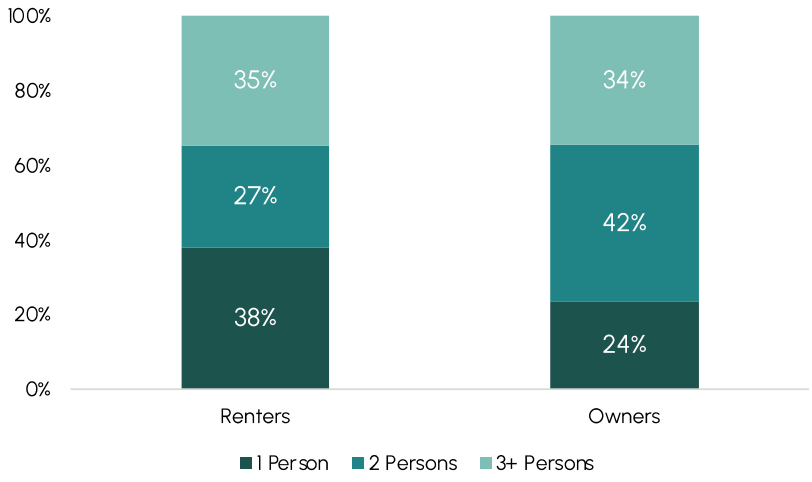
**Exhibit 49. Household Composition, Salem, Marion County, Polk County, and Oregon, 2022**




Source: U.S. Census Bureau, 2022 ACS 1-year estimate, Table DP02.

**A greater share of renters were one person households (38%) than owners (24%).** Salem had fewer two-person renter households than one and three or more person households.

**Exhibit 50. Tenure by Household Size, Salem, 2022**




Source: US Census Bureau, 2022 ACS 1-Year Estimate, Table B25009

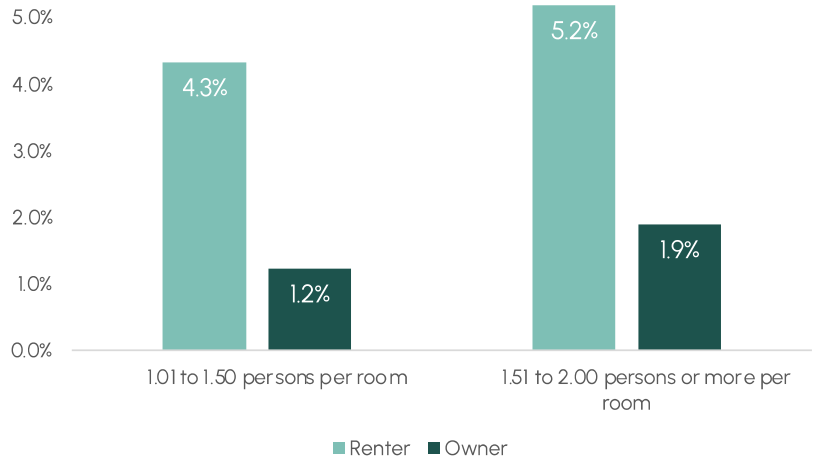
## Overcrowding

Overcrowding occurs when the relatively high cost of housing either forces a household to double-up with another household or live in a smaller housing unit to afford food and other basic needs. An overcrowded household is defined by the Census as one with more than one person per room, excluding bathrooms, kitchens, hallways, and porches. Severely overcrowded households are households with more than 1.5 persons per room. Overcrowding can indicate that a community does not have adequate supply of affordable housing, especially for larger families. In Salem, nearly 10% of renters experienced overcrowding compared to about 3% of homeowners.

**Nearly 10% of all renter households (2,943 households) were overcrowded in Salem.**

Owner-households experienced overcrowding to a lesser degree, approximately 3%.

**Exhibit 51. Overcrowding by Tenure, Salem, 2022**




Source: U.S. Census Bureau, 2022 ACS 1-year estimate, Table B25014.

## Household Income

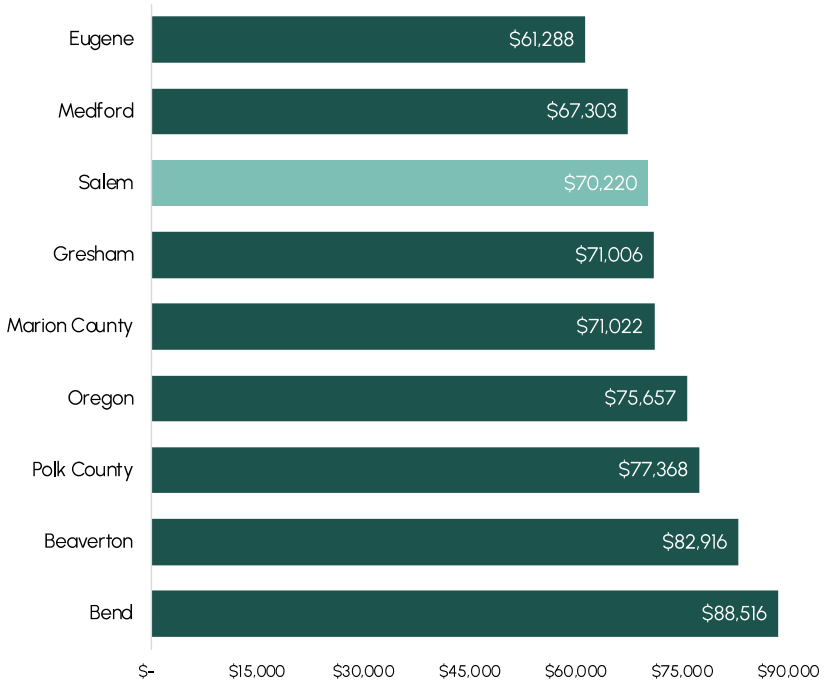
Income is one of the key determinants in housing choice and households' ability to afford housing. The median household income for residents living in Salem - $70,220 in 2022 – was lower than Marion and Polk counties' and the state's median household income.

Median household income, or median earning data, is available for many groups of people, as shown in the exhibits below. The median household income suggests that Salem's households can afford about $1,750 in monthly housing costs. Median household income is higher for two or more person households and increases with age until retirement age. Median household income is lower for Latine households ($49,606) in Salem compared to the overall median household income. Households headed by a person of color are more likely to have low to extremely low incomes compared to the city's median household income. Households headed by a person of color are also more likely to rent than the overall average for Salem households.

**Salem's median household income ($70,220) was lower than the median income for Marion and Polk counties and the state in 2022.**

Salem's median household income was higher than Eugene and Medford, but lower than the cities of Gresham, Beaverton, and Bend.

**Exhibit 52. Median Household Income, Salem, Marion County, Polk County, Oregon, and Comparison Cities, 2022**

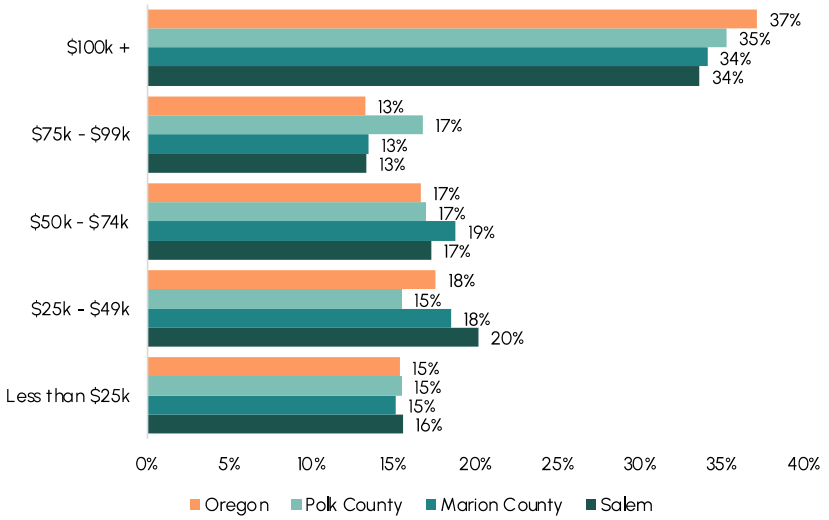



Source: U.S. Census Bureau, 2022 ACS 1-year estimate, Table B25119.

**Approximately 36% of all households in Salem earned less than $50,000, compared to about 30-33% of Marion and Polk counties and state households in 2022.**

Salem had fewer households earning $75,000 or more per year than Marion and Polk counties and the state.

**Exhibit 53. Household Income Distribution, Salem, Marion County, Polk County, and Oregon, 2022**

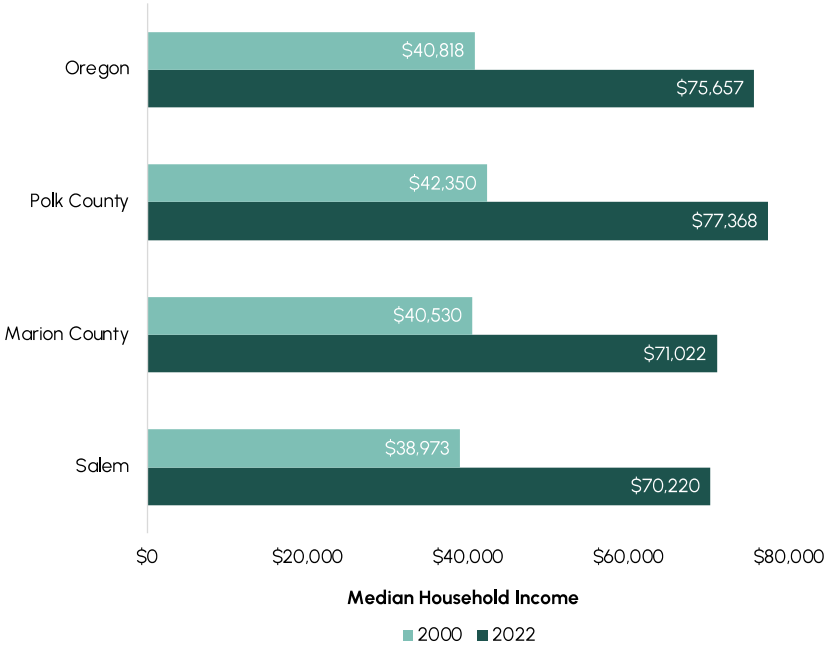



Source: U.S. Census Bureau, 2022 ACS 1-year estimate, Table B19001.

**Salem's median household income had an 80% nominal increase from 2000 to 2022.**

This increase was higher than Marion County (75%), but lower than the State of Oregon (85%) and Polk County (83%).

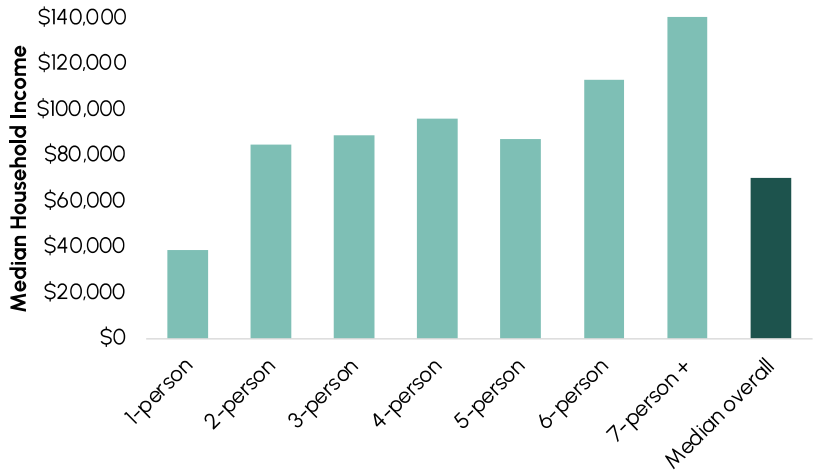
**Exhibit 54. Change in Median Household Income, Salem, Marion County, Polk County, and Oregon, 2000 to 2022, (Not Inflation-Adjusted)**




Source: US Census Bureau, 2000 Decennial Census, Table HCT012; 2022 ACS 1-Year Estimate, Table B25119.

**Median household income in Salem tends to increase with household size.**

**Exhibit 55. Median Household Income by Household Size, Salem, 2022**

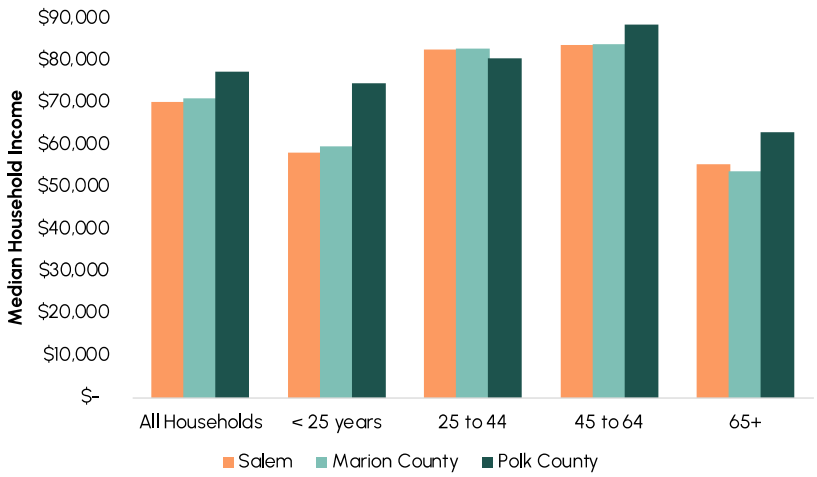



Source: U.S. Census Bureau, 2022 ACS 1-year estimate, Table B19019

**In Salem, householders under 25 years and over 65 years had median incomes below the overall median household income in 2022.**

Polk County median incomes were generally higher than those of the City of Salem or Marion County.

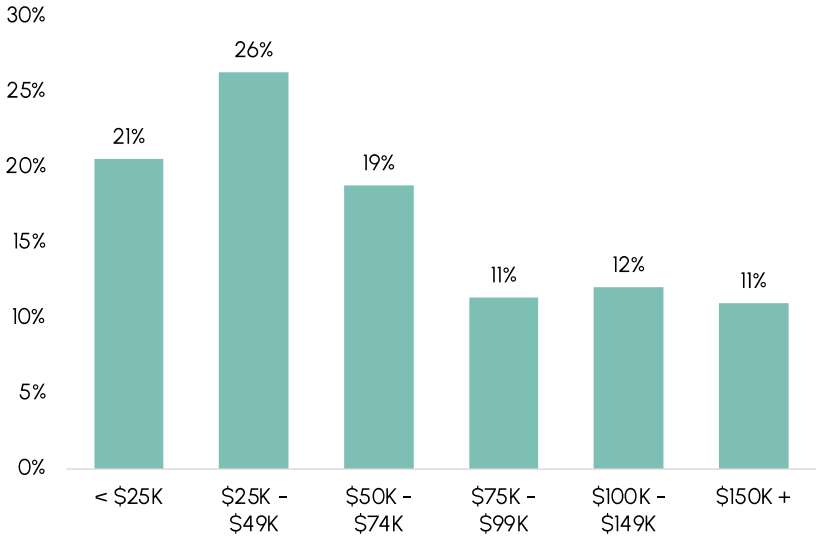
**Exhibit 56. Median Household Income by Age, Salem, Marion County, and Polk County, 2022.**




Source: U.S. Census Bureau, 2022 ACS 1-year estimate, Table B19049.

**47% of households with a head of householder aged 65 or older earned less than $50,000 per year.**

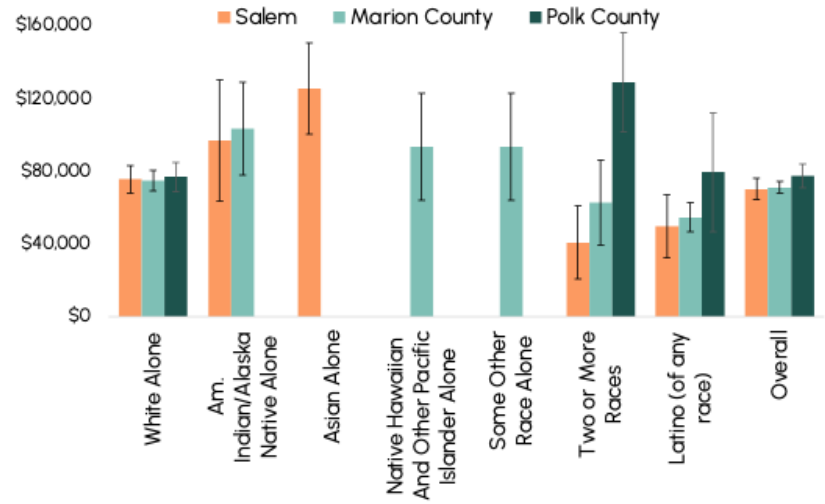
**Exhibit 57. Household Income Distribution for Householders Aged 65 Years and Older, Salem, 2022**




Source: U.S. Census Bureau, 2022 ACS 1-year estimate, Table B19037.

**Latine and two or more race households had incomes below the City's median household income.**

**Exhibit 58. Median Household Income by Race and Ethnicity for the Head of Household, Salem, Marion County, and Polk County, 2022**



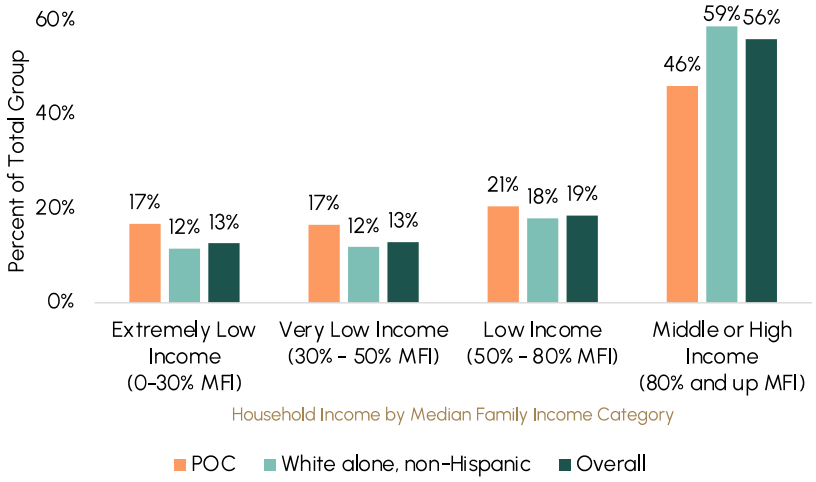

Source: U.S. Census Bureau, 2022 ACS 1-year estimate, Table B109013A-I.
Note: Black bars denote the potential upper and lower bound of the estimate using the margin of error reported by the Census. Black/African American alone was excluded for all geographies as well as several other groups for select geographies due to small sample sizes.

Exhibit 59 to Exhibit 61 compare household income for people of color (POC) households with White non-Hispanic households to show disparities in income levels.

**Households headed by a person of color were more likely to be low income compared with the average household in Salem.**

About 55% of households headed by a person of color had an income below 80% of the median family income (labeled as low, very low, or extremely low income) compared to 42% of households with a head of household who identified as white.

**Exhibit 59. Household Income by Income Grouping POC, White Non-Hispanic, and All Households, Salem, 2016-2020**

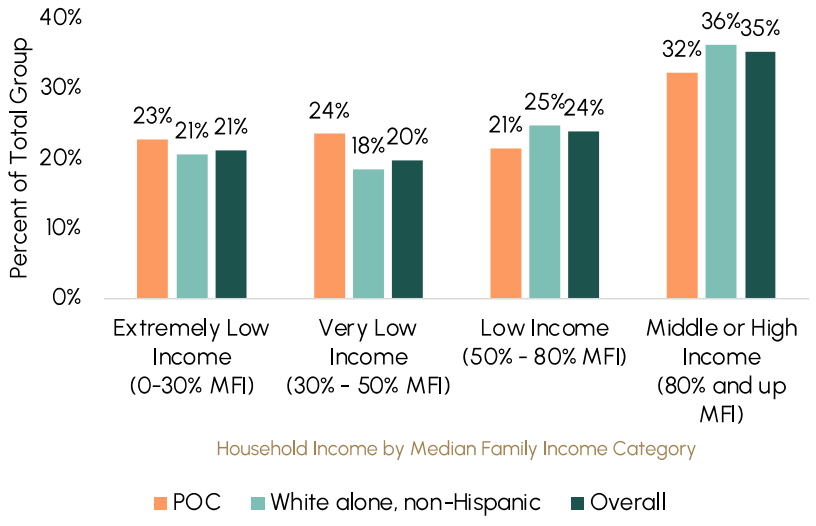



Source: CHAS, Table 2.
Note: People of color (POC) category includes Hispanic.

**Over 65% of all renter households make below 80% of the median family income** (labeled as low, very low, or extremely low income).

Nearly half (47%) of POC renter households are very or extremely low income compared to 39% of White households.

**Exhibit 60. Renter Income by Income Grouping for POC, White Non-Hispanic, and All Households, Salem, 2016-2020**

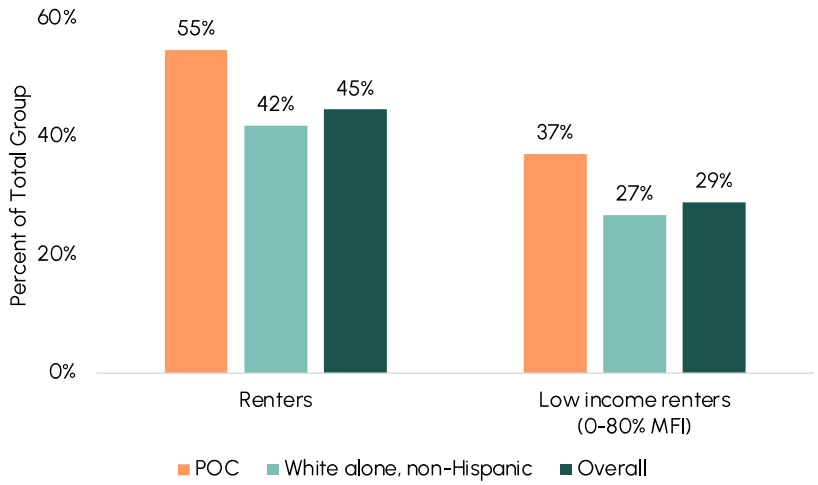



Source: CHAS, Table 2.
Note: POC category includes Hispanic.

**Over 37% of POC households that rent are low income, compared to 27% of White households** 55% of POC households are renters compared to 42% of White households.

.

**Exhibit 61. Comparison by Tenure and Income POC, White non-Hispanic, and All Households, Salem, 2014-2018**

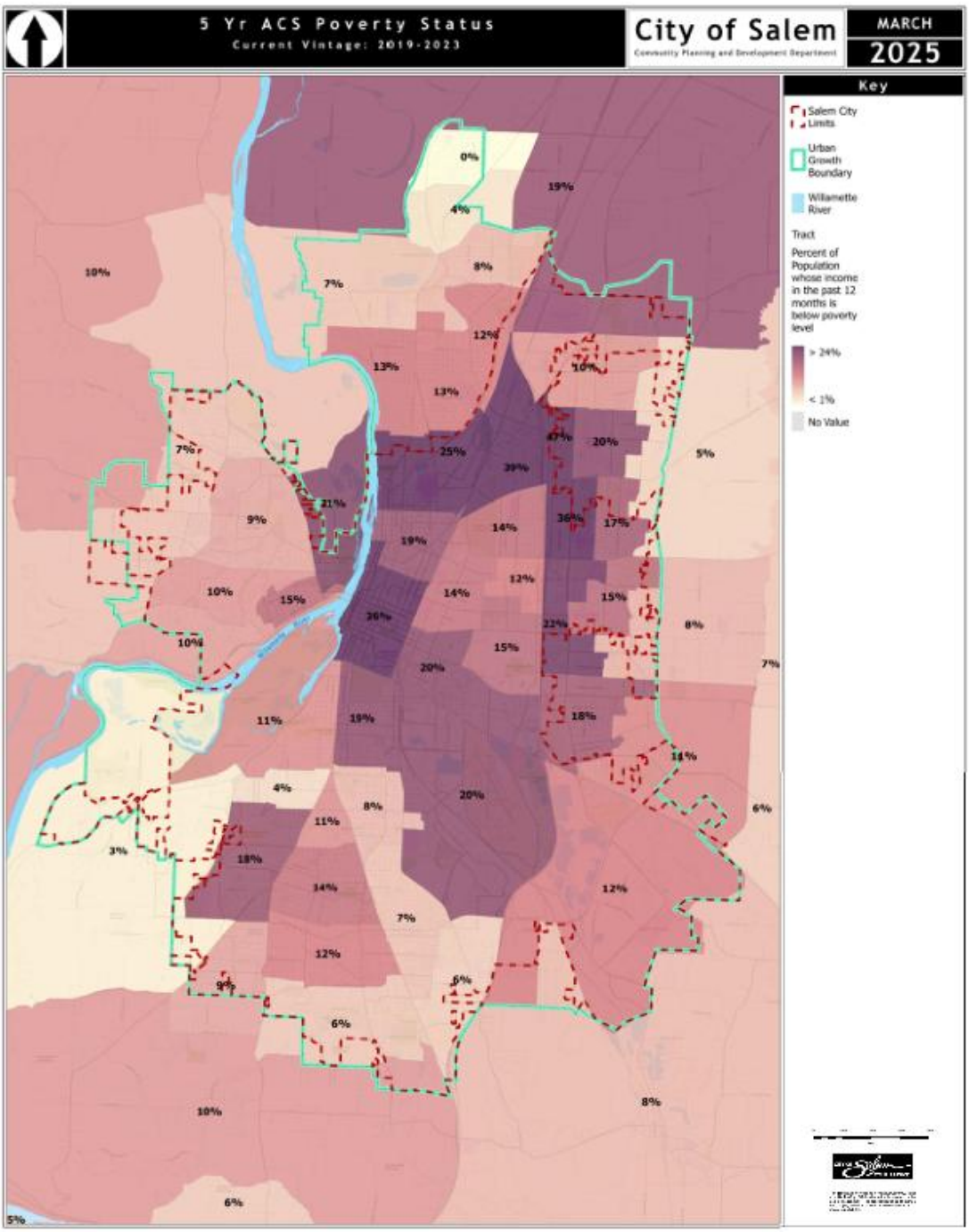



Source: CHAS, Table 2.
Note: POC category includes Hispanic.

