SALEM — One of the historical buildings at Oregon State Hospital's mostly vacant north campus could soon become affordable housing.

The Housing Authority of Salem has reached a conditional sales agreement with the state to buy Yaquina Hall and convert it into up to 50 apartments.

"We are pretty excited about it," said Andy Wilch, executive director of the Housing Authority of Salem.

The housing authority plans to use federal low-income tax credits and historic tax credits to finance renovation and construction of the building, which was constructed in 1947 as a nurses' dormitory.

Officials have declined to disclose the purchase price pending ratification of the sales contract sometime later this year.

But the sale is the first step in the state's effort to sell 47 acres on the north campus since the new state hospital was built. Out of seven buildings on the north campus, the state plans to retain one -- the Dome Building, which houses the Department of Corrections.

The Legislature approved $8.3 million to demolish the other five buildings. The demolition is planned for early next year, said Shannon Ryan, administrator for the Division of Asset Management at the Department of Administrative Services. The other five buildings were constructed in the early 20th Century and have lead and asbestos.

"The price to rehabilitate them exceeds what it would cost to build them new," Ryan said. "We intend to get the property site ready and in process abate the all hazardous materials so we can demolish the buildings and sell it someone willing to develop 47 acres in middle of Salem."

The units at Yaquina Hall would be available to families that earn 80 percent or less of median income, Wilch said. Details on the size of the apartments and cost of the projects are still being determined.

The Legislature in 2015 required that the Department of Administrative Services give priority to selling surplus state property to entities and developers that plan to develop affordable housing. The measure was one of several lawmakers have taken to try to address the state's affordable housing shortage. The Salem housing authority alone has a waiting list of 8,000 families waiting for housing, Wilch said.

Housing officials have yet to decide whether the units will be one-bedroom or two-bedroom, but they plan to keep the building's historical exterior.

Designed by Salem architect Lyle Pascoe Bartholomew, the building is on the National Register of Historic Places.