Exhibit 62 shows the percentage of population with monthly income below the Federal poverty line in Salem by Census Tract. The percentage of people with income below the Federal poverty line in Salem generally varies from fewer than 10% of the population in a Census tract to more than 25% of people in a Census tract. Generally, Census tracts with higher concentrations of people with income below the Federal poverty line is higher in the northern part of Salem.

**Exhibit 62. Poverty Status, City of Salem, 2019-2023**

Source: U.S. Census Bureau American Community Survey 2019-2023, City of Salem



# Housing Market Conditions and Trends

An analysis of housing market conditions and trends in Salem provides insight into the functioning of the local housing market. The housing types used in this analysis are consistent with needed housing types as defined in ORS 197A.348:

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- **Plex** housing is smaller-scale attached structures like duplexes, triplexes, quadplexes.
- **Multifamily** is all attached structures with five or more units.

ORS 197A.348 includes other types of needed housing, such as government assisted housing, agriculture work force housing, and single room occupancies. Where information is generally available about these types of housing, it is presented in this section.

## Existing Housing Stock

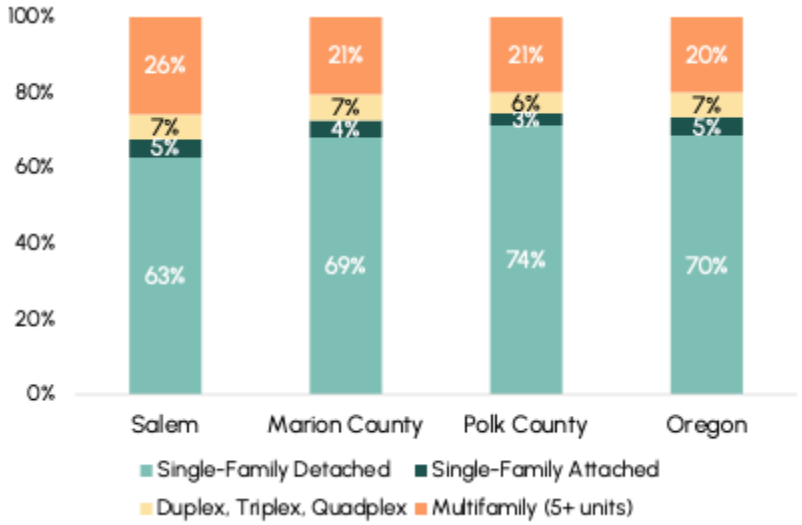
According to the 2022 American Community Survey (ACS, U.S. Census), Salem had 70,335 dwelling units in the City, an increase of 16,605 dwelling units from 2000. Most new units were considered single-family detached (9,265), followed by multifamily (6,366), and single-family attached (974). However, a larger share of Salem's total housing stock is multifamily housing compared to the State's overall housing mix.

In comparison, City of Salem permit data from 2014 to 2024 (see Exhibit 64) shows steady gradual increases in the construction of multifamily units which in recent years (2022 to 2024) comprised a larger share of the total new housing being built compared to single family development. In addition, more Accessory Dwelling Units and middle housing types (particularly duplexes) are being built in 2024 compared with earlier years between 2014 to 2017.

**About 63% of Salem's housing stock was single-family detached housing.**

Salem had a larger share of multifamily housing (26%) than Marion and Polk counties and the state.

**Exhibit 63. Housing Mix, Salem, Marion County, Polk County, and Oregon, 2022**




Source: U.S. Census Bureau, 2022 ACS Table B25024.

**Exhibit 64. Housing Type Mix Based on Housing Units Permitted, Salem, 2014 - 2024**

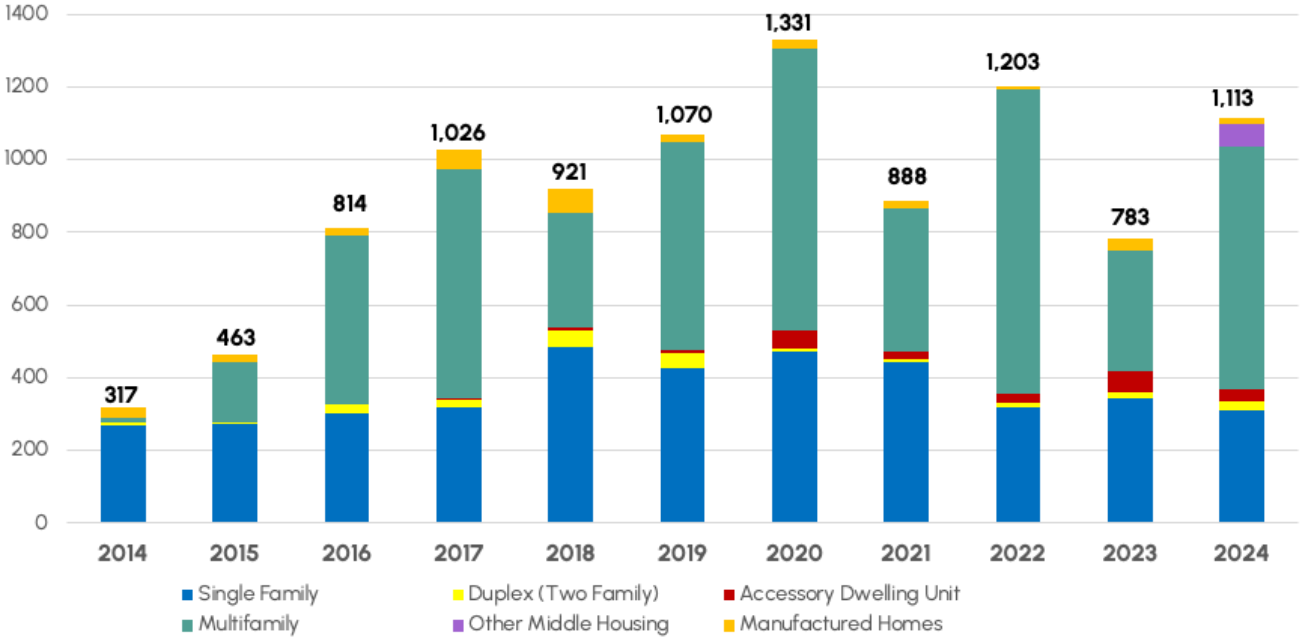
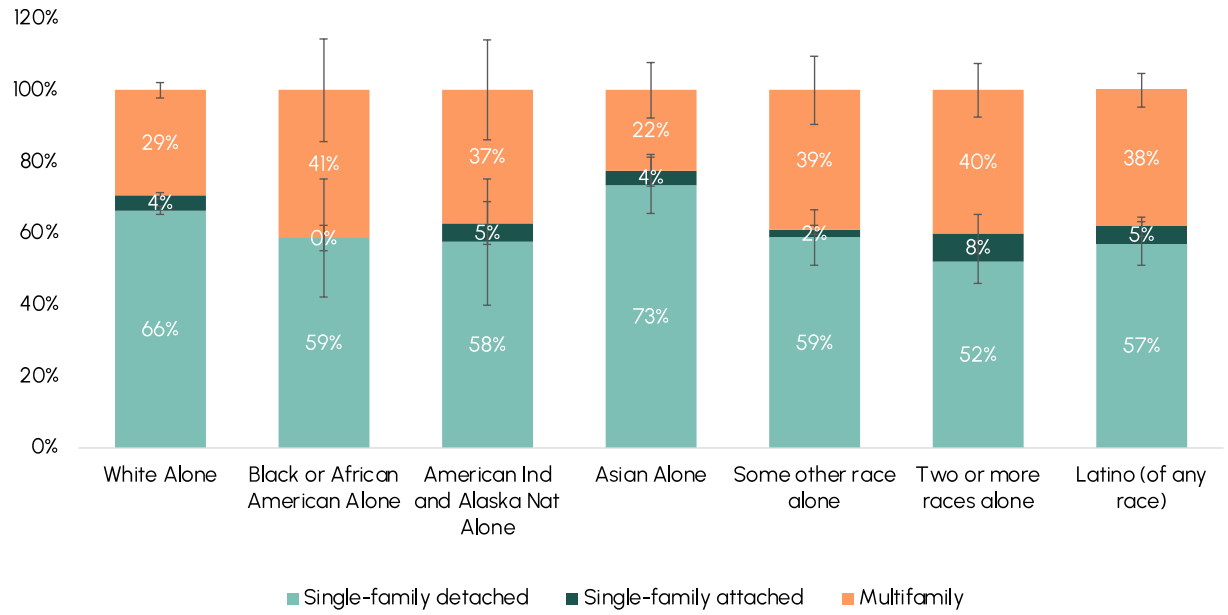


Exhibit 65 shows the types of dwelling units by race and ethnicity in Salem. Exhibit 65 includes an indication of margin of error (the "whisker" lines shown in the graph) because the number of people of color in Salem is relatively small (as shown in Exhibit 42). Exhibit 65 shows that households that identified as Asian alone were most likely to live in single-family detached housing (73%) followed by white alone (66%). Households that identified as black or two or more races were most likely to live in multifamily housing (41% and 40% respectively).

In general, people of color (excluding Asian alone) are more likely to live in multifamily housing than the overall average Salem household.

**Exhibit 65. Occupied Housing Structure by Race and Ethnicity, Salem, 2018-2022**



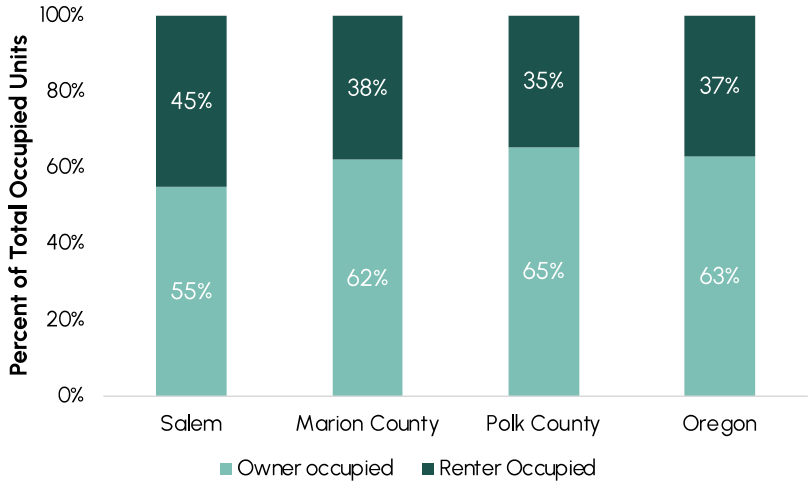

Source: U.S. Census Bureau, 2018-2022 ACS Table B25032 A-I.
Note: Native Hawaiian & Pacific Islander output removed due to small sample size and high margin of error.

## Housing Tenure

Housing tenure describes whether a dwelling is owner or renter occupied. In 2022, about 45% of Salem's housing stock was owner occupied, and 55% renter occupied; that is similar to homeownership rates in other larger cities in Oregon. Homeownership rates in Salem increase with age, peaking for people 60 years and older. In general, people of color (excluding Asian alone) are less likely to be homeowners than the overall average Salem household, white and Asian alone households have the highest homeownership rates.

**Salem had a lower homeownership rate than Marion county, Polk county, and the state.**

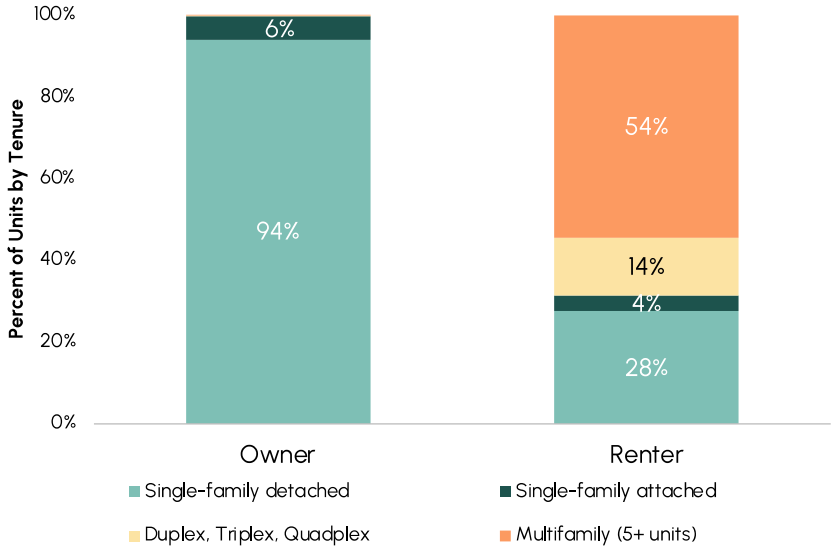
**Exhibit 66. Tenure, Occupied Units, Salem, Marion County, Polk County, and Oregon, 2022**




Source: U.S. Census Bureau, 2022 ACS 1-Year Estimates, Table B24003.

**Over half of Salem renters live in multifamily housing.** The majority of homeowners (94%) live in single-family detached housing.

**Exhibit 67. Housing Units by Type and Tenure, Salem, 2022**

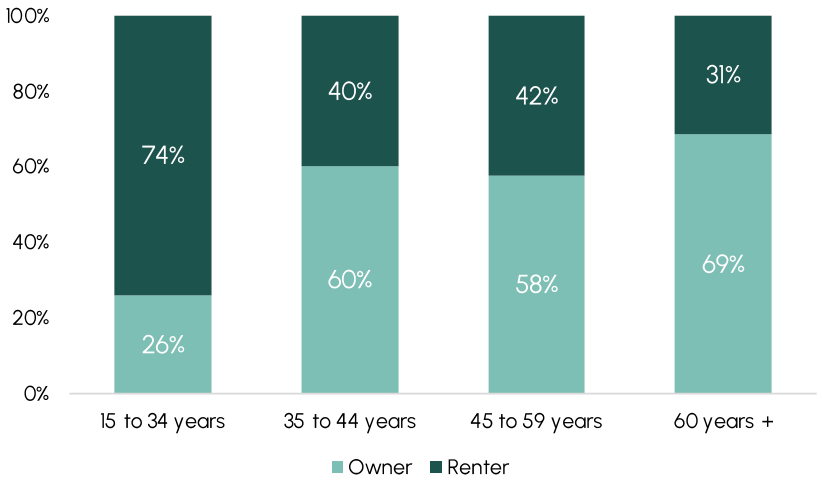



Source: U.S. Census Bureau, 2022 ACS Table B25032.

**Salem's homeownership rate increased with the age of the household.**

In Salem, about 70% of householders sixty years of age or older owned their homes.

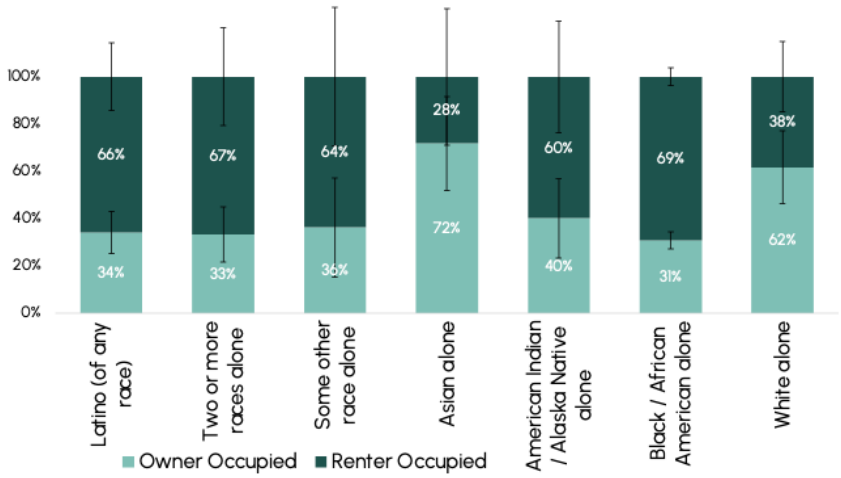
**Exhibit 68. Housing Tenure by Age of the Head of Household, Salem, 2022**




Source: U.S. Census Bureau, 2015-2019 ACS Table B25007.

**Households of color are more likely to rent their housing than white households.**

**Exhibit 69. Tenure by Race and by Ethnicity, Salem, 2018-2022**




Source: U.S. Census Bureau, 2018-2022 ACS Table B25003A-I. Black bars denote the potential upper and lower bound of the estimate using the margin of error reported by the Census. Native Hawaiian & Pacific Islander output removed due to small sample size and high margin of error.

## Manufactured Homes

Manufactured homes provide a source of affordable housing in Salem. They provide a form of homeownership that can be made available to low- and moderate-income households. Cities are required to plan for manufactured homes—both on lots and in parks (ORS 197.475-492). Salem has 30 manufactured home parks. Within these parks, there are a total of roughly 3,000.[19]

[19] Oregon Manufactured Dwelling Park Directory.

## Rent-Restricted and Emergency Housing

There are 76 regulated housing developments in Salem with a total of 3,248 dwelling units.[20]

**Exhibit 70. Share of Income-Restricted Housing by Type, Salem, 2022**

| | Income Restricted | Unit Assistance |
|---|---|---|
| Number of Units | 3,248 | 813 |
| Share of Total Units | 4.6% | 1.2% |

Source: City of Salem

Salem had approximately 70,335 total dwelling units in 2022. Income-restricted units accounted for about 4.6% of Salem's total housing stock.

**Exhibit 71. Income-Restricted Housing, Salem, 2025**

| Development Name | Total Units | Unit Types | | |
|---|---|---|---|---|
| | | Income Restricted | Income Assistance | Accessible |
| 1361 Marilyn St SE | 1 | 1 | - | - |
| 1570 Marshall Dr SE | 1 | 1 | - | - |
| 27th Ave Apts | 96 | 96 | 8 | - |
| 485 Holmes Ct SE | 1 | 1 | - | - |
| 49th St NE | 1 | 1 | - | - |
| Applegate Terrace Apartments | 42 | 42 | - | - |
| Bluffs At Ratcliff | 20 | 20 | 20 | 2 |
| Broadway Place | 55 | 54 | - | 3 |
| Brush College Village | 22 | 22 | - | 4 |
| Capitol Plaza | 36 | 35 | 35 | 2 |
| Claxter Crossing Apts | 102 | 102 | - | 2 |
| Colonia Libertad | 48 | 48 | - | 4 |
| Coral Avenue | 28 | 28 | - | - |
| Cornerstone Apts | 180 | 180 | - | 9 |
| Englewood East | 50 | 50 | 50 | - |
| Englewood West Apts | 54 | 54 | - | - |
| Evergreen | 17 | 17 | 9 | - |
| Fischer Court I | 48 | 47 | 47 | - |

[20] Source: City of Salem

| Development Name | Total Units | Unit Types | | |
|---|---|---|---|---|
| | | Income Restricted | Income Assistance | Accessible |
| Fischer Court II | 16 | 16 | 16 | - |
| Fisher/Sizemore Project | 12 | 12 | - | - |
| Four Oaks | 24 | 24 | 24 | - |
| Fruitland Meadow | 168 | 168 | - | - |
| Gateway Aka Mahonia | 184 | 184 | 56 | - |
| Glen Creek Village Apts | 30 | 30 | - | 4 |
| Grant Street Apts | 6 | 6 | - | - |
| Gussie Belle | 120 | 120 | - | - |
| Harrison/St .Francis Apts | 5 | 5 | - | - |
| Highland Cottages | 9 | 9 | - | - |
| Highland Manor | 16 | 12 | 12 | - |
| Highland Manor Annex | 4 | 4 | - | - |
| Highland Properties | 9 | 9 | - | - |
| Highland Station | 16 | 16 | - | 1 |
| Highland Station Apartments | 12 | 12 | - | - |
| Hope Plaza | 20 | 20 | - | - |
| Jason Lee Manor | 75 | 75 | 75 | - |
| Jory Apartments | 246 | 36 | - | |
| Kingwood West | 100 | 100 | - | - |
| Lee Street Apts | 8 | 8 | - | - |
| Mahonia Crossing 2 | 129 | 129 | - | |
| Marilyn Street Apts | 4 | 4 | - | - |
| Market St Cottages | 10 | 10 | - | - |
| Meadowlark Village | 32 | 32 | - | 4 |
| Mill Creek Meadows | 51 | 31 | - | 2 |
| MWVCAA And Westcare Foundation | 13 | 13 | - | - |
| New Horizons | 6 | 6 | - | - |
| Oak Hill Apts | 56 | 11 | 11 | - |
| Orchard Park Apts | 224 | 224 | - | - |
| Parkway West | 78 | 78 | - | 4 |
| Pioneer Village | 160 | 160 | - | - |
| Providence Place | 67 | 66 | 66 | - |
| Redwood Crossing | 35 | 35 | - | 4 |
| Renaissance Place | 28 | 13 | - | - |
| River Park Apts | 10 | 6 | - | - |

| Development Name | Total Units | Unit Types | | |
|---|---|---|---|---|
| | | Income Restricted | Income Assistance | Accessible |
| Salem Heights | 1 | 1 | - | - |
| Salem Manor | 65 | 64 | 64 | - |
| Sequoia Crossings | 60 | 60 | 60 | - |
| Sha - Parkway East | 46 | 46 | - | 7 |
| Sha - Robert Lindsey Tower | 62 | 62 | 62 | 7 |
| Sha Rad Group II - Northgate Village | 26 | 26 | - | - |
| Sha Rad II - Livingston Village | 24 | 24 | - | - |
| Shelton Village | 28 | 28 | - | - |
| Siletz | 39 | 21 | - | - |
| Southview Terrace | 60 | 60 | - | - |
| State Street | 11 | 11 | - | - |
| Statesman Mill Creek | 11 | 11 | - | - |
| Sunnyslope Manor | 50 | 31 | 31 | 2 |
| University House | 3 | 3 | - | - |
| Viking Village aka Fairhaven Gardens | 87 | 86 | 86 | 2 |
| Vista Apts | 12 | 12 | - | - |
| Wallerwood Apts | 22 | 22 | 22 | 22 |
| White Oak Apts | 11 | 11 | - | - |
| Winter Street Apts | 12 | 6 | - | - |
| Woodmansee Place | 11 | 3 | - | - |
| Yaquina Hall | 52 | 51 | 51 | |
| Yaquina-Southfair | 92 | 92 | 8 | 49 |
| YMCA | 34 | 34 | - | - |
| **Total** | **3,604** | **3,248** | **813** | **134** |

Source: City of Salem

People experiencing homelessness in the Salem/Marion, Polk County Continuum of Care (CoC) have access to 599 emergency shelter beds, 215 transitional shelter beds, 264 Rapid Rehousing beds, and 217 permanently supportive housing beds.[21] The "Other" category includes safe havens and other permanent housing and accounts for 110 bed spaces. Exhibit 73 shows the location of the Affordable Housing units within Salem.

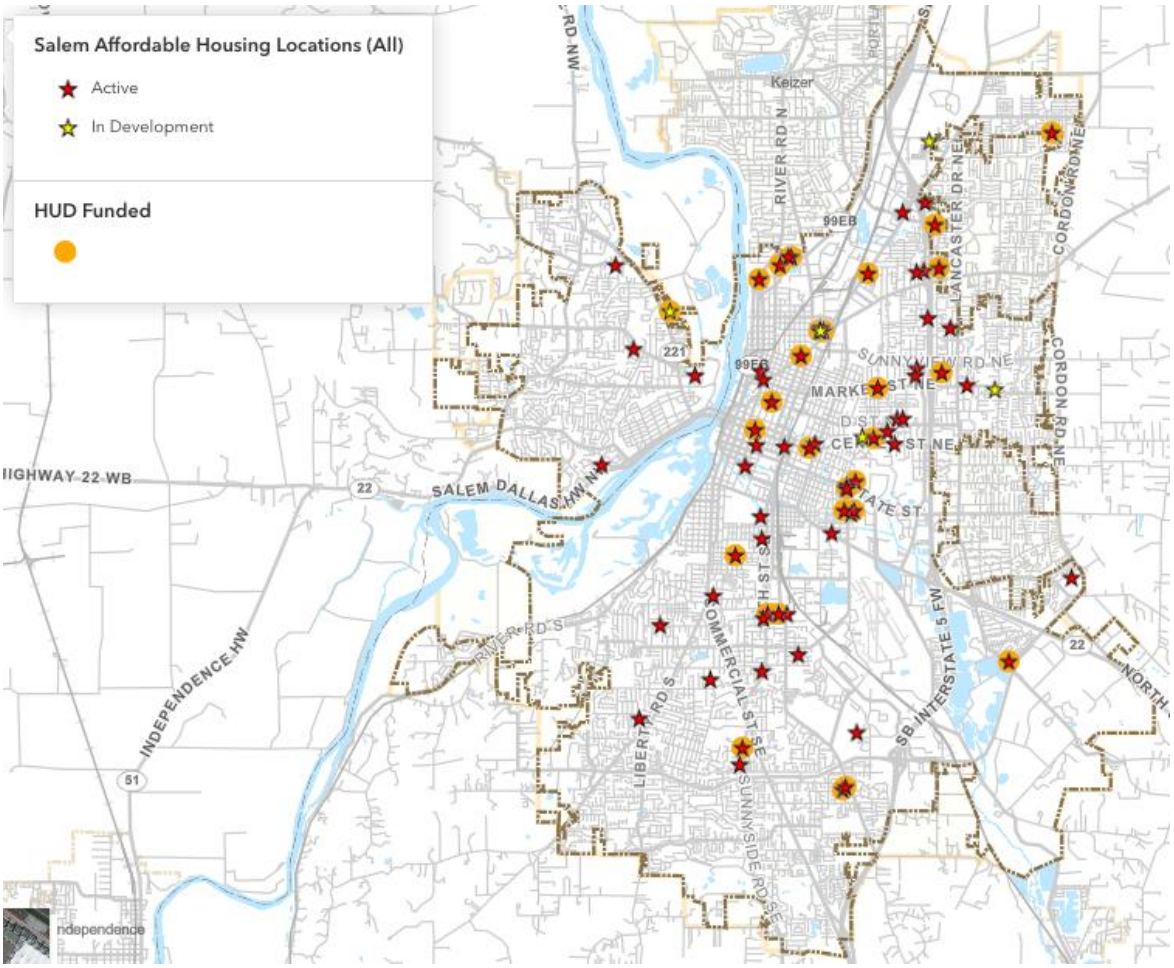
**Exhibit 72. Facilities and Housing Targeted to Households Experiencing Homelessness in Salem/Marion, Polk County Continuum of Care (CoC), 2023**

| | Emergency Shelter | Transitional | Rapid Rehousing | Permanent Supportive Housing | Other |
|---|---|---|---|---|---|
| **# of Beds** | 599 | 215 | 264 | 217 | 110 |

Source: US Department of Housing and Urban Development (HUD) Housing Inventory Count (HIC) by Continuum of Care (CoC)

[21] The Mid-Willamette Valley Homeless Alliance reports on the Salem/Marion, Polk County Continuum Care (OR-504). This report uses the direct data from the US Department of Housing and Urban Development (HUD) Housing Inventory Count (HIC), which is the same set of data that the Mid-Willamette Valley Homeless Alliance also uses.

**Exhibit 73. Affordable Housing Locations, Salem, 2024**




Source: City of Salem affordable housing database (https://salem.maps.arcgis.com/apps/instant/basic/index.html?appid=bef0c390cefd44a1903250cd7742ad05)

## People Experiencing Homelessness

Gathering reliable data from individuals experiencing homelessness is difficult precisely because they are unstably housed. People can cycle in and out of homelessness and move around communities and shelters. Moreover, the definition of homelessness can vary between communities. Individuals and families temporarily living with relatives or friends are insecurely housed, but they are often neglected from homelessness data. Even if an individual is identified as lacking sufficient housing, they may be reluctant to share information. As a result, information about people experiencing homelessness in Salem is not readily available.

According to HUD's 2023 Annual Homeless Assessment Report (AHAR), between 2022 and 2023, the number of people experiencing homelessness in the United States increased by 12%, about 70,650 more people. The 2023 Point-in-Time count was the highest number of people reported as experiencing homelessness on a single night since reporting began in 2007. Six out of ten people experiencing homelessness did so in urban areas. The largest numerical increase in people experiencing homelessness was among people who identify as Hispanic or Latin(a)(o)(x), increasing by 28%, or 39,106 people between 2022 and 2023. The national inventory of beds for people currently experiencing homelessness increased 7% between 2022 and 2023 with a 14% increase in facility-based beds, reflecting a reduction in both the non-congregate beds[22] that became available during the COVID-19 public health emergency and the phasing

**This section uses the following sources of information:**

**Point-in-Time (PIT) Count:** The PIT count is a snapshot of individuals experiencing homelessness on a single night in a community. It records the number and characteristics (e.g., race, age, veteran status) of people who live in emergency shelters, transitional housing, rapid rehousing, Safe Havens, or PSH—as well as recording those who are unsheltered. HUD requires that communities and Continuums of Care (CoC) perform the PIT count during the last ten days of January on an annual basis for sheltered people and on a biennial basis for unsheltered people. Though the PIT count is not a comprehensive survey, it serves as a measure of homelessness at a given point of time and is used for policy and funding decisions.

**McKinney Vento Data:** The McKinney Vento Houseless Assistance Act authorized, among other programs, the Education for Houseless Children and Youth (EHCY) Program to support the academic progress of children and youths experiencing homelessness. The US Department of Education works with state coordinators and local liaisons to collect performance data on students experiencing homelessness. The data records the number of school-aged children who live in shelters or hotels/motels and those who are doubled up, unsheltered, or unaccompanied. This is a broader definition of homelessness than that used in the PIT.

Although these sources of information are known to undercount people experiencing homelessness, they are consistently available for counties in Oregon.

[22] Non-congregate shelter is defined as one or more buildings that provide private units or rooms for temporary shelter, serve individuals and families that meet one or more of the qualifying populations, and do not require occupants to sign a lease or occupancy agreement. https://files.hudexchange.info/resources/documents/HOME-ARP-NCS-Eligible-Costs.pdf

out of social distancing and shelter decompression in place during the 2021 and 2022 Housing Inventory Count reporting periods.[23]

More than 4,400 Marion and Polk county residents were assessed as homeless and in need of housing between July 1, 2022, through June 30, 2023, with 67% reported adults, 29% as children (under 18), and 4% as ages unknown. While this is not a full count of all persons experiencing homelessness, certain characteristics are considered representative for the purpose of planning.[24] The following exhibits provide more localized estimates of homelessness in Salem's region, starting with the Mid-Willamette Valley Community Action's reporting on HUD Point-in-Time count within the Salem city limits (Exhibit 74 and Exhibit 75), followed by the larger geography of the Salem/Marion, Polk County Continuum of Care (Exhibit 76, Exhibit 77, and Exhibit 78).

**Exhibit 74. Unsheltered People by Race, Salem City Limits, 2021-2022[25]**

| | Unsheltered people | | Change 2021 to 2022 | |
|---|---|---|---|---|
| | 2021 | 2022 | Number | Percent |
| White | 504 | 466 | -38 | -8% |
| Hispanic/Latin(a)(o)(x) | 83 | 87 | 4 | 5% |
| American Indian, Alaska Native, or Indigenous | 51 | 38 | -13 | -25% |
| Multiple Races | 30 | 31 | 1 | 3% |
| Black, African American or African | 32 | 24 | -8 | -25% |
| Native Hawaiian or Pacific Islander | 7 | 17 | 10 | 143% |
| Asian | 4 | 1 | -3 | -75% |
| Race not reported | 122 | 110 | -12 | -10% |
| **Total** | **750** | **687** | **-63** | **-8%** |

Source: Mid-Willamette Valley Community Action

[23] The U.S. Department of Housing and Urban Development (2023). The 2023 Annual Homeless Assessment Report (AHAR) to Congress. Office of Community Planning and Development.

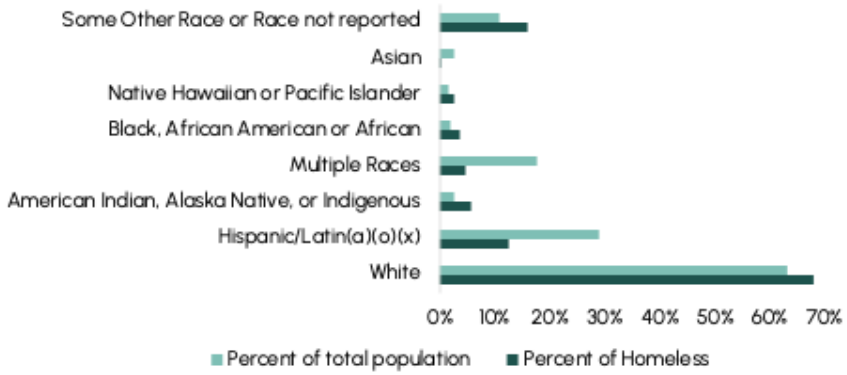
[24] Mid-Willamette Valley Homeless Alliance (MWCVA) Regional Needs Assessment Annual Gaps Analysis, 2023.

[25] The Mid-Willamette Valley Community Action (MWVCA) report of HUD's Point-in-Time unsheltered homeless data used is for the Salem city limits geography. The MWVCA also provides a report of unsheltered homeless data for the West Salem area, but because this geography overlaps with the Salem city limits, this report only uses the Salem city limits data. The "race not reported" category is calculated using the difference between the total unsheltered population minus the races that are reported. The Hispanic/Latin(a)(o)(x) category includes several of the other listed races within this category. This also applies to Exhibit 75.

**In 2022, Salem's white population made up 63% of the total population, but 68% of the unsheltered homeless population within the Salem city limits.**

The Hispanic/Latino population in Salem made up 29% of the total population, but 13% of the unsheltered homeless population within the Salem city limits.

**Exhibit 75. Share of Unsheltered Homeless and Total Population by Race, Salem, 2022**




Source: Mid-Willamette Valley Community Action and US Census Bureau, ACS 2022 1-Year Estimates, Tables B02001 and B03002

Exhibit 76, Exhibit 77, and Exhibit 78 show homeless estimates for the Salem/Marion, Polk County Continuum of Care (CoC), which is a larger geography than the Salem city limits geography used in Exhibit 74 and Exhibit 75; the CoC includes both Marion and Polk County. The Salem/Marion, Polk County CoC began in 1994, became a part of the Rural Oregon Continuum of Care (ROCC) from 2011 to 2019, and was re-established as the Salem/Marion, Polk County CoC for the Marion-Polk region with local data reported in 2020.

**The Salem/Marion, Polk County Continuum of Care (CoC) Point-in-Time Homeless count increased by 170% from 2020 to 2023, with an increase of 29% for the sheltered total, which is reported for all years** (2020 and 2021 did not report unsheltered homelessness, as shown in Exhibit 77)**.**

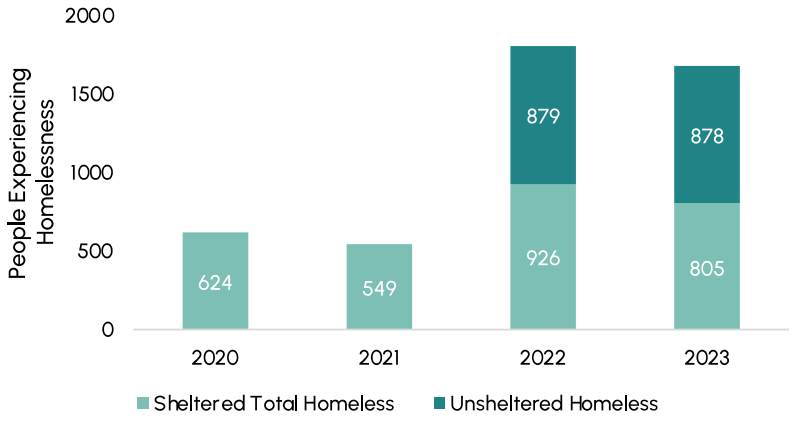
**Exhibit 76. Number of Persons Homeless, Salem/Marion, Polk County CoC, Point-in-Time Count, 2020 to 2023**

| 624 Persons | 549 Persons | 1,805 Persons | 1,683 Persons |
|---|---|---|---|
| 2020 | 2021 | 2022 | 2023 |

Source: Housing and Urban Development (HUD) Point-in-Time (PIT) data. Annual Homeless Assessment Report (AHAR)

**In 2023, an estimated 1,683 people experienced homelessness in the Salem/Marion, Polk County CoC, the majority of which were unsheltered** (2020 and 2021 did not report unsheltered homeless).

**Exhibit 77. Point-in-Time Homelessness Estimates, Salem/Marion, Polk County CoC, 2020-2023**

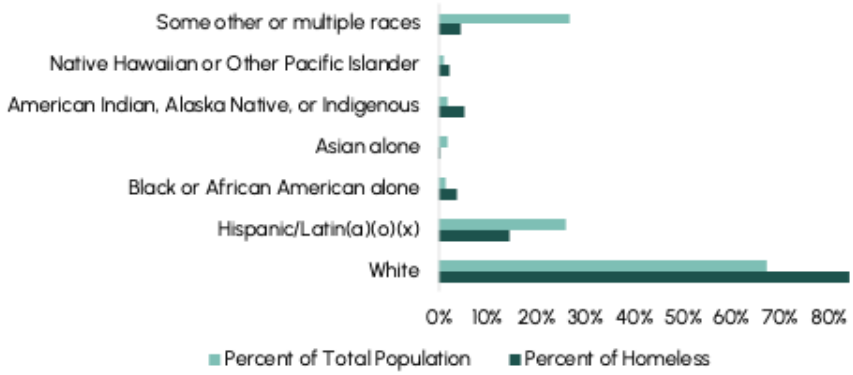



Source: Source: Housing and Urban Development (HUD) Point-in-Time (PIT) data. Annual Homeless Assessment Report (AHAR)

**In 2022, the Salem/Marion, Polk Counties Continuum of Care reported the white population as 84% of the overall homeless population, and the census reports the white population as accounting for 67% of the total population between Salem and Marion Counties.**

The Hispanic/Latino population in the Salem/Marion, Polk Counties CoC made up 14% of the overall homeless population and 26% of the total population.[26]

**Exhibit 78. Share of Overall Homeless and Total Population by Race/Ethnicity, Salem/Marion, Polk Counties CoC, 2022**



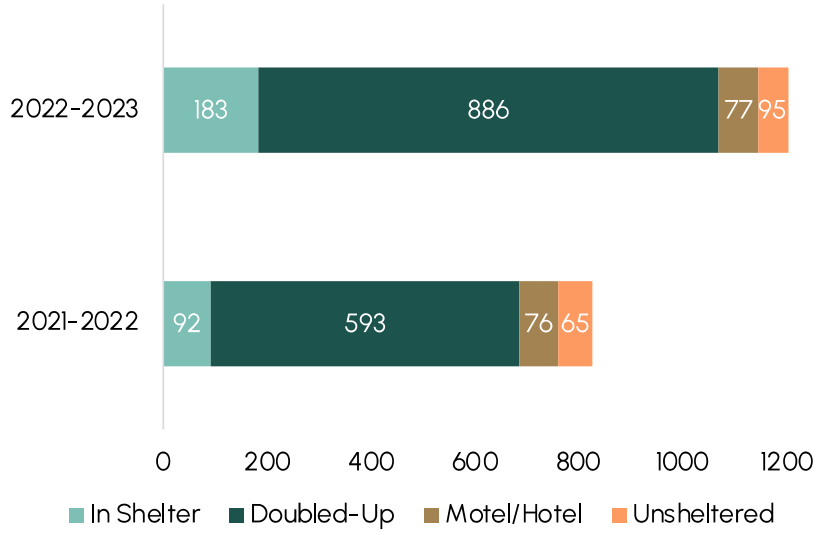

Source: HUD Salem/Marion, Polk Counties CoC, 2022 and US Census Bureau, ACS 2022 1-Year Estimates, Tables B02001 and B03002

[26] The "some other or multiple races" category used in this calculation includes the reported homeless population not included in any of the other race categories by HUD and for the census share of total population by race includes the categories of "some other race alone" and "Two or more races." The Hispanic/Latin(a)(o)(x) category includes several of the other listed races within this category.

**From the 2021-22 school year to the 2022-23 school year, student homelessness increased from 826 students to 1,241 students, an increase of 415 students.**

Of the 1,241 students in 2022-23 experiencing homelessness, 219 were unaccompanied.

**Exhibit 79. Students Homeless by Living Situation, Salem-Keizer School District (24J), 2021-2022 and 2022-2023**




Source: McKinney Vento, Homeless Student Data.

# Housing Affordability Considerations

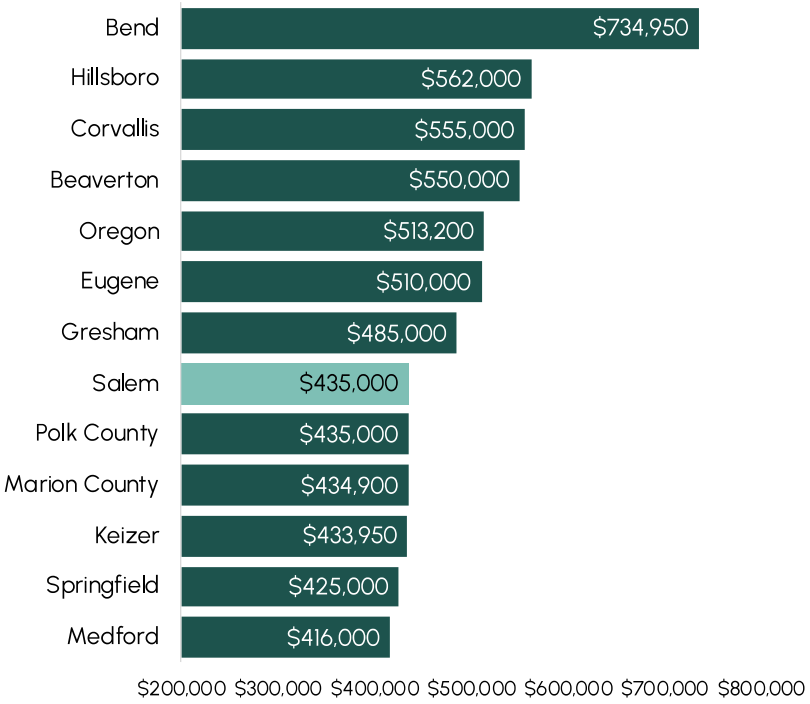
This section describes changes in sales prices, rents, and housing affordability in Salem and a comparison of geographies. Both housing sale prices and rents have increased steadily in Salem and the greater region over the last several years.

## Housing Sale Prices

**Salem's median home sales price was $435,000 in early 2024.**

**The median sales price was lower than the state average and many comparison cities.**

**Exhibit 80. Median Home Sale Price, Salem, Comparison Cities, and the State of Oregon, March 2024**

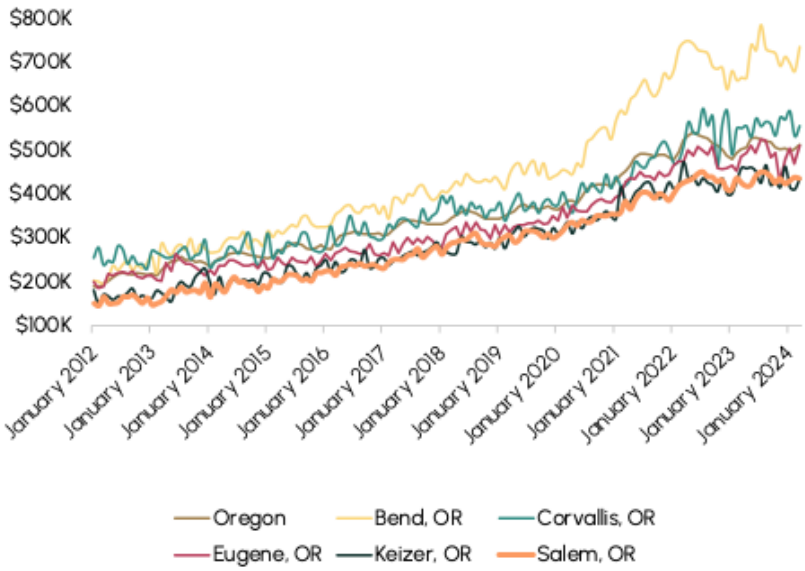



Source: Redfin.

**The median price of a home in Salem increased 173% during the 2012 to 2022 period, from $157,000 to $429,000.**

Salem's median home sale price increase happened at a similar rate as Keizer, but lower than the other comparison cities. The sales price in Bend increased the most since 2000.

**Exhibit 81. Median Sales Price, Salem, Comparison Cities, and State, 2012 through March of 2024**



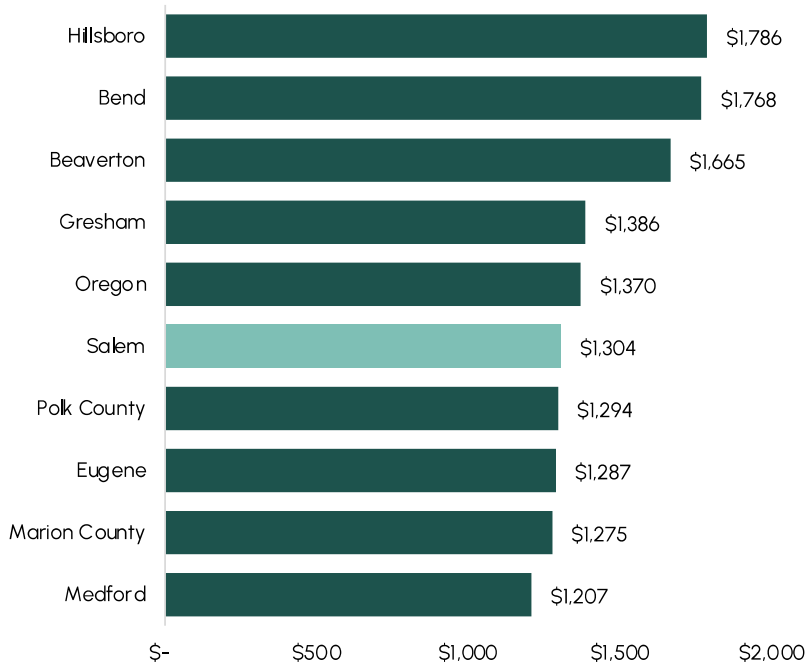

Source: Redfin.

## Rental Costs

The median gross rent in Salem was $1,304 in 2022, up from $746 in 2010, an increase of 75%. The average multifamily asking rent reported on CoStar increased in Salem from $933 in 2014 to $1,428 per month in 2024, an increase of $495, or 53%.

**According to the 2022 ACS, the median rent in Salem was slightly less than the state average and slightly more than median gross rent in the City of Eugene.**

**Exhibit 82. Median Gross Rent, Salem, Marion County, Polk County, Oregon, and Comparison Cities, 2022**

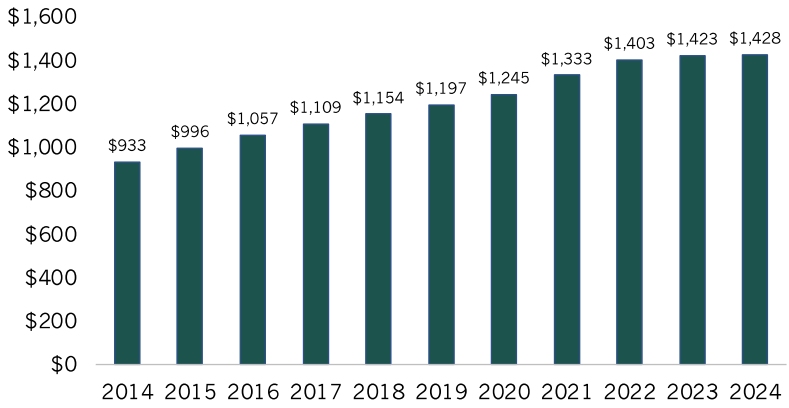



Source: U.S. Census Bureau, 2015-2019 ACS 5-year estimate, Table B25064.

**The average multi-unit asking price per unit in Salem increased steadily over the past decade.**

Between 2014 and 2024, Salem's average multi-unit asking rent increased by about 53% or $495, from $933 per month to $1,428 per month.

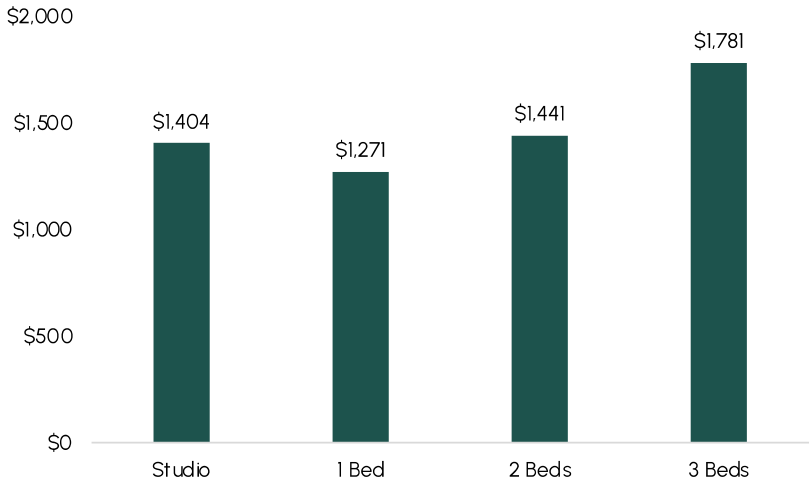
**Exhibit 83. Average Multi-Unit Asking Rent per Unit, Salem, 2014 through 2024**




Source: CoStar

As of Q1 of 2024, rent averaged $1,404 for a studio, $1,271 for a one-bedroom, $1,441 for a two-bedroom, and $1,781 for a 3-bedroom unit. Studios likely have a higher rent that one-bedroom units because a significant amount of studio units were newly built in 2021 with higher asking rents.

**Exhibit 84. Multi-Unit Market Rent by Unit Size, Salem, 2024 (Q1)**




Source: CoStar

## Housing Cost Burden

A household is defined as cost burdened if their housing costs exceed 30% of their gross income. A household that spends 50% or more of their gross income on housing costs is said to be severely cost burdened. Housing cost burden can put households in vulnerable situations and force them to make trade-offs between housing costs and other essentials like food, medicine, or transportation. This unstable condition can also lead to rental evictions, job instability, school instability for children, and homelessness. Since the local housing market cannot produce income-restricted, subsidized affordable housing at sufficient levels – and is limited in providing middle income/workforce housing, many households in Salem are cost burdened (as Exhibit 85 through Exhibit 91 show).

Available housing at the low-income cost range is rare, so most households in this income range have to pay more than 30% of their income for their housing. Low-income households who are severely cost burdened are at high risk of homelessness if a household crisis emerges.

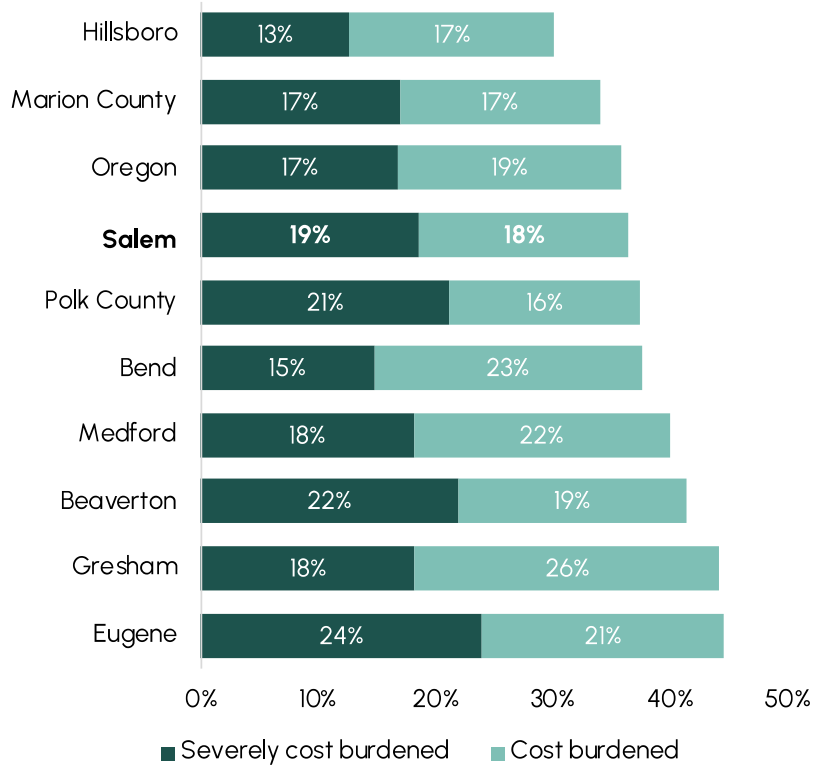
Cost burdening for owner-occupied households is not as common because mortgage lenders typically ensure that a household can pay its debt obligations before signing off on a loan. However, cost burdening can occur when a household secures a mortgage and then sees its income decline. In addition, retired persons subsisting on a fixed income can experience cost burden associated with increased property taxes rising above their financial limitations.

Also, it is important to note that households with higher incomes are less negatively affected by the cost burden since their larger income, minus housing costs, will go farther to cover non-housing expenses such as transportation, childcare, and food. While cost burden is a common measure of housing affordability, it does have limitations. The measure does not consider the actual income and the possibility of higher incomes being able to easily pay for necessary nondiscretionary expenses with the remaining income, and it does not account for accumulated wealth and assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost-burden indicator.

**Overall, about 37% of all households in Salem were cost burdened.**

Salem had a higher share of cost burdened households compared to Marion County and the state.

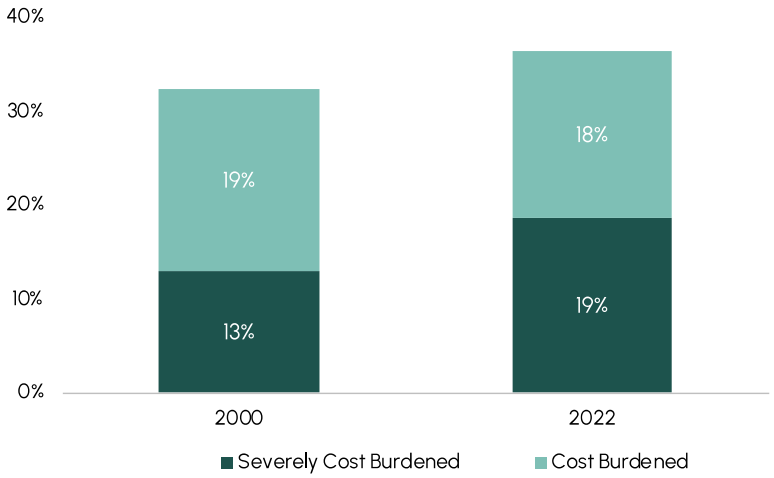
**Exhibit 85. Housing Cost Burden, Salem, Marion County, Polk County, Oregon and Comparison Cities, 2022**




Source: U.S. Census Bureau, 2022 ACS Tables B25091 and B25070.

**Overall cost burden increased between 2000 and 2022, with those experiencing severe cost burden increasing the most.**

**Exhibit 86. Change in Housing Cost Burden, Salem, 2000 to 2022**



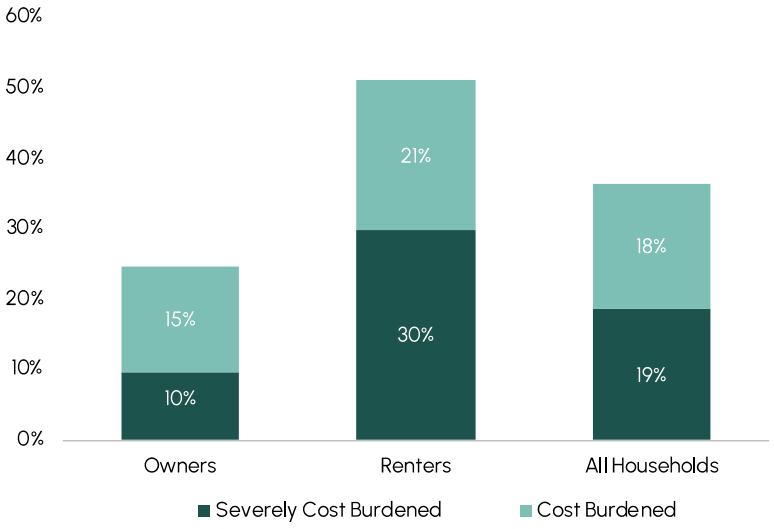

Source: U.S. Census Bureau, 2000 Decennial Census, Tables H069 and H094 and 2022 ACS Tables B25091 and B25070.

**Renters were much more likely to be cost burdened than homeowners in Salem.**

About 51% of Salem's renters experienced some form of cost burden, compared to 25% of homeowners.

About 30% of Salem's renters were severely cost burdened, meaning they paid 50% or more of their gross income on housing costs.

**Exhibit 87. Housing Cost Burden by Tenure, Salem, 2022**

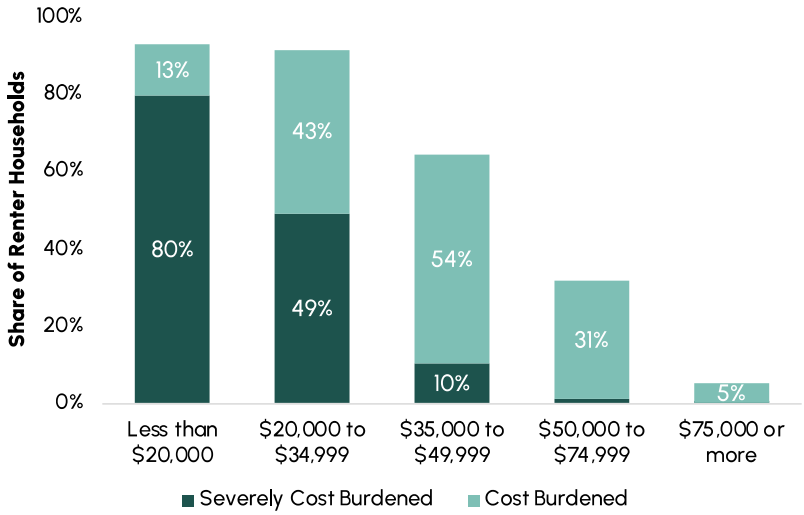



Source: U.S. Census Bureau, 2022 ACS Tables B25091 and B25070.

**Most households earning less than $50,000 per year are cost burdened.**

Almost all renters earning under $35,000 per year were cost burdened (92%-93%).

**Exhibit 88. Cost Burdened Renter Households, by Household Income, Salem, 2022**

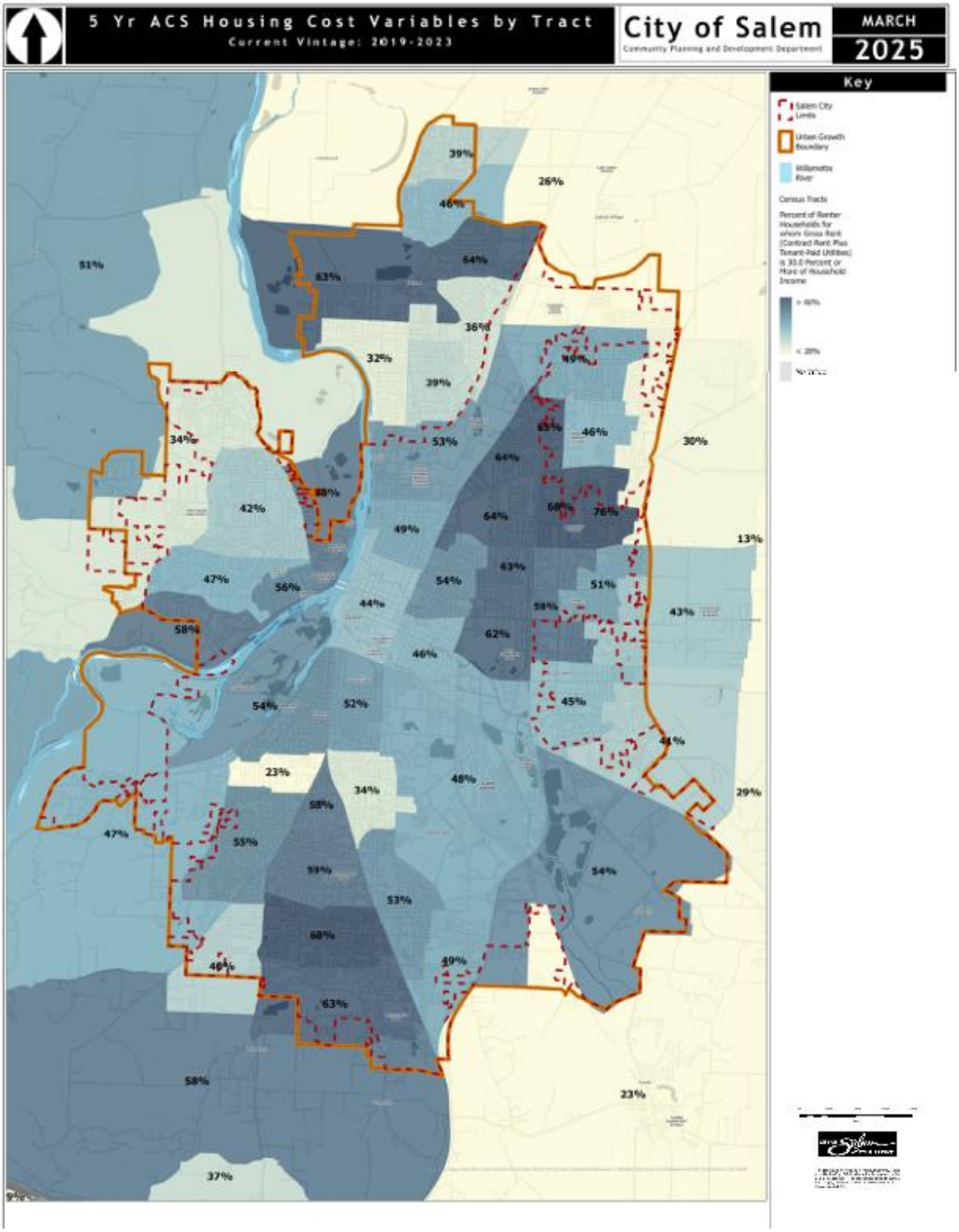



Source: U.S. Census Bureau, 2022 ACS Table B25074.

Exhibit 89 shows the percentage of cost burdened renter households in Salem by Census Tract. The percentage of cost burdened renter households vary from about 25% of households to about 75% of households. Higher concentrations of renter cost burdened households are common across Salem, with concentrations in Northeastern Salem, South Salem, and in parts of West Salem.

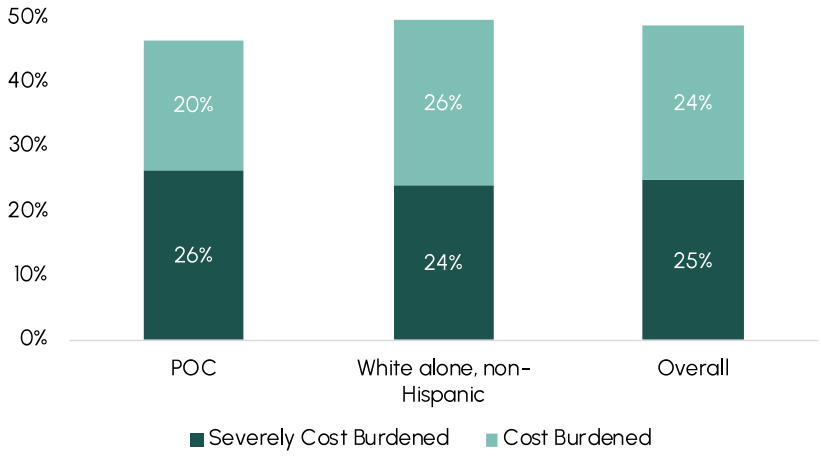
**Exhibit 89. Percent Cost Burdened Renter Households, City of Salem, 2019-2023**

Source: U.S. Census Bureau American Community Survey 2019-2023, City of Salem



**While People of color experience higher rates of severe cost burden, their overall cost burden is lower than white households and lower than Salem's overall level of cost burden.**

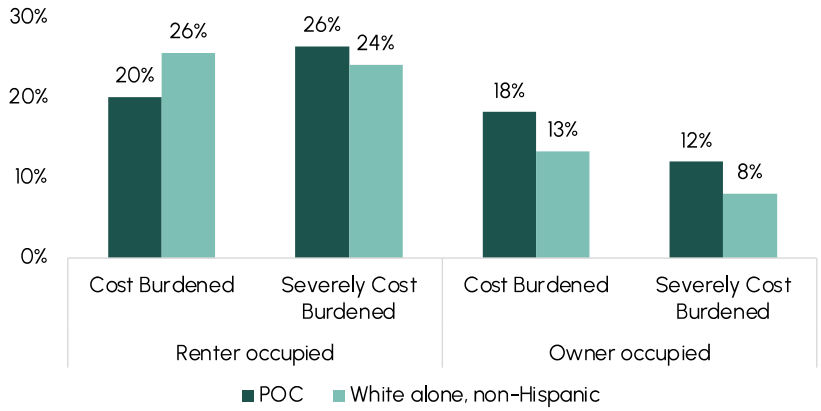
**Exhibit 90. Cost Burdened for POC, White non-Hispanic, and All Households, Salem, 2016-2020**




Source: CHAS Table 9.

**People of color renting in Salem experience the highest rates of severe cost burden, and owner occupied households headed by a person of color are more likely to experience cost burden than white owner occupied households.**

**Exhibit 91. Cost Burdened by Tenure for POC, White non-Hispanic, and All Households, Salem, 2016-2020**




Source: CHAS Table 9.

One way to understand housing affordability is to look at the area median income in the Salem Metropolitan Statistical Area (MSA) and examine affordable housing costs for those households. Exhibit 92 shows that a household earning median family income in the Salem MSA (about $91,000 per year)[27] can afford a monthly rent of

[27] Note that Area Median Income for the MSA is different than the Median Household Income (MHI) for Salem (see Exhibit 52). AMI is determined by HUD for each metropolitan area and non-metropolitan county. It is adjusted by family size – in that, 100% AMI is adjusted for a family of four. MHI is a more general term. MHI includes the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not.

about $2,280 or a home roughly valued between $228,000 and $274,000 without cost burdening themselves.

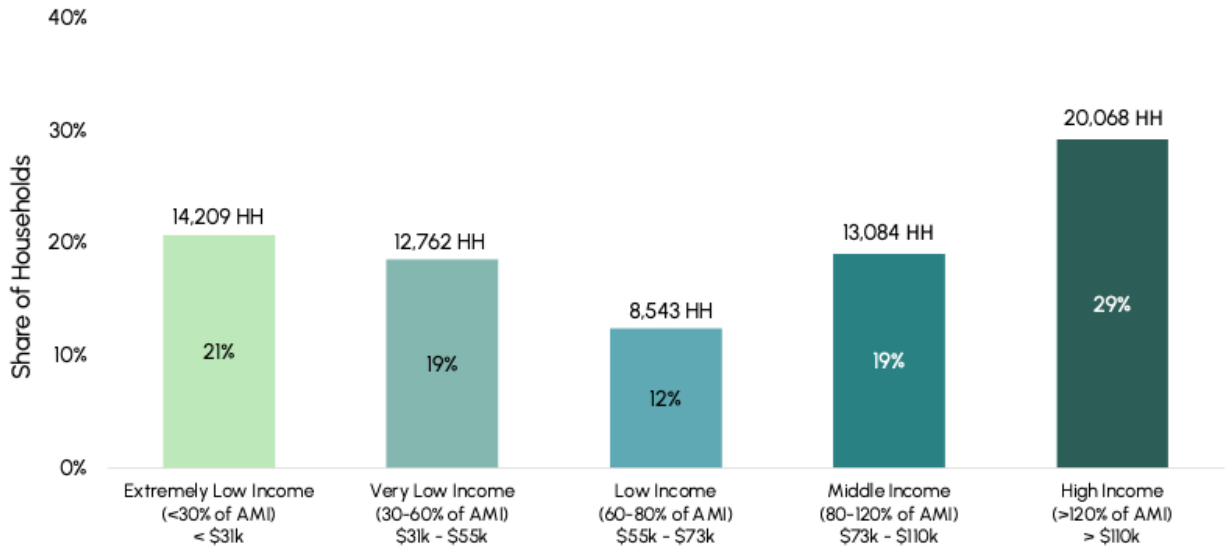
In Salem, a household would need to earn about $145,000 (159% of AMI for a family of four) to afford the median sales price of a home in Salem ($435,000). A household would need to earn about $52,160 (57% of AMI for a family of four) to afford the median gross rent ($1,304).

Financially attainable housing costs for households across the income spectrum in the Salem MSA are identified in Exhibit 92.

**Exhibit 92. Financially Attainable Housing in Salem by Area Median Income (AMI) for Salem MSA ($91,300)**

Source: U.S. Department of Housing and Urban Development, Salem MSA, 2024. U.S. Bureau of Labor Statistics, 2023. Note: The estimates of affordable home sales prices below are rough estimates. Affordability will vary for each borrowing household, based on interest rates, loan term, down payment, and similar factors. These sales prices are illustrative estimates and do not make assumptions about interest rates, amount of down payment, whether mortgage insurance will be required, or other factors that are unique to an individual household's mortgage.

**Exhibit 93. Share of Salem Households by 2024 Area Median Income (AMI) in Salem MSA for a Family of Four**




Source: US Department of Housing and Urban Development, Salem MSA, 2024. US Census Bureau, 2018-2022 ACS Table 19001.

## Salem Consolidated Plan

The City is in the process of updating its Consolidated Plan and Fair Housing Plan for the 2025-2029 period. At the time of developing of this report, the results of the new Consolidated Plan is not available. The following section presents some of the key conclusions from the 2020-2024 Salem-Keizer Consolidated Plan and Analysis of Impediments to Fair Housing.

The City conducts an AI every five years as part of its planning process to receive federal grants, mandated by the U.S. Department of Housing and Urban Development's (HUD). The table below is from the 2019 AI and summarizes the factors found to be contributing to fair housing issues and impediments in Salem and Keizer.

Exhibit 94 provides a list of the contributing factors that have been identified as causing these fair housing issues/impediments and prioritizes them according to the following criteria:

- High: Factors that have a direct and substantial impact on fair housing choice
- Medium: Factors that have a less direct impact on fair housing choice, or that the Cities have limited authority to mandate change
- Low: Factors that have a slight or largely indirect impact on fair housing choice, or that the Cities have limited capacity to address

Some of the key factors identified as a high priority Fair Housing Issue in the Analysis of Impediment with specific locational considerations that directly relate to the actions within the HPS are the following:

## Exhibit 94. Contributing Factors to Fair Housing Issues, Salem-Keizer, 2019

Source: City of Salem and City of Keizer Analysis of Impediments to Fair Housing Choice, Table I.1

**Table I.1**

**Contributing Factors**

Salem-Keizer

| Contributing Factors | Priority | Justification |
|---|---|---|
| Discriminatory patterns in lending | High | As demonstrated by 2008-2017 HMDA data, American Indian and Hispanic loan denial rates exceeded 21.6 percent and 17.6 percent respectively, compared with 11.5 percent for white households. Denial rates are also higher in areas of Central Salem |
| Access to proficient schools | Low | School proficiency index is lower for black, Native American, and Hispanic populations than white school proficiency, indicating inequitable access for black households to proficient schools. However, Salem-Keizer has little control over increasing access on a large scale. |
| Access to low poverty areas | High | Black and Hispanic households have lower access to low poverty areas than white households in Salem-Keizer, as demonstrated by low poverty indices. These areas were primarily found in the central part of Salem. |
| Access to labor market engagement | Low | Black and Hispanic households have lower access to labor market engagement as indicated by the Access to Opportunity index. However, Salem-Keizer has little control over impacting labor market engagement on a large scale. |
| Access to public transportation | Low | The Fair Housing Survey indicated that a lack of access to public services has a significantly negative impact in Salem-Keizer. However, the Cities have little control over increasing access to public transportation on a large scale. |
| Moderate levels of segregation | Medium | Black and Native Hawaiian households have a moderate level of segregation. However, the Native Hawaiian population represents a small proportion of the population. |
| Insufficient affordable housing in a range of unit sizes | High | The rate of cost burden in Salem-Keizer exceeds 35.4 percent. This impacts over 25,000 households city-wide. Additionally, those under 30 percent HAMFI face housing problems at a rate of 80.0 percent. |
| Failure to make reasonable accommodations | High | Failure to make reasonable accommodations is the most common fair housing issue in fair housing complaints with cause in the Salem-Keizer Area. |
| Hispanic households tend to have higher rates of housing problems | High | Some 52.6 percent of Hispanic households experienced cost burdens or severe cost burdens in Salem, according to CHAS data, compared to the jurisdiction average of 38.7 percent |
| Lack of fair housing infrastructure | High | The fair housing survey and public input indicated a lack of collaboration among agencies to support fair housing. |
| Insufficient fair housing education | High | The fair housing survey and public input indicated a lack of knowledge about fair housing and a need for education. |

Exhibit 95 shows the location of an area of racial or ethnic concentration of poverty (R-ECAP), which is an area that contain at least 50 percent minority, or non-white, population, and at least a 40 percent poverty rate.

**Exhibit 95. Location of Racial or Ethnic Concentration of Poverty, Salem-Keizer, 2019**

Source: City of Salem and City of Keizer Analysis of Impediments to Fair Housing Choice, Table Map IV.1

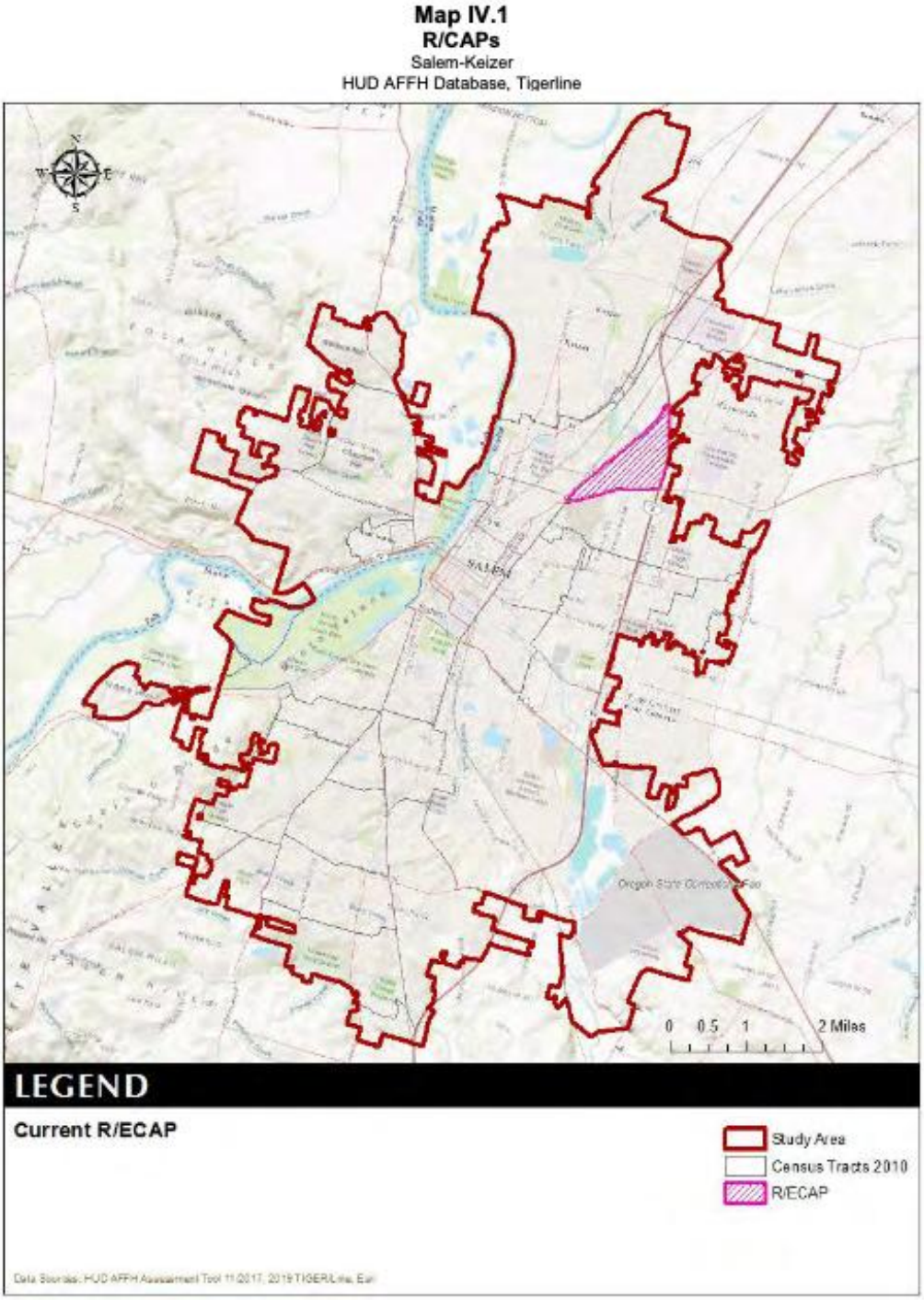


Exhibit 96 shows the recommendations for actions that the City should take to address the Fair Housing issues identified in Exhibit 94. The City has accomplished many of the actions identified in the 2019 Analysis of Impediments. This includes reviewing and revising the City's zoning code and Comprehensive Plan to remove potential barriers to affordable housing options. As part of the Our Salem project, the City also rezoned and redesignated land to allow multifamily housing and other affordable housing options in areas of high opportunity, including in West and South Salem.

### Exhibit 96. Recommended Actions for Addressing Fair Housing Issues, Salem-Keizer, 2019

Source: City of Salem and City of Keizer Analysis of Impediments to Fair Housing Choice, Table I.2

**Table I.2**
**Fair Housing Issues, Contributing Factors, and Recommended Actions**
Salem-Keizer

| Fair Housing Issues/ Impediments | Contributing Factors | Recommended Action to be Taken |
|---|---|---|
| Segregation | Moderate levels of segregation | Review zoning and Comprehensive Plan for potential barriers to affordable housing options, including density maximums and lot size requirements; continue recommending appropriate amendments each year, over the next five (5) years. |
| Disparities in Access to Opportunity | Access to proficient schools | Review opportunities annually to increase funding sources for additional low-income housing in high opportunity areas. |
| | Access to low poverty areas | Explore opportunities annually for redevelopment or rehabilitation of residential properties in high opportunity areas. |
| | Labor market engagement | |
| | Access to public transportation | Consult with local Transportation Agency, Chariots, to increase access to transportation routes. Review the need to additional routes in low opportunity areas annually. |
| Disproportionate Housing Needs | Hispanic households tend to have higher rates of cost burdens | Encourage the development of future affordable housing sites in high opportunity areas annually. |
| | Insufficient affordable housing in a range of unit sizes | Review zoning and Comprehensive Plan for potential barriers to affordable housing options, including density maximums and lot size requirements; continue recommending appropriate amendments each year, over the next five (5) years. |
| | Discriminatory patterns in lending | Continue investing CPD funds geographically in areas of central Salem to increase access to affordable housing. Rehabilitate 5 owner occupied and 15 renter occupied units annually. |
| Publicly Supported Housing | Insufficient affordable housing in a range of unit sizes | Locate any future publicly supported housing units in high opportunity areas. Review annually over the next five (5) years. |
| | | Research opportunities for increased funding options annually. |
| Disability and Access | Insufficient accessible affordable housing | Review development standards for accessible housing and inclusionary policies for accessible housing units; continue recommending appropriate amendments each year, over the next five (5) years. |
| | Failure to make reasonable accommodations | |
| Fair Housing Enforcement and Outreach | Insufficient fair housing education | Promote fair housing education through annual or biannual workshops. |
| | Discriminatory patterns in lending | Promote outreach and education related to credit for prospective homebuyers annually. |

# Appendix C: Existing Policies and Barriers to Development

## Existing Policies, Programs, and Partnerships to Address Salem's Housing Needs and Preliminary Gaps

The following section summarizes the core housing measures (policies/actions) currently in place or in the process of being implemented to help address Salem's housing needs. This preliminary ideas on actions to consider for the Housing Production Strategy (HPS) are included in *blue italics*. This summary provides a foundation to help the City and consultant team recognize the existing work underway and assess where there are policy/strategy gaps in addressing housing needs to meet community goals.

### Financial Incentives, Grants, and Fee Reductions

- **City of Salem Urban Renewal Areas (URA) Funding:** An URA is a plan area where the city has the authority to establish an urban renewal governing body to finance improvements and redevelopment activities to improve the economic viability and safety of specific areas. Tax increment financing or the reinvestment of anticipated increases in the area's property taxes is often used. The program can be used to rehabilitate building conditions (unsafe buildings, inadequate infrastructure, etc.), provide infrastructure, and support workforce development.

  The City of Salem has eight existing URAs, each established with specific goals and projects to improve blight. Several provide funding tools to partner with developers on specific project types including housing, while others have been established to provide needed infrastructure to spur development. Each URA is managed separately, and projects are established and reviewed specific to the needs of that geographic area.

  1. Riverfront Urban Renewal Area: Established in 1975, funds have been used to attract and retain commercial businesses, preserve historic buildings, and incent new housing development. The Riverfront Downtown URA Capital Improvement Grant, allows up to $750,000 and provides a 15%-50% matching grant for new mixed-use construction including housing (but not only housing). This incentive can be used also for alley improvements, upper floor renovations to make spaces ready for tenants, beautification projects, and more. An estimated $85.5 million has been granted for this URA as of April 2024.
  2. North Gateway Urban Renewal Area: Established in 1990, funds have been used to improve infrastructure (water, sewer, sidewalks, access etc.) to

facilitate private development, partnering on affordable housing projects through site acquisition, grants and infrastructure improvements. Affordable Housing, Development Infrastructure Grant offers matching grants for developing new affordable housing units (up to $300,000 with a 50% matching grant). The grant is also available for capital improvements needed for existing affordable housing (multi-unit development) and various other eligible restoration activities (such as accessibility improvements, electrical or plumbing renovations, demolition connected with an approved project, and more). An estimated $300,000 has been provided for Redwood Crossings (31 units), with the URA directing $1.5 million to acquire the site for the project as of April 2024. The URA funding has also been used to provide infrastructure for housing development.

3. West Salem Urban Renewal Area: Established in 2001, funds have been used to improve infrastructure, trail and pedestrian enhancements, building redevelopment and expanded manufacturing operations. The West Salem URA Redevelopment Grant allows up to $300,000 and provides a 20% matching grant. This matching grant program helps to finance the construction of a new building, or building additions, for commercial, industrial, or mixed-uses. None of the grant funds have been allocated for housing yet as of April 2024, but there has been interest in developing mixed-use, multifamily projects in the URA in the future.
4. Fairview Urban Renewal Area: Established in 1984, no longer collects tax increment. Funding was directed at preparation of land for public utilities and manufacturing uses in order to expand employment opportunities. Remaining funding is being utilized to assist airport development.
5. Mill Creek Industrial Park Urban Renewal Area: Established in May 2005, funds have been directed to support development of the Mill Creek Corporate Center, which involves major infrastructure projects (roads, utilities, traffic signals) needed to attract large industrial uses and family wage jobs.
6. McGilchrist Urban Renewal Area: Established in 2006, funds have been directed to enhance an industrial corridor roadway to improve mobility and stimulate private development.
7. South Waterfront Urban Renewal Area: Established in 2007, funds are focused on transitioning from an industrial area to a mixed use area. Over 100 residential units and ground floor commercial space have been completed. URA funds have been utilized on site acquisition to partner with development team on a future development project.
8. Jory Urban Renewal Area: Established in 2020. Single property urban renewal with a focus on establishing affordable housing through a property tax rebate program established via a development agreement.

- The City of Salem has initiated the process to create a new URA in the north waterfront area (north downtown area).[28]

[28] North Waterfront URA staff report: https://salem.legistar.com/LegislationDetail.aspx?ID=6585548&GUID=5616B2D7-0C16-4FAD-8CAC-DE5C56049D1A

- **System Development Charges (SDC):** SDCs are impact fees paid for new development that helps pay for infrastructure that serves the development or provides capacity for growth.
  - The City provides SDC waivers for affordable housing. Launched in 2019, the waivers for affordable housing have been used by approximately 14 projects that have included a total of nearly 800 housing units as of April 2024.
  - The City established SDC waivers for ADUs in 2019. More than 200 ADUs have been developed under the waiver through February 2024. In 2024, the City amended the code to remove the expiration date for ADU SDC exemptions.
  - The City charges middle housing at the multifamily rate, which is less than the rate for single-family development.

## Tax Exemptions and Incentives

- **Low-Income Housing Property Tax Exemption Program:** This program offers a property tax exemption for housing held by a charitable or nonprofit organization serving people making less than 60% of the AMI. Roughly 30 different properties have used this incentive program (such as Cornerstone Apartments, United Way of Mid-Willamette Valley, and Salem Self Help Housing LLC) as of March 2024.
- **Multi-Unit Housing Tax Incentive Program (MUHTIP):** The MUHTIP program allows up to 10 years of a tax exemption for new or converted residential construction projects located in the "core area" and including -at least two dwelling units and one or more public benefits. This program has helped roughly 8 different properties (such as the South Block Apartments) as of March 2024. In late 2021, the City added an affordability requirement – projects with 50 or more units must provide at least 15 percent of units at rents affordable to households at 80% or less of the average median income – to the MUHTIP program.
- **Opportunity Zones:** The Opportunity Zone program (established in 2018) encourages long-term investment through a federal tax incentive in select areas (federally designated). This tax incentive is available for the capital gains invested initially through a qualified opportunity fund along with the capital gains earned for the investor. There are four Opportunity Zones in Salem in the Downtown, North Downtown, areas surrounding the Salem Airport, and in West Salem.
- **Single Property URA for Affordable Housing:** This Tax Increment Finance program provides a property tax rebate for new affordable housing construction projects with at least 15% of the total units or 20 units set aside to affordable housing (at around 80% AMI or less). The City of Salem approved its first Single Property TIF, Jory, in 2020.

## Opportunities for Funding Sources

**These sources are used or could be used to support affordable housing development*

- **Safety and Livability Bond:** The Safety and Livability fund was approved in 2022 to provide $300 million for various community infrastructure improvements. This includes $10 million allocated to an affordable housing opportunity fund and $7.5 million to acquire properties for branch libraries and affordable housing. The $10 million in bond money for affordable housing can only be used for City-owned projects, so the money cannot be granted to developers. However, the bond money can be used for off-site improvements that can lower development costs, as the improvements would be owned by the City. The funds can also be used for Salem Housing Authority projects.
- **Federal Funds**: The City provides federal grant funding to help local nonprofit organizations and other groups provide services, public facilities, and affordable housing for low- and moderate-income residents and neighborhoods. Specifically, the City provides Community Development Block Grant (CDBG) funds, focusing on providing assistance to homeless programs, housing discrimination programs, revitalizing neighborhoods, and economic development/job creation. The City also uses HOME funds to support affordable housing development and providers, including funding rental and homeownership opportunities. For example, the City provided federal funding to support the development of the first community land trust in Salem. In addition, the City is holding federal funds to purchase land in the future for affordable housing.
- **Sell Surplus Land for Housing:** In 2021, the City of Salem sold surplus land to a nonprofit organization that is developing cottage clusters for low-income seniors. Specifically, the City sold roughly 1.1 acres of surplus land ($20 per lot) to the United Way of the Mid-Willamette Valley for low-income seniors (e.g., cottage cluster).

## Land, Acquisition, Lease, Partnerships, and Tools

- **Historic Toolbox Grants:** The City offers grants to help offset the cost of repairing and maintaining historic grants. These grants, providing $15,000 per year, are intended for restoration or enhancement of historically designated residential properties.
- **Community Land Trusts (CLTs):** The City provided $950,000 in federal funding to DevNW (Community Housing Development Corporation) for a Community Land Trust project on Macleay Road. Community Land Trusts separate the home from the land, which creates more affordable homes; DevNW holds the land in trust and sells the home to a moderate income buyer. The DevNW project will include 24 homes (9 are townhomes), which are expected to be ready for purchase in 2026. The City also provided funding to DevNW to offset operating expenses related to CLT counseling, home sales, Down Payment Assistance administration, and other costs.
- **Green Building and Housing-Related Climate Mitigation:** The City recently implemented part of the State's Climate-Friendly and Equitable Communities (CFEC) rules that require developers of large parking lots to mitigate the climate impacts of those lots. As part of the code amendment to implement that

requirement, the City created a fee-in-lieu option whereby developers can choose to pay a fee instead of installing solar or additional trees on their property. The money from those payments will go to support wind and solar power generation capacity in affordable housing projects supported by the Salem Housing Authority.

- Housing Retrofit/Upgrade Programs:
  - **Blight to Bright:** The City started a Blight to Bright program in 2018 to address or remove dangerous and derelict buildings. Funding is provided to remediate properties, but this typically is not a funding source for developing new housing. The City provides federal funding to Polk Community Development Corporation (CDC) to run the Owner Occupied Rehabilitation program. The program provides grant funds to help homeowners make repairs and accessibility upgrades.
  - URA grants can be used for multifamily housing projects, including accessibility improvements (e.g., Americans with Disabilities Act).
  - The Salem Housing Authority helps provide additional affordable housing units (augmenting the existing supply), housing choice vouchers, utility assistance payments, various supportive services, and more. Their mission is to help low- and moderate-income households to achieve self-sufficiency through stable housing, economic opportunity, coordination among diverse service providers, and different types of investment needed by the communities they serve. Several major affordable housing projects completed in recent years include the following examples listed below.
    - The Redwood Crossing project added 31 new units accepting Section 8 rental payment assistance (several Single-Room Occupancy units).
    - The Sequoia Crossing project added 60 Permanent Supportive Housing Units to Northeast Salem.
    - The Yaquina Hall project provided 51new housing units accepting assistance through the Project-Based Voucher program.
  - **Purchase Land for Affordable Housing:** The Salem Urban Renewal Agency used TIF money to purchase properties that make up a block of land downtown between 2019 and 2022 and demolish buildings to prepare the site for redevelopment. In early 2024, Salem chose a development team to redevelop the block – known as Block 50 – into a mixed-use project that will include affordable housing.

## Fair Housing and Housing Anti-Displacement

- **Fair Housing:** The City adopted policies to affirmatively further fair housing in its updated Comprehensive Plan: H 1.8 Fair housing: Regulatory barriers to housing choices for people in protected classes shall be removed, and the City should coordinate with other agencies and organizations to support programs that aim to affirmatively further fair housing. The City partnered with the Fair Housing

Council of Oregon to put on a fair housing presentation for neighborhood associations in 2022. The City also contracts with the Fair Housing Council of Oregon to put on informational meetings throughout Salem and to work one on one with any of Salem's CBDG-contracted agencies for extra training.

- **One-Stop Shop for Housing Assistance:** The City has established a webpage listing rental and utility assistance and resources (in English and Spanish): https://www.cityofsalem.net/i-want-to/find-rental-and-utility-assistance.

## Reduce Regulatory Impediments and Improve Zoning Code

- **Ready-build Accessory Dwelling Unit plans:** Building plans for a detached ADU can be downloaded for free by the public (as of October 2023). The ready-build plans are available in English and Spanish. The plans are intended to lower barriers to ADU development and expedite the building permit process. The City started receiving building permits using the plans in March 2024, with many others inquiring about the ready-build plans.
- **Expediting permits:** State law requires cities like Salem to expedite the land use process for affordable housing projects. Specifically, the City must take final action on an application for affordable multifamily housing within 100 days after an application is deemed complete. No one has used this process in Salem.

**Zoning Code Amendments:**

- **Housing Code Amendment:** In 2024, the City adopted a code amendment that aimed to encourage housing development and comply with State laws and rules related to housing. The code amendment, for example, decreased the minimum lot size for two and three-family uses in the Multiple Family Residential-II zone, increased the minimum density in the Central Business District zone, allowed one- and two-family uses as part of mixed-use buildings in the Mixed Use-I and Mixed Use-II zones, and allowed for administrative adjustments to design standards in a few zones.
- **Housing Development Regulatory Reform:** In recent years, the City has made many updates to Salem's zoning code to promote the development of housing. This includes revising regulations through the Multifamily Housing Design project (adoption in 2020) and Our Salem project that updated the Comprehensive Plan (adopted in 2022). Below is a list of the major regulatory changes that have been made in recent years.
    - Allow accessory dwelling units and prohibit them from being used as short-term rentals (2017)
    - Allow middle housing in single-family zones and allow middle housing land divisions (2022)
    - Allow multifamily housing outright in new mixed-use zones, and allow administrative adjustments when housing in those mixed-use zones cannot meet design standards (2018)

- Prohibit single-family detached homes in the Central Business District (2022)
- Increase minimum density in multifamily and mixed-use zones (2022)
- Require large subdivisions to include middle housing units and meet a minimum density of 5.5 du/acre (2022)
- Eliminate all minimum off-street parking requirements citywide (2023)
- Reduce design standards for smaller multifamily projects (2020)
- Provide flexibility in design standards for larger multifamily projects (such as reducing open space requirements, providing menu of options for articulation, etc.) (2020)
- Allow administrative adjustments to design standards for multifamily housing as opposed to requiring public hearings when standards cannot be met (2020)
- Allow single-room occupancy more broadly, including in single-family areas (2023)
- Allow affordable housing more broadly in Salem, and allow additional height and density for affordable housing (2022)
- Allow multifamily housing outright in commercial zones when part of mixed-use buildings (2022)

- **Short-Term Rentals:** The City is looking to get help to better track Short-Term Rentals and will explore policy options to better support community goals.[29] The City requires licenses for STRs.
- **Multifamily Housing Design Review**: The City has created a draft guidance document that helps explain Salem's design standards for multifamily housing. The City plans to meet with developers to get their input on the draft guide before finalizing it. This will also help the City determine if clarifications to the design standards are needed.

**Redesignated and Rezoned Land:**

- **Our Salem:** As part of the Our Salem project to update Salem's Comprehensive Plan, the City redesignated and rezoned land across Salem to promote the development of multifamily housing and mixed-use projects. The project was adopted in 2022 and included the following:
  - Added more than 1,500 acres of mixed-use land along major transit corridors (Cherriots' Core Network): Standalone multifamily housing is

[29] STR policy options explored in 2024: https://salem.legistar.com/LegislationDetail.aspx?ID=6565618&GUID=6501C168-5328-4696-9FE0-34DF485F3CBB

allowed outright in mixed-use zones (no ground-floor commercial requirement).

- Redesignated more than 300 acres to multiple family: Multifamily and mixed-use land was added in South and West Salem to promote a more equitable distribution of multifamily housing throughout Salem and to encourage mixed-income communities.

**Coordination and Communication:**

- **Permitting efficiency and coordination:** The City integrated Public Works staff that review development-related infrastructure requirements into the Community Planning and Department to improve coordination and customer service. This was one of the recommendations that came out of Salem's Permitting Efficiency Study, which was completed in 2023. The study evaluated the structure, processes, and systems involved in development permitting.
- **Development coordination:** Staff holds meetings every other week to coordinate between land use and infrastructure planners, engineers, and others to discuss and confirm development requirements.
- **Data:** The City is participating in Harvard-Bloomberg program to use data to make equitable and efficient decisions related to development review. The City also monitors and reports on a variety of housing metrics and performance measures, including State requirements. One of the City's local performance measures is "number of housing units permitted." The target is 528 units per year, which is based on our housing need determined in the Salem Housing Needs Analysis. https://perform.cityofsalem.net/

**Transit-Oriented Development:**

- **Our Salem:** As mentioned earlier, the City rezoned many properties along Cherriots' Core Network to mixed-use to allow multifamily housing and mixed-use development outright. The City also increased minimum densities in those mixed-use zones. In one newly-created mixed-use zone along the Core Network – Mixed Use-III zone – the City established a maximum height of 70 feet (higher than other mixed-use zones) to encourage more housing near frequent transit service.
- **Transit coordination:** The City regularly collaborates with Cherriots, including at monthly coordination meetings. Staff from the City and Cherriots discuss development projects, transit service and needs, long-range planning projects, and other related issues.

## Programs and Funding to Address Unsheltered Population

The City works with partners to reduce hardships that lead to homelessness and to increase access to affordable housing for residents who are unsheltered or at-risk of becoming homeless. The City has many projects underway: https://www.cityofsalem.net/government/shaping-salem-s-future/housing-shelter/learn-about-city-efforts-to-address-homelessness. A few examples are provided below.

- The City allows Managed Safe Parking Shelter Sites for individuals who are using their vehicle as their home.
- Two Micro-Shelter Villages were opened for up to 200 guests with direct access to electricity, laundry, washrooms, meals, health, and social support. A third micro-shelter site was opened to focus on youth and young adults, ages 18-24.
- The City worked with other agencies and organizations to open Salem's first Navigation Center, which added 75 more low-barrier shelter beds.

# Existing and Expected Barriers to Development of Needed Housing

The following section, based on focus group findings, describes the main barriers to the development of needed affordable housing in Salem.

## General Barriers to Affordable Housing

- Key barriers are related to unclear or burdensome rules and application requirements for renters and obstacles to navigate for tenants, developers, and landlords of affordable housing and related services. Examples include:
  - Tenants: Accepting financial help for moving expenses from family members can affect their benefits.
  - Developers: Affordable housing development can be delayed due to barriers in the pre-development city permitting phase and with grant requirements.
  - Landlords: As service providers become landlords of properties, they are concerned about how equipped they are to handle the new responsibilities associated with running affordable housing properties.
- Accessing housing: ADA barriers, topography barriers, materials in other languages, ineffective waiting list systems. Housing located on hills end up being challenging for those with mobility issues. The transit service (bus) tends to be challenging due to transit stops not in walkable areas.
- Language barriers, burdensome application processes, and program/resource navigation all limit a resident's ability to access housing. Examples include:
  - Accessing housing programs have required proof of not receiving child support – however this is not always possible to prove given the various parental situations facing families.
  - Down payment assistance programs often require participants to be below the poverty line, which excludes those who do not quality but could still benefit from an assistance program.
  - Waitlists to get into affordable housing are too long.

## Barriers to Rental Housing

- Key barriers for rentals are related to unclear or burdensome rules and rental application requirements and obstacles (e.g., rental and credit history, high security deposits, proof of not receiving child support, criminal history,

language barriers). Lack of rental and credit history affects housing access and affordability due to rejected applications or high security deposits.

- Affordable housing resources are targeted for low to moderate income earners (or poverty level) and do not help those in the mid income range.
- Participants pointed out how it was a barrier to require a monthly income that is three times higher than monthly payments up front during the application stage. Some properties require a fee for the application, first and last month's rent, and a deposit.
- High rents make it difficult to save for homeownership.
- Participants noted that affordable housing waiting lists are too long and too challenging to join.

## Permitting Process and Requirements

- Long and uncertain timelines add risk and costly delays to projects. For example, clarity is needed regarding the timing and requirements for federally-required environmental reviews.
- Working and communicating with certain divisions can be challenging, particularly the lack of communication and coordinated responses between divisions.
- Strict requirements add costs that reduce the funding available for high-quality housing (e.g., tree preservation code, design standards, stormwater requirements, public Right-of-Way infrastructure improvement requirements).

## Land

- The remaining vacant land is constrained and complicated, heightening the existing challenges and pre-development costs.
- The environmental unknowns and risks of the available land in downtown Salem is causing developers to pass up on (re)development opportunities in prime areas.

## Housing

- Participants felt middle housing doesn't pencil now, and there's no funding to support that type of development.
- Participants discussed how mixed-income development is not possible without a condo set up (only possible for market rate developers restricting some

units with tax exemptions). In addition, establishing Homeowner Associations cost time and money, and they require education for the homeowners.

- Larger units that could accommodate multi-generational households aren't being leased up because they aren't affordable.

## Permanent Supportive Housing (PSH)

Development of additional PSH is limited by availability of transit-adjacent properties since almost all residents don't drive.

It is difficult to staff PSH considering the amount of support needed, including double the number of staff and 24-hour staff.

Public perception of PSH adds hurdles to getting it developed.

## Senior and accessible housing

Small lots are not conducive for single-level living. Salem's lots are often smaller because of the City's requirements and desires for density.

Senior housing is expensive and labor intensive. Not many seniors in Salem can afford senior housing that is not a Medicare-supported building.

# Appendix D: Stakeholder Engagement

## Summary of Outreach Before HPS Development

In recent years, the City of Salem has undertaken several planning projects that focused in part on housing needs. The City of Salem's Housing Production Strategy builds on this previous planning work, including the extensive community engagement conducted by the City. This outreach was done primarily during the Our Salem project, which was a multi-year effort to update the Salem Area Comprehensive Plan. Additional public input came from the City's recent study of Walkable Mixed-Use Areas, which the State calls Climate-Friendly Areas. This includes in-depth discussions about housing needs and anti-displacement actions by City's Equity Roundtable. Details on these outreach efforts are provided below.

### Our Salem

From 2018 to 2022, the City worked with the community to update the Salem Area Comprehensive Plan through a project called Our Salem.[30] While the Comprehensive Plan encompasses a range of topics related to growth and development, addressing Salem's housing needs emerged as a high priority in the community. The goals and policies in the Comprehensive Plan reflect the community's input, which was gathered through broad engagement activities. This engagement is summarized below:

- **Meetings and events** – City staff attended more than 180 community meetings and events and collaborated with more than 80 community groups to learn about the community's needs and priorities for the future. Groups included business organizations, neighborhood associations, fraternal organizations, communities of color, social service agencies, schools, senior and youth groups, environmental groups, and others. While not all the meetings were focused on housing, ideas and issues related to housing were frequently among the priorities we heard.
- **In-Person workshops** – In late 2019, the City hosted community workshops where the public was asked to identify where different types of development should occur in the future. This included visioning areas for new multifamily housing, low-density housing, and mixed-use development. In total, these

[30] Our Salem webpage: https://www.cityofsalem.net/government/shaping-salem-s-future/our-salem-planning-for-growth. Salem Comprehensive Plan (adopted July 25, 2022, effective August 24, 2022): www.cityofsalem.net/home/showpublisheddocument/5142/637969534610430000

workshops drew more than 220 participants, with one held in Spanish and another hosted for the local business community.

- **Online mapping** – The City created an online mapping exercise that allowed the community to show where they wanted different types of development to occur in Salem. Participants were also able to leave comments to explain their choices. The City created a second online mapping exercise later in the Our Salem project to show the public proposed zoning changes. Community members could pin comments to specific locations on the map to express their views. More than 2,800 comments were received.
- **Webinars** – City staff hosted a series of weekly virtual webinars to discuss policy ideas, including housing. The two meetings that focused on housing were open to the public and utilized live-polling and discussion to gather feedback.
- **Surveys** – Multiple online surveys were used to gather feedback on a variety of topics, including housing policies. More than 2,200 survey responses were recorded in both English and Spanish.
- **Work sessions and public hearings** – Multiple work sessions and public hearings were held with the Planning Commission and City Council throughout the Our Salem project, including the adoption process. These meetings offered the public a chance to voice their priorities to City officials and staff.

Important priorities related to housing emerged from the Our Salem project. These priorities were incorporated into goals and policies in the updated Comprehensive Plan, and several of the ideas were implemented through changes to the Comprehensive Plan Map, the zoning map, and zoning code. For example, as part of the Our Salem project, the City rezoned land across Salem to allow multifamily and mixed-use development outright, including along frequent transit routes. The City also established a new requirement whereby large subdivisions must include middle housing types.

The updated Comprehensive Plan and the extensive input provided by the community during the Our Salem project set a foundation for the development of Salem's Housing Production Strategy. Below are some of the community's priorities for addressing Salem's housing needs that emerged from the Our Salem project:

- Promote a variety of housing types throughout Salem, including new and innovative housing types and designs.
- Disperse multifamily housing and affordable housing across Salem to promote mixed-income neighborhoods.

- Promote specialized housing that helps meet the needs of various groups, including seniors, people with disabilities, students, and immigrants.
- Encourage a continuum of shelter to housing opportunities and coordinate with other organizations and nonprofit housing providers to help address the needs of unsheltered residents and those at risk of losing housing.
- Encourage the preservation and development of housing that is affordable to low-income and moderate-income households, including affordable homeownership opportunities.
- Support the long-term affordability of housing and work to minimize the involuntary displacement of residents to due increases in housing costs.
- Reduce the impacts that development standards, processes, and fees have on housing affordability by periodically updating regulations and incentives.
- Encourage housing development in mixed-use areas, along corridors with frequent transit service, and in and around downtown Salem.
- Support the preservation and maintenance of Salem's existing housing stock, including naturally occurring affordable housing such as manufactured homes.
- Encourage infill housing to promote the efficient use of land and access to existing services and amenities.

The HPS incorporates and builds off of the community input received during the Our Salem project.

## Study of Walkable Mixed-Use Areas

In 2023, the City worked with the Mid-Willamette Valley Council of Governments to study areas that could be designated as Walkable Mixed-Use Areas to meet part of the State's Climate Friendly and Equitable Communities rules. During this work, City staff met with the Salem's Equity Roundtable to discuss housing needs and anti-displacement strategies.[31] The Equity Roundtable is a group of community leaders that represent traditionally underserved segments of the community, including low-income residents, communities of color, LGBTQ+ residents, youth, refugees, and people with disabilities. From March to May 2023, the group discussed housing needs

[31] Link to Walkable Mixed-Use Areas Study: https://salem.legistar.com/View.ashx?M=F&ID=12311597&GUID=50D5C08F-7449-4AA2-A95E-5D70BE04E7A5

and issues related to involuntary displacement and identified areas in Salem vulnerable to displacement pressures.

The group also developed strategies that Salem could pursue to help mitigate involuntary displacement from these relatively affordable areas of Salem and promote more equitable access to housing resources. They include:

- Improving awareness of rental assistance options by creating a centralized webpage to connect to resources.
- Acquiring land in South and West Salem for affordable housing development to promote mixed-income areas.
- Further supporting community land trusts in Salem through funding, land, or other means.
- Further refining design requirements for multifamily housing to help reduce the cost of developing this type of housing.
- Promoting and increasing awareness of existing resources to facilitate the creation of affordable housing, including changes in State law, options for expedited development review, facilitating inter-organizational connections, and promoting affordable housing projects that have received governmental support.
- Promoting options for starting home businesses in Salem.
- Continue connecting organizations to others with expertise in housing development.
- Continue collaborating with Cherriots to improve transit service.

## Summary of Outreach for the HPS

Exhibit 97 shows the outreach efforts that the City of Salem completed as part of the HPS process. This section provides information about key outreach efforts, including feedback about unmet housing needs and feedback about potential HPS actions.

**Exhibit 97. Community Engagement HPS**

| Engagement Activity | Date |
|---|---|
| Project website: https://www.cityofsalem.net/housingproduction | Ongoing |
| **2024** | |
| Focus Group: Willamette University students | April 25 |
| Mailchimp – Project introduction | April 4 |
| Community Group Meeting: Homebuilders Association of Marion and Polk Counties | May 6 |

| Engagement Activity | Date |
|---|---|
| Mailchimp email – Webinar and survey | May 21 |
| Online survey on housing needs * – English, Spanish, Marshallese, Chuukese | May 21 – June 10 |
| Community Group Meeting: South Salem Connect | May 21 |
| Micronesian Islander Community open house | May 21 |
| Social media post (Facebook, LinkedIn) | May 22 |
| Focus group: Social service organizations | May 22 |
| Focus group: Communities of color | May 22 |
| Focus group: Organizations that serve people with disabilities | May 22 |
| Community Group Meeting: Edgewater Partners | May 23 |
| Enlace Cross Cultural Community Development Project – Spanish-language event | May 23 |
| Mailchimp – Survey | May 24 |
| Interview: Confederate Tribes of Grand Ronde (Housing Department) | May 28 |
| Community Group Meeting: Land use network (neighborhood association land use chairs) | May 29 |
| Mailchimp – Webinar and survey | June 7 |
| Social media post (Facebook, LinkedIn) | June 10 |
| Public Webinar – Housing Needs | June 11 |
| Joint Planning Commission and City Council Work Session | June 17 |
| Event: World Beat Festival | June 29-30 |
| Event: National Night Out Kick-off Event | July 23 |
| Event: Lancaster Health Fair | August 2 |
| Community Group Meeting: Mid-Valley Association of REALTORS, Government Affairs | August 6 |
| Event: Englewood Forest Festival | August 10 |
| Event: Viva Salem | September 28 |
| City Board Meeting: West Salem Redevelopment Board | October 2 |
| Planning Commission and City Council group meetings | October 29-November 4 |
| Southwest Association of Neighbors (SWAN) | November 5 |
| Mailchimp – Webinar | December 23 |
| **2025** | |
| Social media (Facebook) | January 2 |
| Mailchimp – Webinar | January 3 |
| Mailchimp – Webinar | January 16 |
| Public Webinar – Housing Actions | January 22 |

| Engagement Activity | Date |
|---|---|
| Online survey on housing actions – English, Spanish | January 26 - February 6 |
| Community Group Meeting: Creekside Rotary | January 23 |
| Community Group Meeting: Homebuilders Association of Marion and Polk Counties | February 18 |
| Mailchimp – Work session | March 14 |
| Joint City Council and Planning Commission Work Session | March 17 |
| Salem Reporter news article | March 19 |

Note: * Survey on Housing Needs also sent out in emails to Edgewater Partnership, N2, CaPES, and South Salem Connect

## HPS Focus Group Objectives

As part of the City of Salem's HPS project, focus groups were held to engage key stakeholders and learn more about housing challenges and opportunities in the community. Two rounds of focus groups were held in late spring and fall 2024. These discussions will help the City develop actions that could be included in the HPS. This outreach will build on previously completed research regarding housing needs over the last several years.

Salem is developing a HPS, based on Oregon requirements, with the purpose of identifying specific actions to address Salem's unmet housing needs. This plan will focus on actions that the City can implement. It will include actions to address unmet housing needs for low to middle-income households and homeowners and renters, and it will help increase housing stability and address needs for people with disabilities, people experiencing homelessness, and historically marginalized communities.

The goals of the first round of focus groups (Spring 2024) and other outreach efforts were to engage community members and organizations that serve people who traditionally have not participated in housing strategy development and to focus on communities whose housing needs have not been sufficiently met. In particular, we gained an improved understanding of unmet housing needs for the following groups:

1. Low-income service providers, Focus Group 1 (Catholic Community Services, Family Promise, and Church at the Park)
2. People with Disabilities and service providers, Focus Group 2 (Shangri-La, Salem-Keizer Community Transition Program, Sunny Oaks, and Project Able,)
3. Communities of Color, Focus Group 3 (Farmworkers Housing Development Corporation, Salem for Refugees, Equity Splash, and Mano-a-Mano)
4. Willamette University students
5. Micronesian Islander Community
6. Confederated Tribes of the Grande Ronde Housing Department
7. Enlace Cross Cultural Community Development, Latine Community

A second round of focus groups were held in early October. The purpose of these focus groups was to gain an understanding of barriers to developing housing and possible opportunities to resolve these barriers from the following three groups:

8. Affordable housing developers and providers, Focus Group 1 (October 1st)
9. Market-rate developers, Focus Group 2 and 3 (October 2nd)
10. Homebuilders and realtors, Focus Group 4 (October 4th)

## Focus Group Findings, Spring 2024

### HOUSING NEEDS

Diverse housing types to accommodate families (including options for very large families), multigenerational households, housing needed for those with disabilities, and seniors (such as housing supporting communal living). Cohousing, cottage clusters, and single-story homes where there is more of a connected community providing support for those isolated with disabilities. Complete neighborhoods and community spaces are needed to build community. *Strategies promoting middle housing development and ready-build ADUs could support this need.*

The supply of affordable housing with supportive community and social services built in apartments and group homes is inadequate. Affordable housing (moderate income to low income) located near transit service with accessibility features (single story) in non-hilly locations would help serve more populations with disabilities. *Strategies supporting and incentivizing affordable mixed-use development near transit and accessible housing development and improvements could support this need.*

Funding mechanisms that align with service provider needs, including operations, the costs associated with cleaning and transitioning units to the next tenant, and group property conversions into apartment style housing.

More acute crises response options such as transitional housing and one-time assistance for housing are both needed.

Salem needs affordable and workforce housing options. *Various strategies supporting middle housing, affordable mixed-use housing, manufactured housing, and other forms of attainable housing and the needed infrastructure and land support this need.*

Diverse housing options are needed to accommodate various needs: disabilities, seniors, families, students. For example:

- Large units for multigenerational and bigger families.
- First floor or single floor housing for seniors and people with disabilities.
- Smaller, affordable units for students.

Quality housing is needed for existing and new units. At present:

- Renters fear that reporting a quality, health, or safety issue with their housing situation will lead to retaliation from landlords.
- Non-multifamily housing properties are not subject to health and safety inspections, and as a result substandard housing situations arise.

## BARRIERS TO ACCESSING AFFORDABLE HOUSING

Key barriers are related to unclear or a burdensome rules and application requirements for renters and obstacles to navigate for tenants, developers, and landlords of affordable housing and related services. Examples include:

- Tenants: Accepting financial help for moving expenses from family members can affect their benefits.
- Developers: Affordable housing development can be delayed due to barriers in the pre-development city permitting phase and with grant requirements.
- Landlords: As service providers become landlords of properties, they are concerned about how equipped they are to handle the new responsibilities associated with running affordable housing properties.

Accessing housing: ADA barriers, topography barriers, materials in other languages, ineffective waiting list systems. Housing located on hills end up being challenging for those with mobility issues. The transit service (bus) tends to be challenging due to transit stops not in walkable areas. *Strategies supporting accessible housing and transit-oriented development can help alleviate this barrier.*

Lack of rental and credit history affects housing access and affordability due to rejected applications or high security deposits. *Strategies providing rental assistance and education can help alleviate this barrier.*

Language barriers, burdensome application processes, and program/resource navigation all limit a resident's ability to access housing. *Strategies providing rental assistance and education can help alleviate this barrier.* Examples include:

- Accessing housing programs have required proof of not receiving child support – however this is not always possible to prove given the various parental situations facing families.
- Down payment assistance programs often require participants to be below the poverty line, which excludes those who do not quality but could still benefit from an assistance program.

## RENTAL

Key barriers are related to unclear or a burdensome rules and rental application requirements and obstacles (e.g., rental and credit history, high security deposits, proof of not receiving child support, criminal history, language barriers).

Affordable housing resources are targeted for low to moderate income earners (or poverty level) and do not help those in the mid income range.

Participants pointed out how it was a barrier to require a monthly income that is three times higher than monthly payments up front during the application stage. Some properties require a fee for the application, first and last month's rent, and a deposit.

High rents make it difficult to save for homeownership.

Participants noted that affordable housing waiting lists are too long and too challenging to join.

## HOMEOWNERSHIP

Need more information about available programs and resources, such as Habitat for Humanity's programs. Navigators/support staff should provide support in the homebuying process. *Strategies providing home buying support and education can be a way to address this need.*

Participants said that down payment assistance programs often require participants to be below the poverty line, which excludes those who do not quality but could still benefit. The lack of a downpayment is a financial barrier for homeownership.

The downpayment is a financial barrier for homeownership. *Strategies providing expanded downpayment support can help promote greater homeownership.*

Homes in a more attainable price range often need major repairs that render them unaffordable due to lack of funds for repairs. *Strategies focused on supporting home upgrades and rehabilitation (for low to moderate income households) can help address this need.*

Homeowners who wish to make additions to the home to accommodate larger families have difficulty navigating the permitting process, and face both financial and language barriers in the process of upgrading their housing situation. *Strategies focused on easing the process to expand homes and provide multigenerational housing accommodations can support this need.*

## LOCATION OF HOUSING

Need affordable housing near transit to access service, grocery stores, and retail.

Need affordable housing in safe, complete neighborhoods with proximity to amenities and services. West and South Salem were mentioned as areas of the city that lacked affordable housing supply.

Support for walkable neighborhoods with proximity to campuses (Willamette and Chemeketa) and employment.

There is a desire to see diverse-income neighborhoods via distribution of affordable housing throughout Salem, not just in NE Salem.

*Strategies focused on allowing targeted housing in diverse areas across Salem near transit, services, amenities, and in areas with pedestrian infrastructure and other needed infrastructure can support these location of housing needs.*

## HOUSING STABILITY

Housing displacement can lead to the discontinuation or disruption of social and community services, which are geographically tied to Salem through the school district or other jurisdictionally tied service providers.

The increasing cost of basic goods and services was cited as disproportionately affecting low-income earners.

Rising rents are escalating displacement concerns.

### CITY'S ROLE

Pursue options to increase non-profit and partner involvement in housing development such as with development fee waivers, increased partnership and communication with City of Salem, etc.

Upgrade the housing waiting list system to transition to a real time process that has options to elevate urgent cases.

Funding mechanisms that align with service provider needs, including operations, the costs associated with cleaning and transitioning units to the next tenant, and group property conversions into apartment style housing.

Land banking to add affordable housing near transit and resources.

Expand downpayment assistance programs to broaden reach to more income levels.

Help connect residents to housing resources (rental assistance, utility assistance, etc.)

Reduced barriers in permitting processes by providing services such as translation services and grants for home repairs and additions.

Tenant advocacy/liaison to help eliminate fear of retaliation from landlords when reporting substandard housing situations.

List of vacancies by housing needs: senior, student, ADA accessible, etc.

## Focus Group Findings, Fall 2024

### BARRIERS TO DEVELOPMENT OF HOUSING

**Permitting Process and Requirements**

Long and uncertain timelines add risk and costly delays to projects. For example, clarity is needed regarding the timing and requirements for federally-required environmental reviews.

Working and communicating with certain divisions is challenging, particularly the lack of communication and coordinated responses between divisions.

Strict requirements add costs that reduce the funding available for high-quality housing (e.g., tree preservation code, design standards, stormwater requirements, public Right-of-Way infrastructure improvement requirements).

**Land**

The remaining vacant land is constrained and complicated, heightening the existing challenges and pre-development costs.

The environmental unknowns and risks of the available land in downtown Salem is causing developers to pass up on (re)development opportunities in prime areas.

### Housing

Participants felt middle housing doesn't pencil now, and there's no funding to support that type of development.

Participants discussed how mixed-income development is not possible without a condo set up (only possible for market rate developers restricting some units with tax exemptions). In addition, establishing Homeowner Associations costs time and money, and they require education for the homeowners.

Larger units that could accommodate multi-generational households aren't being leased up because they aren't affordable.

### Permanent Supportive Housing (PSH)

Development of additional PSH is limited by availability of transit-adjacent properties since almost all residents don't drive.

It is difficult to staff PSH considering the amount of support needed, including double the number of staff and 24-hour staff.

Public perception of PSH adds hurdles to getting it developed.

### Senior and accessible housing

Small lots are not conducive for single-level living. Salem's lots are often smaller because of the City's requirements and desires for density.

Senior housing is expensive and labor intensive. Not many seniors in Salem can afford senior housing that is not a Medicare-supported building.

## STRATEGIES FOR THE CITY TO CONSIDER

### Land Readiness

City-led site readiness initiatives such as an inventory of land with readiness levels, site remediation programs, and the sale of shovel-ready lots to developers.

Alleviate pre-development costs and risks by reimbursing developers quickly and allowing payment timing flexibility for land readiness expenses.

Explore an urban growth boundary (UGB) land swap to exchange hilly land in South and West Salem for flat land in East Salem.

### Process Improvement Suggestions

Set a fast, consistent approval timeline. Complete comprehensive reviews instead of preliminary reviews, allowing simultaneous review among various divisions, and reducing/diminishing rounds of review.

Establish a single point of contact with the City for large developments and improve the over-the-counter review process to reduce the points of contact.

Create an early feasibility process between the City and the developer to review the anticipated requirements.

Limit the site plan review to being Class 2 for housing projects.

Clarify cottage cluster allowances and regulations around shared utility lines.

Add definitions and intent to the planning codes.

Create an avenue for developers to provide constructive feedback to City departments.

**Flexibility**

Increase flexibility in adhering to design standards.

Adjust expectations around variances since the remaining sites are complicated.

Review and consider tree code changes to facilitate the development of more needed housing.

Apply parking maximums on a site-by-site basis. Some sites need more parking because the topography affects biking and walking.

Rezone industrial properties to mixed use, and explore a form-based code.

**Incentives and Cost relief**

Provide System Development Charges (SDC) estimates for large projects, recalibrate SDCs, and remove SDC reimbursement expiration dates.

Consider providing forgivable loans since rebates and traditional loans are going to add costs that are passed down to homeowners.

Explore operational funding for PSH and explore lease-to-own options.

Vertical tax abatements were seen as a promising option.

Expand MUHTIP to important corridors as opposed to just downtown.

Reduce ROW improvement requirements.

Incentivize multi-generational and accessible housing by waiving meter or utility fees, reducing setbacks, or expanding MUHTIP.

**Education and Information**

Provide education to stakeholders on the development requirements, how to move though them quickly, and available incentives (technical assistance examples: guidance on single room occupancy developments and accessing federal funding).

Provide public education on PSH and affordable housing to proactively align public perception with Salem's philosophy on housing.

Create a resource that shows Salem's progress with adding affordable housing units, including how many more are in the pipeline to support advocacy efforts.

Convene partners and check in more regularly with the development community.

Increase transparency by publishing scoring decisions for Requests for Proposals (land solicitations).

## WHAT IS CURRENTLY HELPING THAT SHOULD BE CONTINUED?

SDC waivers.

Federal funding.

City bond funding.

Pre-app meetings.

Flexibility with inspectors coming out on site.

The MUHTIP credit is critical since it's the only funding source available to keep units in the 60-80% AMI range.

Urban Renewal Area Grants.

Local Innovation and Fast Track (LIFT) funds help build Affordable Housing in Salem.

Subsidies for affordable housing are working for the market-rate developers providing subsidized units.

## Citywide Public Survey

In May and June of 2024, the City of Salem conducted an online survey about housing needs in English, Spanish, Marshallese, and Chuukese. Roughly 535 people took the English-language survey, though the respondents were not representative of the Salem population. For example, the majority of respondents were single-family homeowners and long-time Salem residents. More than 70 percent of respondents identified as white, and nearly two-thirds identified as women.

In addition, 13 people responded to the surveys that were conducted in Spanish, Marshallese, and Chuukese. The respondents identified as non-white, were split between homeowners and renters, and represented a mix of income levels.

### SURVEY RESULTS

The results of the surveys are summarized below.

- **Most urgent housing needs:** Nearly 85 percent of all survey respondents identified the cost of housing as the most urgent housing need in Salem. Most people agreed that the lack of available rental housing and housing for people transitioning out of homelessness is also very urgent.
- **Important factors when looking for housing:** Affordability, type of housing, and physical condition of the housing were identified as the most important factors people consider when looking for housing. Other factors that survey respondents identified were crime, safety, cleanliness of the neighborhood, and location close to amenities.
- **Barriers to finding housing:** The most common barriers to finding housing, according to survey respondents, are finding housing that is affordable to rent or buy and finding a home in good condition. Nearly a quarter of survey respondents also experienced difficulty staying in a home when rents were increasing.

- **Types of needed housing:** Survey respondents identified middle housing and single-family detached housing as the types of housing most needed in Salem. The survey also found that there is a need for housing that meets the diverse needs of Salem residents. That includes housing for aging residents, people with disabilities, large families, and people with pets.
- **Future concerns:** The biggest concerns related to housing needs in the future were affordability for retired people and for those growing up in Salem, according to the survey.

## Public Webinar (June 11, 2024)

The City of Salem and ECOnorthwest hosted a virtual public webinar about Salem's housing needs and the Housing Production Strategy (HPS) on June 11, 2024. The purpose of the webinar was to provide an overview of the HPS project, share early survey results, get input on housing needs from the community, and answer questions about the project. More than 25 people attended the webinar live, and a recording of the webinar was posted on the HPS project website.

The webinar covered the following topics:

- Overview of the Salem Housing Production Strategy project
- Discussion of Salem's unmet housing needs
- Input and survey about local housing needs
- Question and answer

The webinar included an online survey to gather feedback about participants' perceptions of housing need in Salem; the survey design imitated the public survey, which had just previously concluded and was used to compare with the webinar survey results during the webinar. Key themes from the survey included:

- Overall strong concerns about housing affordability in Salem.
- Desire for affordable housing for people that work in Salem as well as for people of all income levels in Salem.
- Top factors for choosing a place to live in Salem included: affordability, type of housing (single family home, duplex, apartment, etc.), and housing location close to work or school.
- Top challenges related to housing in Salem included: finding an affordable home to buy, finding a home in good condition, finding an affordable home to rent, and finding a home that can accommodate multiple generations.

During the webinar, community members answered questions about housing needs by participating in live polling. The results are summarized below, and they are similar to the survey results.

- **Affordability concerns:** The majority of the participants stated that they were "very concerned" about housing affordability in Salem.
- **Reasons for affordability concerns**: The vast majority of participants agreed housing affordability is important in Salem because "people who work here should be able to live here" and "people of all income levels should be able to live here."
- **Important factors when looking for housing:** Affordability, type of housing, location close to work or school were identified as the most important factors participants consider when looking for housing.
- **Barriers to finding housing:** The most common barriers to finding housing, according to webinar respondents, are finding housing that is affordable to rent or buy and finding a home that can accommodate multiple generations.

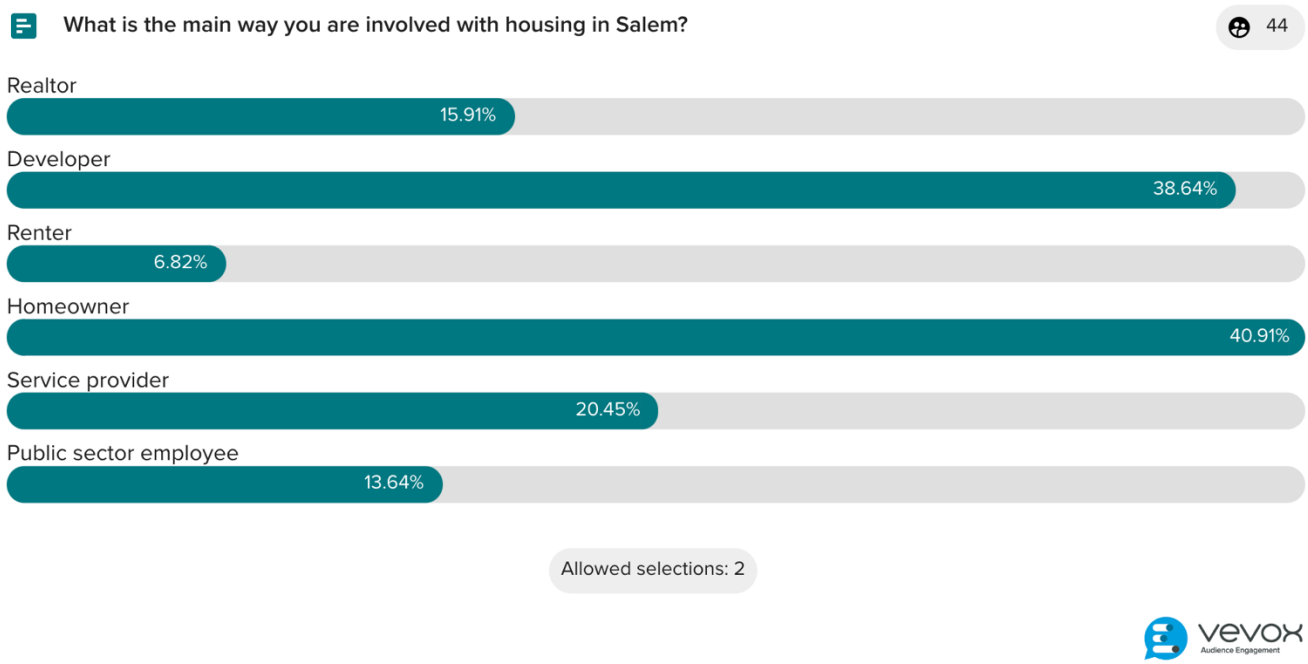
The webinar included questions and answers of staff and ECONorthwest. Some participants asked questions about mechanisms for promoting housing, including deed-restricted affordable housing, and how those mechanisms are funded. Others expressed concerns about the City's ability to fund infrastructure and how housing development affects property taxes.

## Public Webinar (January 22, 2025)

The City of Salem and ECOnorthwest hosted a virtual public webinar on January 22nd, 2025 to discuss potential housing actions for the Salem Housing Production Strategy (HPS). The webinar included an overview of the HPS project, a review of local housing needs identified through community engagement, and examples of recent housing actions the City has undertaken. It then largely focused on describing and getting feedback on future actions the City is considering. Participants were invited to prioritize the draft housing actions via interactive Vevox polling.

More than 80 participants attended the webinar, with a range of backgrounds represented, including representatives from the development community, social service agencies, and neighborhood associations participated in addition to residents and others. A recording of the webinar and presentation slides is available on the City's HPS homepage.

**Exhibit 98. Public webinar participant connections with housing**



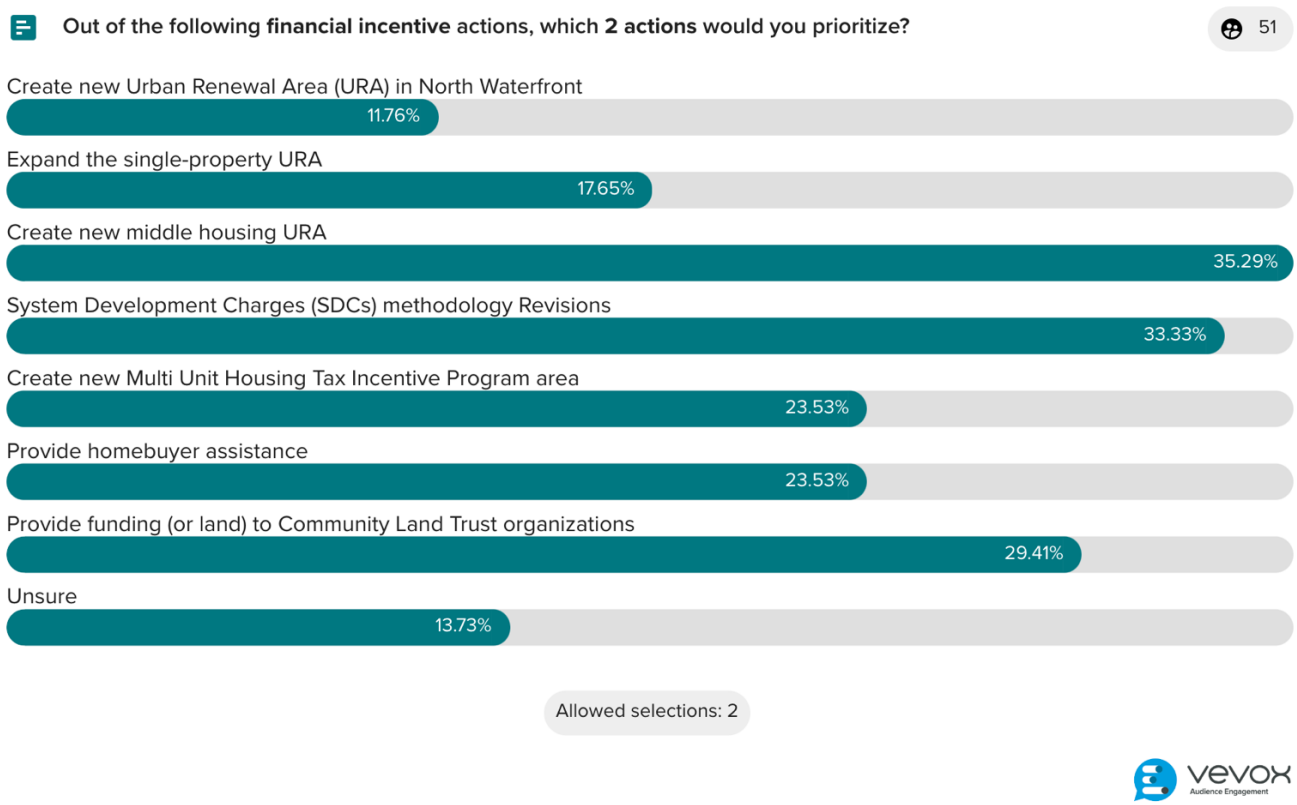

## DISCUSSION TOPICS AND COMMUNITY INPUT

As mentioned earlier, the webinar participants were polled for their preferences around potential housing actions grouped into four categories: financial incentives, regulatory changes, land and partnerships, and other actions. The Vevox polling results for each action follows below as well as additional discussion that took place related to those topics during the webinar.

## FINANCIAL INCENTIVES

Among the financial incentive actions presented during the public webinar poll, "Create a new middle housing Urban Renewal Area (URA)," "System Development Charges (SDC) methodology revisions," and "Provide funding (or land) to community land trust organizations" received the most votes. Additional discussion focused on the timing of SDC payments, specifically whether payments could be postponed until a project is complete to help with financial feasibility.

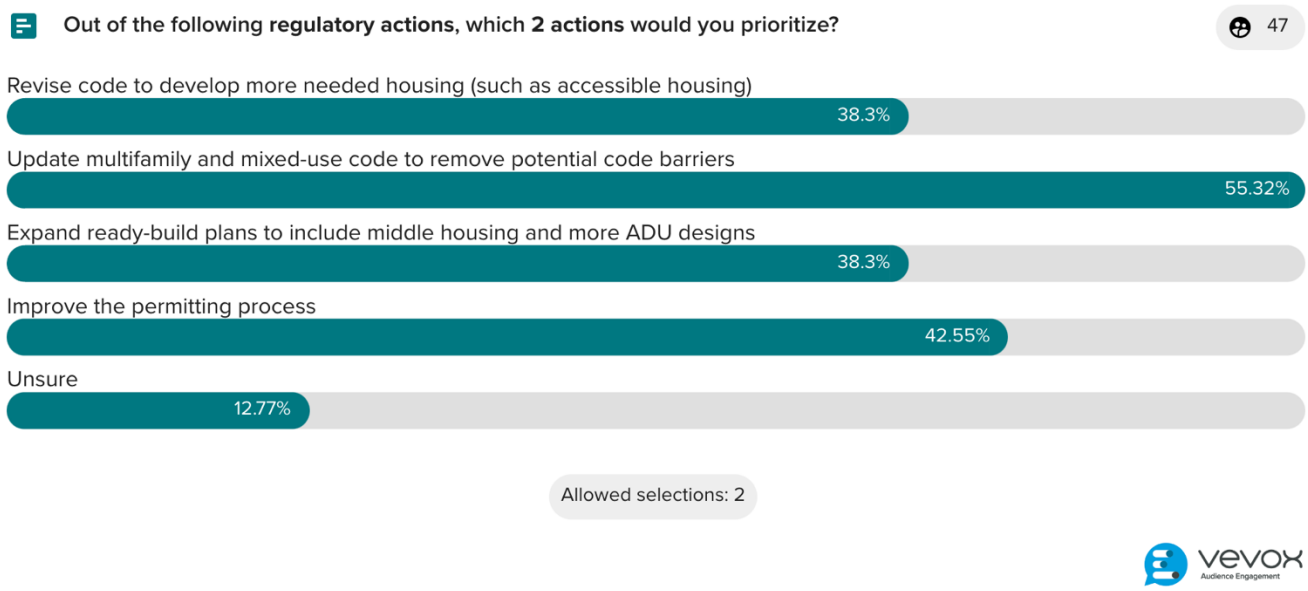
## Exhibit 99. Financial incentive actions poll



## REGULATORY CHANGES

Among the regulatory actions presented during the public webinar poll, "Update multifamily and mixed-use code," and "Improve the permitting process" received the most votes. There was a suggestion to include code improvements for all housing types, not just multifamily and mixed-use development.

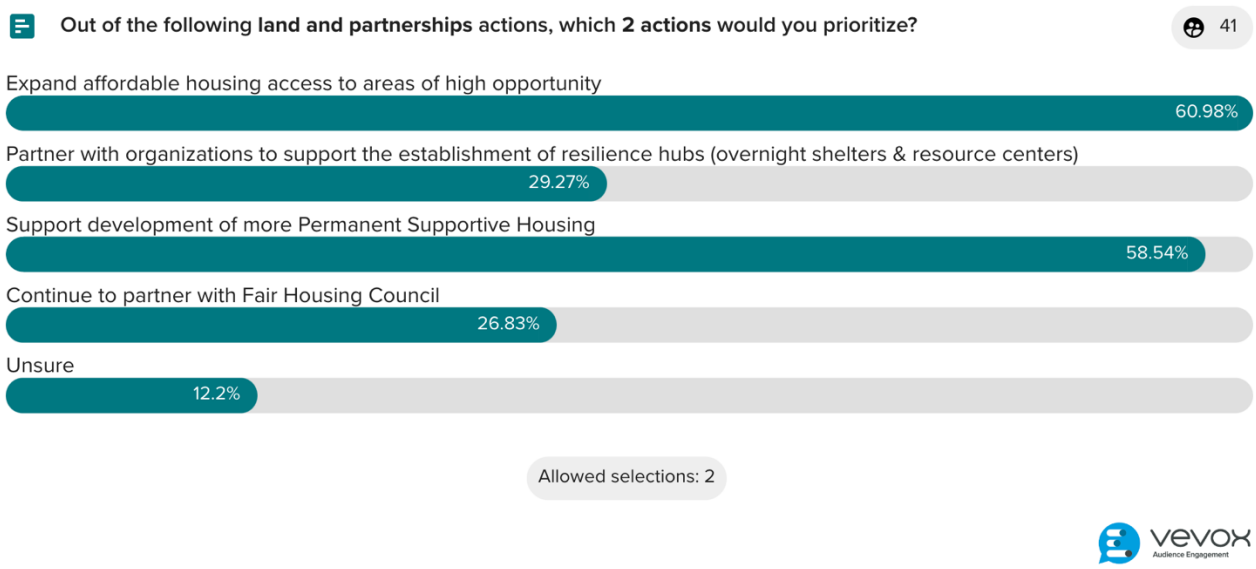
**Exhibit 100. Regulatory actions poll**




## LAND AND PARTNERSHIPS

Among the land and partnerships actions presented during the public webinar poll, "Expand affordable housing access to areas of high opportunity" and "Support development of more Permanent Supportive Housing" received the most votes. Participants also asked about how areas of high opportunity is defined, and they raised concerns around the concentration of affordable housing in Salem.

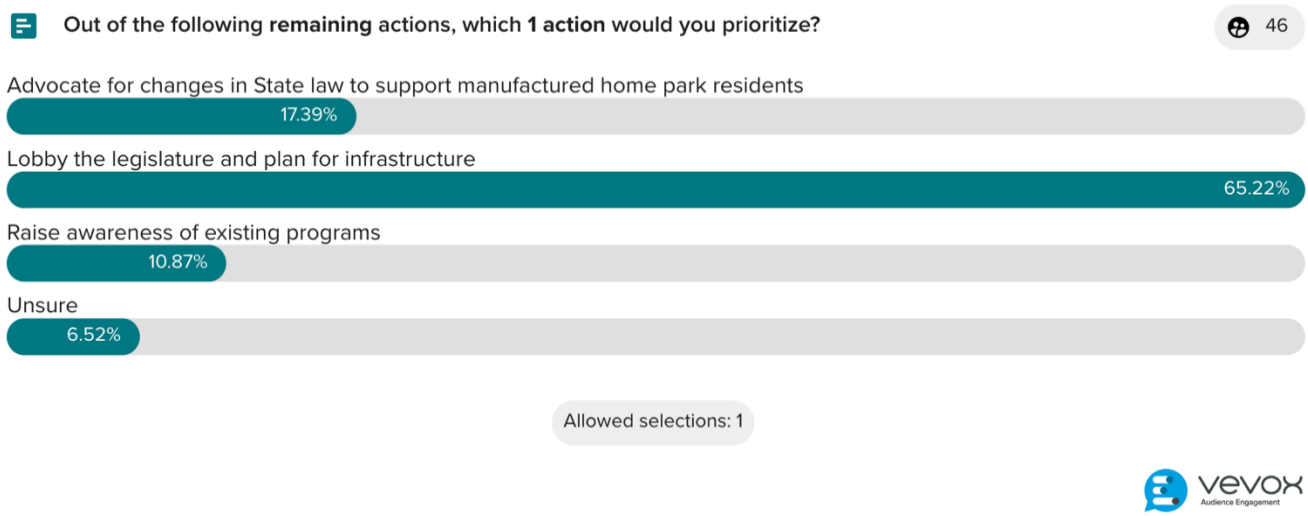
### Exhibit 101. Land and partnerships poll




## OTHER ACTIONS

For other actions, “Lobby the legislature and plan for infrastructure” received the most votes.

### Exhibit 102. Other actions poll




## ADDITIONAL DISCUSSION

The public webinar participants had several questions and comments during the webinar. This included questions about outreach with neighborhood associations; differences between small-scale and large-scale development; mortgage, rent, and

affordability methodology; property tax implications; concerns of concentrating lower-income affordable housing; City exemptions to Senate Bill 1537; and the level of impact from the potential actions. Participants also discussed vacant homes affecting housing supply and potential actions such as a vacancy tax, lien assistance, and short-term rental regulations; the use of City-owned property for affordable housing; the need for more accessible housing; and several unique situations regarding property acquisition, development, and rental management assistance.

## EXTENDED SURVEY RESULTS

Following the webinar, the polling questions were made available via surveys in English and Spanish on the HPS webpage. A total of 19 additional responses were received, with 18 in English and 1 in Spanish. The extended survey largely reinforced key trends from the webinar feedback.

- **Financial Incentives**: Among the financial incentives actions presented, "System development charges (SDC) methodology revisions," "Providing funding (or land) to community land trust organizations," and "Create a new middle housing Urban Renewal Area (URA)" received the most votes. These are the same top three selections as the live public webinar results.
- **Regulatory Changes**: Among the regulatory actions presented, "Improve the permitting process," "Expand ready-build plans for middle housing designs and more designs for accessory dwelling units," and "Update multifamily and mixed-use code" received the most votes. These are similar to the top three selections as the live public webinar results.
- **Land and Partnerships**: Among the land and partnerships actions presented, "Expand affordable housing access to areas of high opportunity" and "Support development of more Permanent Supportive Housing" received the most votes. These are the same top two selections as the live public webinar results.
- **Other Actions**: For other actions, "Raise awareness of existing programs and legislative changes promoting housing development" and "Lobby the legislature and plan for infrastructure" received the most votes. Only the latter was a top priority from the live public webinar results.

Additional comments in the survey reflected concerns about housing affordability, infrastructure capacity, the impact of new housing on community character, the need for homeownership opportunities, and concerns about government spending and bureaucracy. The single response from the Spanish-language survey prioritized homebuyer assistance, permitting improvements, and expanding access to affordable housing.

## Meetings with Decision Makers

### JOINT PLANNING COMMISSION, CITY COUNCIL WORK SESSION, JUNE 2024

The City and consultant team held a work session with the Salem City Council and Planning Commission in June 2024 to present information about housing needs in Salem, public engagement to date, considerations of development feasibility, existing policies to support housing development, and potential policies for inclusion in the HPS. Feedback from decision makers about potential actions for inclusion in the HPS included the following:

There is interest in knowing more about manufactured home park preservation options, Construction Excise Tax (CET) options, and ways to support small infill projects.

The group also expressed interest in knowing how the City could help small developers (alleviate barriers) and use amenities like parks to incentivize development agreements.

There were suggestions to locate "workforce" housing near transit and other services.

Councilors and Commissioners expressed concerns about increasing instances of housing being owned by private equity firms.

There was discussion about the need for more mixed-income housing development to help compensate the expenses associated with affordable housing.

### OTHER DECISION MAKER MEETINGS

- June 17th, 2024, City Council and Planning Commission Joint Work Session
- September/October, 2024, City Council and Planning Commission Small Group Discussions
- March 17th, 2025 City Council and Planning Commission Joint Work Session
- May 6th, 2025 Planning Commission Meeting
- May 27th, 2025 City Council Meeting

# Appendix F: Evaluation: Achieving Fair and Equitable Housing Outcomes

This appendix presents an evaluation of the actions for achieving fair and equitable housing outcomes.

## Evaluation of the Actions

The actions included in this HPS – combined with other City actions – are intended to achieve fair and equitable outcomes as required by OAR 660-008-0050. Below is an evaluation and description of how the HPS actions specifically achieve equitable outcomes related to the location of housing, fair housing, housing choice, housing option for residents experiencing homelessness, affordable homeownership and affordable rental housing, and gentrification, displacement, and housing stability.

These HPS actions also respond to and advance the recommendations in the 2019 Salem-Keizer Analysis of Impediments (AI) to fair housing choice.[32] The City conducts an AI every five years as part of its planning process to receive federal grants, mandated by the U.S. Department of Housing and Urban Development's (HUD). Exhibit 94 summarizes the factors found to be contributing to fair housing issues and impediments in Salem and Keizer.

The City has accomplished many of the actions identified in the 2019 AI, which are shown in Exhibit 96. In addition, the City has been working to promote fair and equitable housing outcomes in a variety of other ways. These existing actions – those taken already taken by the City – are described in detail below, along with the new HPS actions.

### Location of Housing

**OAR requirement:** How the city is striving to meet statewide greenhouse gas emission reduction goals, established under Executive Order No. 20-04, by creating compact, mixed-use neighborhoods available to people who are members of state and federal protected classes.

**Existing Actions:** In recent years, the City has undertaken many actions to reduce greenhouse gas (GHG) emissions and create compact, mixed-use neighborhoods,

[32] https://www.cityofsalem.net/home/showpublisheddocument/376/637782909091430000

including in Salem's potential Walkable, Mixed Use Areas or WaMUAs (e.g., Climate-Friendly Areas or CFAs). Through the Our Salem project to update to the Salem Comprehensive Plan in 2022, the City specifically redesignated more than 1,500 acres of land to mixed use in Salem, much of which was located along or near frequent transit routes provided by Cherriots. This included more than 160 acres within the potential WaMUAs. These changes – which included many rezonings – allowed housing outright in the mixed-use zones, including on ground floors. The intent was to allow more housing to be built near transit to help reduce GHG emissions and to increase transit access for the community, including people with disabilities and lower-income residents who may rely more on the bus to get around.

The City has also adopted numerous code amendments during and after the Our Salem project to reduce GHG emissions from transportation and to promote compact neighborhoods. This included increasing maximum heights in a mixed-use zone largely located along frequent transit routes, removing minimum parking requirements citywide, allowing middle housing throughout the city, and increasing minimum densities in mixed-use and multifamily zones, including those in the potential WaMUAs. The City has also removed barriers to the development of all housing types citywide by allowing deviations from design and development standards through an administrative adjustment, as opposed to a public hearing process.

In addition to regulatory changes, the City has provided financial incentives that help create compact, mixed-use neighborhoods. For example, the City has an existing MUHTIP area and URA in downtown Salem, which is a potential WaMUA. To receive a tax abatement through the MUHTIP program, large projects – those with 50 or more units – must provide at least 15 percent of the units at rents affordable to households at 80 percent AMI. Through the Riverfront Downtown URA, the City has purchased properties in downtown Salem and demolished them to prepare the site for redevelopment into a mixed-use project with affordable housing. In addition, the City has waived SDCs for affordable housing units and accessory dwelling units, which promote the development of both citywide and within the WaMUAs.

**HPS Actions:** Many of the HPS actions build on the work that the City has done to reduce GHG emissions and promote compact, mixed-use neighborhoods, including in the WaMUAs. The section in Chapter 3 titled "Relationship of Actions to Walkable Mixed-Use Areas" provides an analysis of how the HPS actions will support housing development in the potential WaMUAs – either directly, through citywide impacts, or depending on how the actions are implemented. The HPS action to develop a new URA will directly impact the production of housing in the north waterfront area, which is a potential WaMUA. It will support the development of housing, including affordable housing, in mixed-use neighborhoods. The location of that URA will be near Cherriots' Core Network, which is a network of bus routes where Cherriots has prioritized maintaining frequent service. Other HPS actions will promote regulated affordable units, increase accessible dwelling units, and increase housing options citywide –

including within the WaMUAs – by revising the zoning code and updating the City's SDC methodology.

The HPS also generally encourages compact, mixed-use neighborhoods by promoting the development of middle housing and accessory dwelling units and by removing potential code barriers. The HPS action to establish a new MUHTIP area specifically aims to produce more housing near transit service, which will help reduce GHG emissions from transportation. In addition, HPS actions to fund infrastructure improvements and support housing in areas of opportunities could facilitate more housing in mixed-use areas.

Below are the actions that most directly promote this fair and equitable housing goal, though other actions indirectly contribute:

- Develop a new Urban Renewal Area
- Develop a New Middle Housing Urban Renewal Area Program
- Identify a New Multi Unit Housing Tax Incentive Program area
- Revise System Development Charges Methodology for Smaller Housing Types
- Revise the Zoning Code to Support more Development of Needed Housing
- Expand Ready-Build Plans
- Support Housing Development in Areas of Opportunity
- Fund Infrastructure Improvements to Support Housing Development

## Fair Housing

**OAR requirement:** How the city is affirmatively furthering fair housing for all state and federal protected classes.

**Existing Actions:** The City implements a variety of measures to affirmatively further fair housing, including its federal funding program and planning projects. (The City is updating its Consolidated Plan, which will identify priority needs and goals, as well as its Analysis of Impediments). The 2019 Analysis of Impediments identifies factors that contribute to fair housing issues and impediments in Salem and Keizer, and it recommends actions to be taken to address those issues (Exhibit 96). The City has completed several of the recommended actions, including reviewing and revising zoning to remove barriers to affordable housing options, working with Cherriots to increase access to transit routes, and promoting fair housing education through workshops. As recommended in the AI, the City has also been working to provide more opportunities for affordable housing to be sited in areas of opportunity, which is described in the AI as "physical places within communities that provide things one needs to thrive, including quality employment, high performing schools, affordable housing, efficient public transportation, safe streets, essential services, adequate parks, and full service grocery stores."

In 2022, the City updated its Comprehensive Plan, and that included redesignating and rezoning land across Salem to promote the development of housing. Historically, multifamily housing and affordable housing has been more concentrated in North and Northeast Salem – areas with a higher percentage of people of color and more poverty – compared to West and South Salem (Exhibit 62). During the Our Salem project, the City aimed to address this disparity by specifically rezoning land to allow for more multifamily housing in areas of high opportunity; this included areas in West and South Salem near parks, schools, jobs, transit, and services. The adopted changes provide more opportunities for people who live in multifamily housing and affordable rental housing to live in West and South Salem. The City also rezoned land, as mentioned earlier, to allow more housing to be built near frequent transit service. In addition, the City added new policies to affirmatively further fair housing in its updated Comprehensive Plan.

At the recommendation of the Salem Human Rights Commission, the City added housing status as a protected class under the Salem Revised Code in 2022. The City specifically added a new section - SRC 97.070 - that prohibits discrimination based on housing status; that chapter states that it "shall be unlawful for a person to discriminate against any individual in the selling, renting, or leasing real property, provision of public accommodations, or employment on the basis of housing status."

**HPS Actions:** The HPS builds on the City's previous work, as it aims to increase housing options for people in city, state, and federal protected classes and to decrease disparities in access. HPS actions that promote accessible housing and middle housing – through SDC methodology changes, ready-build plans, code revisions, and a new middle housing URA – provide more housing options across Salem. This widens where people with lower incomes and people with disabilities can live. In addition, now that multifamily housing is allowed more broadly along frequent transit routes, several HPS actions provide financial incentives to help produce housing in those areas. For example, the HPS action to identify a new MUHTIP area will encourage the development of multifamily housing near transit service. This action provides more housing options for people who rely on transit service, including lower-income residents and people with disabilities.

The HPS directly advances recommendations in the Analysis of Impediments to encourage the development of more affordable housing and publicly-supported housing in high opportunity areas. One HPS action (about high opportunity areas) addresses the distribution of affordable and mixed-income housing more broadly across Salem, particularly in areas near jobs, schools, parks, transit, services, and other amenities. This increases access to opportunities for lower-income residents, including those in protected classes. It also avoids further concentrating affordable housing in North and Northeast Salem. In addition, the HPS includes an explicit action to affirmatively further fair housing by mandating fair housing training for recipients of City tax or grant subsidies, and as a condition of multi-family licensing renewal. This new requirement will broaden exposure to existing laws. Several other

HPS actions aim to promote the development of affordable housing – both rental and homeownership opportunities – through financial incentives and investment. (see "Affordable Homeownership and Affordable Rental Housing" section below.) This benefits people in protected classes, particularly those with lower incomes.

Below are the actions that most directly promote this fair and equitable housing goal, though other actions indirectly contribute:

- Support Housing Development in Areas of Opportunity
- Affirmatively Furthering Fair Housing
- Identify a New Multi Unit Housing Tax Incentive Program area
- Revise System Development Charges Methodology for Smaller Housing Types
- Revise the Zoning Code to Support more Development of Needed Housing
- Develop a New Middle Housing Urban Renewal Area Program
- Expand Ready-Build Plans
- Support Development by Community Land Trusts
- Provide Homebuyer Assistance

## Housing Choice

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

**Existing Actions:** In 2022, the City updated the Comprehensive Plan, which includes a specific housing choice goal with policies encouraging a variety of housing types throughout the city, housing diversity within new developments, accessibility and aging in place options, fair housing, specialized housing for residents with specific housing needs, and multi-dwelling ownership options. The Comprehensive Plan update included rezoning land across Salem. The City aimed to disperse zoning for multifamily and affordable housing more evenly throughout the city and intentionally in neighborhoods with access to amenities, schooling, employment and business opportunities. As development or redevelopment occurs in these rezoned areas, it is likely greater housing choice will be provided.

Further, in the last five years, the City has revised the zoning code to facilitate more multifamily housing, mixed use developments, and middle housing types. First, the City added greater flexibility for meeting multifamily housing design standards, scaled down the number of design standards for small multifamily housing projects, and simplified regulations for three- and four- unit projects. The City then adopted code changes to allow middle housing in the Single Family Residential, Residential Agriculture, and the Multiple Family Residential I zones. Additionally, the City waives SDC fees for accessory dwelling units, providing another option for integrating

smaller, denser housing into existing neighborhoods. Finally, the City streamlined the approval process for housing and mixed- use projects, allowed more housing options, reduced the minimum lot size for certain middle housing in a multifamily zone, and established and increased minimum densities. With each iteration of housing code revisions, the City has put in place standards and processes to enable greater housing choice throughout Salem, and revisions to the single-family zones specifically enable greater housing choice in existing neighborhoods.

**HPS Actions:** Northeast and North Salem host more of Salem's multifamily housing and affordable housing than South or West Salem, which can limit where people who are more likely to be renters or who require affordable housing can live in Salem. This lopsided distribution of affordable and multifamily housing is more likely to impact housing choice for people of color and low- income people. The 2019 Analysis of Impediments to Fair Housing Choice also revealed disparities in access to areas of opportunity. In addressing these barriers, HPS actions will contribute to more equitable housing outcomes for people of color, low- income residents, and other protected classes affected by inadequate housing choice.

Actions in the HPS build on the foundation set by the Our Salem project, which updated the Comprehensive Plan and zoning code to increase housing choices in Salem. The HPS actions primarily advance housing choice by encouraging a greater variety of housing types throughout Salem and by prioritizing resources to support adding housing, including affordable housing, in high opportunity areas. Scaling SDCs and removing code barriers for smaller housing, including middle housing, may stimulate infill development in existing safe and healthy neighborhoods. Proposed zoning code revisions also includes exploring mechanisms in the code to foster the production of accessible housing. This would provide more housing choice for people with disabilities. Along with ready build plans and homebuyer assistance, these actions cultivate greater housing options throughout Salem. In addition, supporting housing in high opportunity areas, developing a middle housing Urban Renewal Area, and supporting community land trusts focus on adding housing to specific areas. Through these actions, the City can intentionally enhance housing choice in neighborhoods with high-quality community amenities, schooling, employment and business opportunities.

Below are the actions that most directly promote this fair and equitable housing goal, though other actions indirectly contribute:

- Develop a New Middle Housing Urban Renewal Area Program
- Revise System Development Charges (SDCs) Methodology for Smaller Housing Types
- Support Housing Development in Areas of Opportunity
- Revise the Zoning Code to Support more Development of Needed Housing
- Support Development by Community Land Trusts
- Provide Homebuyer Assistance
- Expand Ready-Build Plans

## Housing Options for Residents Experiencing Homelessness

**OAR requirement:** How the city is advocating for and enabling the provision of housing options for residents experiencing homelessness and how the city is partnering with other organizations to promote services that are needed to create permanent supportive housing and other housing options for residents experiencing homelessness.

**Existing Actions:** The City has been working to support people experiencing homelessness, which was identified as a goal in the 2020-2024 Salem Consolidated Plan (which is being updated).[33] That plan included strategies such as supporting additional emergency shelters, transitional housing, and permanent supportive housing. In recent years, the City has specifically increased housing options for residents experiencing homelessness by expanding safe shelter options along the shelter to housing continuum. The City dedicated $3 million for the building acquisition and renovation to create the Salem Navigation Center, a low barrier shelter with 75 beds, intensive case management, and behavioral health services on site. Through the City's managed safe vehicle parking program, residents using cars for shelter can meet their basic needs until they can access housing. Further along the housing continuum, the City has supported three micro shelter sites, including one site specifically for young adults. These sites provide safe and stable temporary housing for people who are chronically homeless or recently unhoused.

Additionally, the City used URA funds to support the development of Redwood Crossings, which consists of 31 units of Permanent Supportive Housing. Salem Housing Authority also offers permanent supportive housing units at the Yaquina Hall and Sequoia Crossing properties. The City also provided funding to the Homeless Rental Assistance Program, which connects residents who have been chronically homeless to housing, furnishings, food, and services. This program housed 300 residents, most of whom have stayed stably housed. Finally, the City has awarded federal funds to nonprofit organizations that serve residents who are experiencing homelessness or at risk of becoming homeless. These actions are rooted in partnerships with nonprofit agencies, who are instrumental in the success of these actions.

**HPS Actions:** Several actions in the HPS increase housing options for people experiencing homelessness. While there are many contributors to homelessness, lack of affordable housing is one of the primary causes. Therefore, the actions that increase income-restricted rental housing can provide needed affordable housing options for residents experiencing homelessness and prevent homelessness. For residents experiencing homelessness that have special housing or support needs, permanent supportive housing is often the most suitable housing option. As mentioned above, this action directly advances the goals of the 2020-2024

[33] https://www.cityofsalem.net/home/showpublisheddocument/384/637782909114870000

Consolidated Plan. Through this HPS, the City will continue to work toward increasing the permanent supportive housing available in Salem.

Below are the actions that most directly promote this fair and equitable housing goal, though other actions indirectly contribute:

- Develop a New Urban Renewal Area
- Expand the use of the Single Property Urban Renewal Area Program
- Support Housing Development in Areas of Opportunity
- Support Development of Permanent Supportive Housing

## Affordable Homeownership and Affordable Rental Housing

**OAR requirement:** How the city is supporting and creating opportunities to encourage the production of affordable rental housing and the opportunity for wealth creation via homeownership, primarily for state and federal protected classes that have been disproportionately impacted by past housing policies.

**Existing Actions:** The City has implemented a variety of actions to support the development of affordable housing for both renters and homeowners. The City has financially contributed to or reduced the cost of developing affordable housing through URA funding, SDC waivers, sale of surplus land, purchasing land for affordable housing, and distributing federal funds to the creation of a community land trust. The City has provided tax exemptions and incentives through the Low-Income Housing Property Tax Exemption program, single property URA program, and Multi Unit Housing Tax Incentive program, which as of late 2021, includes an affordable housing requirement for developments with 50 or more units. Salem also passed a Safety and Livability Bond that included $10 million for an affordable housing opportunity fund, which can be used for Salem Housing Authority projects or infrastructure improvements to support affordable housing developments.

**HPS Actions:** According to the Appendix B: Contextualizing Salem's Housing Needs, people of color were more likely to be severely cost burdened, more likely to be low-income, and less likely to be homeowners, with the exception of Asian households. This is further supported by the 2019 Analysis of Impediments to Fair Housing, which indicated American Indians and Latine residents were more likely to be denied a mortgage loan. The 2019 Analysis of Impediments also revealed insufficient accessible affordable housing. The 2020-2024 Consolidated Plan[34] – it is being updated – specifically includes a goal to expand affordable housing; it pointed to the development of new affordable housing and preservation of existing housing as means to increase access for low and moderate-income households. Efforts to address the community's affordable housing needs will contribute to more equitable housing outcomes for low-income residents, people of color and people with disabilities.

[34] https://www.cityofsalem.net/home/showpublisheddocument/384/637782909114870000

HPS actions further advance the City's work to increase affordable housing, including both income-restricted and privately-developed affordable housing. Actions generally support affordable housing in one of three ways. Some actions provide funding or financial incentives for affordable housing, which facilitates the production of more income-restricted affordable housing or enables low-income households to access housing. This includes tax exemption programs, federal funding, or other contributions like surplus land. Other actions reduce costs or remove barriers to creating affordable housing or traditionally lower cost housing, which encourages more production of the affordable or lower cost housing. Traditionally lower cost housing includes smaller units and middle housing types that are not necessarily income restricted but tend to be less expensive than larger single detached units. Actions may preserve existing affordable housing. Additionally, other strategies may encourage more housing creation broadly, which may include affordable housing or lower cost housing types, thereby indirectly supporting affordable housing. Through this multi-pronged approach, the City is using many of the available tools to advance affordable housing.

Below are the actions that most directly promote this fair and equitable housing goal, though other actions indirectly contribute:

- Develop a New Urban Renewal Area
- Expand use of Single Property Urban Renewal Area Program
- Develop a New Middle Housing Urban Renewal Area Program
- Fund Infrastructure Improvements to Support Housing Development
- Revise System Development Charges (SDCs) Methodology for Smaller Housing Types
- Identify a New Multi Unit Housing Tax Incentive Program (MUHTIP) area
- Support Housing Development in Areas of Opportunity
- Support Development by Community Land Trusts
- Provide Homebuyer Assistance
- Revise the Zoning Code to Support more Development of Needed Housing
- Advocate for Manufactured Home Park Residents
- Education and awareness of existing programs
- Expand Ready-Build Plans

## Gentrification, Displacement, and Housing Stability

**OAR requirement:** How the city is increasing housing stability for residents and mitigating the impacts of gentrification, as well as the economic and physical displacement of existing residents resulting from investment or redevelopment.

**Existing Actions:** Prior to developing this HPS, the City worked with Salem's Equity Roundtable and a consultant to analyze the potential for displacement across Salem and examine anti-displacement strategies. This Anti-Displacement Analysis can be

found on PDF pages 113 to 119 of Salem's Walkable, Mixed-Use Areas Study.[35] It resulted in four strategies that the City could implement to mitigate or avoid potential displacement in Salem. One strategy focused on raising awareness of rental assistance; it called for the City to create a "one-stop" webpage that lists where residents can find rental/utility assistance in Salem. The City has created this webpage in English and Spanish. The other three strategies – purchase land for affordable housing in West and South Salem, promote land trusts, and reduce design requirements for multifamily housing – have all been included in this HPS as actions (with refined names and descriptions).

The City has also worked to increase housing stability for residents by supporting affordable homeownership opportunities and encouraging the development and preservation of affordable housing. For example, the City provided federal funds to DevNW to support the development of Salem's first community land trust. That development provides 24 new CLT single-family homes and townhomes and is designed to support first-time and low-income homebuyers. The City promotes affordable rental housing in numerous ways, including the existing MUHTIP area, several URAs, purchasing and assembling land for redevelopment, and funding the preservation of affordable units.

**HPS Actions:** Many HPS actions seek to increase housing stability and mitigate displacement. As mentioned above, this HPS includes three anti-displacement actions that were discussed by Salem's Equity Roundtable. A couple HPS actions – such as providing homebuyer assistance – promote affordable homeownership, which increases housing stability. Several other actions encourage the production of affordable housing, which mitigates the impacts of gentrification by providing affordable housing options. This includes HPS actions to create a new MUTHIP area, establish a new URA, expand the use of a single-property URA program, and increase developer understanding and awareness of existing programs. (See "Affordable Homeownership and Affordable Rental Housing" section above for more information.)

The HPS also includes actions to avoid displacement and preserve housing, including more affordable forms of housing. One action is to advocate for manufactured home park residents, including support changes in State law to limit rent increases and provide residents with first right of refusal when their park is put up for sale. Another HPS action is to revise the zoning code to preserve nonconforming housing. This prevents displacement by helping to ensure that nonconforming housing can be improved and rebuilt.

Below are the actions that most directly promote this fair and equitable housing goal, though other actions indirectly contribute:

- Support Development by Community Land Trusts

[35] https://salem.legistar.com/View.ashx?M=F&ID=12311597&GUID=50D5C08F-7449-4AA2-A95E-5D70BE04E7A5

- Support Housing Development in Areas of Opportunity
- Provide Homebuyer Assistance
- Revise the Zoning Code to Support more Development of Needed Housing
- Revise the Zoning Code to Preserve Nonconforming Housing
- Advocate for Manufactured Home Park Residents
- Increase Developer Understanding and Awareness of Existing Programs

# Appendix G: Pre-HPS Survey

Housing Portal | **Pre-HPS Survey Submission** | Page: 1 of 5

Year: 2023 City: Salem | Submitted Date: 07/13/2023 | 4/17/2025 10:32:03 am

| Category | Strategy | Encourage Needed Housing | Increase Affordability | Reduce Rent Burden |
|---|---|---|---|---|
| A - Zoning and Code Changes | A01 - Ensure Land Zoned for Higher Density is not Developed at Lower Densities | Yes | Yes | Yes |
| **Comments:** | | | | |
| A - Zoning and Code Changes | A02 - Zoning Changes to Facilitate the Use of Lower-Cost Housing Types | Yes | Yes | Yes |
| **Comments:** | | | | |
| A - Zoning and Code Changes | A05 - Code Provisions for ADUs | Yes | Yes | Yes |
| **Comments:** | | | | |
| A - Zoning and Code Changes | A08 - Promote Cottage Cluster Housing | Yes | Yes | Yes |
| **Comments:** | | | | |
| A - Zoning and Code Changes | A09 - Short-Term Rentals Regulations | Yes | No | No |
| **Comments:** | | | | |
| A - Zoning and Code Changes | A11 - Add Restrictive Covenants to Ensure Affordability | Yes | Yes | Yes |
| **Comments:** | | | | |
| A - Zoning and Code Changes | A12 - Align Lot Division Density with Zoning Density | Yes | No | No |
| **Comments:** | | | | |
| A - Zoning and Code Changes | A14 - Re-examine Requirements for Ground-floor Retail/Commercial | Yes | No | No |
| **Comments:** | | | | |
| A - Zoning and Code Changes | A15 - Encourage Diverse Housing Types in High-Opportunity Neighborhoods | Yes | Yes | Yes |
| **Comments:** | | | | |
| A - Zoning and Code Changes | A17 - Small Dwelling Unit Developments | Yes | Yes | No |
| **Comments:** | | | | |

| | | | | |
|---|---|---|---|---|
| A - Zoning and Code Changes | A18 - Increase Density near Transit Stations and Regional Multi-use Trails | Yes | Yes | Yes |
| **Comments:** | | | | |
| A - Zoning and Code Changes | A19 - High Density Requirements for to-be-Annexed Land | Yes | Yes | No |
| **Comments:** | | | | |
| A - Zoning and Code Changes | A22 - Mixed Housing Types in Planned Unit Developments | Yes | Yes | No |
| **Comments:** | | | | |
| A - Zoning and Code Changes | A25 - Legalize and Encourage Tiny Homes and Villages | Yes | Yes | Yes |
| **Comments:** | | | | |
| B - Reduce Regulatory Impediments | B01 - Remove or Reduce Minimum Parking Requirements | Yes | Yes | Yes |
| **Comments:** | | | | |
| B - Reduce Regulatory Impediments | B02 - Remove Development Code Impediments for Conversions | Yes | Yes | Yes |
| **Comments:** | | | | |
| B - Reduce Regulatory Impediments | B03 - Expedite Permitting for Needed Housing Types | Yes | Yes | Yes |
| **Comments:** | | | | |
| B - Reduce Regulatory Impediments | B04 - Expedite Lot Division for Affordable Housing | Yes | Yes | Yes |
| **Comments:** | | | | |
| B - Reduce Regulatory Impediments | B05 - Reduce Regulatory Barriers to Lot Division | Yes | No | No |
| **Comments:** | | | | |
| B - Reduce Regulatory Impediments | B06 - Streamline Permitting Process | Yes | No | No |
| **Comments:** | | | | |
| B - Reduce Regulatory Impediments | B10 - Public Facility Planning | Yes | No | No |
| **Comments:** | | | | |
| B - Reduce Regulatory Impediments | B11 - Pro-Housing Agenda | Yes | Yes | Yes |

| | | | | |
|---|---|---|---|---|
| **Comments:** | | | | |
| B - Reduce Regulatory Impediments | B12 - Pro Affordable Housing Agenda | Yes | Yes | Yes |
| **Comments:** | | | | |
| B - Reduce Regulatory Impediments | B13 - Align Bike Parking Requirements with Actual Use | Yes | No | No |
| **Comments:** | | | | |
| B - Reduce Regulatory Impediments | B14 - Adopt Affirmatively Furthering Fair Housing as a Housing Policy in Comprehensive Plan | Yes | Yes | No |
| **Comments:** | | | | |
| B - Reduce Regulatory Impediments | B16 - Holistic Planning to Distribute New Density More Equitably | Yes | Yes | No |
| **Comments:** | | | | |
| B - Reduce Regulatory Impediments | B17 - Reduce on-site Common/Active Open Space Requirements | Yes | Yes | Yes |
| **Comments:** | | | | |
| C - Financial Incentives | C01 - Reduce or Exempt SDCs for Needed Housing | Yes | Yes | Yes |
| **Comments:** | | | | |
| C - Financial Incentives | C03 - Reduce or Exempt SDCs for ADUs | Yes | Yes | Yes |
| **Comments:** | | | | |
| C - Financial Incentives | C05 - Waive or Finance Park Impact Fees for Affordable Housing | Yes | Yes | Yes |
| **Comments:** | | | | |
| C - Financial Incentives | C06 - Publicly Funded Infrastructure Improvements | Yes | Yes | Yes |
| **Comments:** | | | | |
| D - Financial Resources | D01 - Community Development Block Grant (CDBG) | Yes | Yes | Yes |
| **Comments:** | | | | |
| D - Financial Resources | D06 - HOME Program | Yes | Yes | Yes |
| **Comments:** | | | | |

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|---|---|---|---|---|
| D - Financial Resources | D10 - Tax Increment Financing (TIF) Set-Aside | Yes | Yes | Yes |
| **Comments:** | | | | |
| D - Financial Resources | D11 - Flexible Use of Housing Choice Vouchers | Yes | Yes | Yes |
| **Comments:** | | | | |
| D - Financial Resources | D13 - Low-Interest Loans / Revolving Loan Fund | No | No | Yes |
| **Comments:** | | | | |
| D - Financial Resources | D14 - Eviction Prevention Programs | No | Yes | Yes |
| **Comments:** | | | | |
| D - Financial Resources | D16 - General Obligation Bonds – for Affordable Housing | Yes | Yes | Yes |
| **Comments:** | | | | |
| D - Financial Resources | D18 - Weatherization Funds through Community Action Agencies | No | No | Yes |
| **Comments:** | | | | |
| E - Tax Exemption and Abatement | E01 - Nonprofit Low-Income Rental Housing Exemption | No | Yes | Yes |
| **Comments:** | | | | |
| E - Tax Exemption and Abatement | E04 - Multiple Unit Property Tax Exemption (MUPTE) | Yes | Yes | Yes |
| **Comments:** | | | | |
| E - Tax Exemption and Abatement | E09 - Investing into Federal Opportunity Zones (OZ) | No | No | Yes |
| **Comments:** | | | | |
| F - Land, Acquisition, Lease, and Partnerships | F01 - Land Banking | Yes | Yes | No |
| **Comments:** | | | | |
| F - Land, Acquisition, Lease, and Partnerships | F03 - Community Land Trusts | Yes | Yes | Yes |
| **Comments:** | | | | |

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|---|---|---|---|---|
| F - Land, Acquisition, Lease, and Partnerships | F04 - Public/Private Partnerships (P3) | Yes | Yes | Yes |
| **Comments:** | | | | |
| F - Land, Acquisition, Lease, and Partnerships | F08 - Conversion of Underperforming or Distressed Commercial Assets | Yes | Yes | Yes |
| **Comments:** | | | | |
| F - Land, Acquisition, Lease, and Partnerships | F12 - Surplus Land for Affordable Housing | Yes | Yes | Yes |
| **Comments:** | | | | |