

# Minor Report for Salem

## For the 2023 reporting year

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This report was submitted by Salem to meet the requirements of OAR 660-012-0900(6) for the 2023 reporting year. The department has reviewed the submittal as provided in OAR 660-012-0915(1) and deemed it complete. This document was generated by the department using information submitted by Salem.

### **OAR 660-012-0900(6)(a)**

*(a) A narrative summary of the state of coordinated land use and transportation planning in the planning area over the reporting year, including any relevant activities or projects undertaken or planned by the city or county;*

- In June 2023, Salem submitted its required work plan for scenario planning and timelines for components of CFEC related planning requirements.
- Salem participated in the staff-level kick-off for the Regional Scenario Planning in partnership with ODOT, DLCD, Marion County, Keizer, and the Transit District.
- Salem undertook and submitted the CFA Study with support from DLCD and the Council of Governments.
- Salem completed several code amendments required under CFEC including eliminating minimum parking requirements and climate mitigation measures for large parking lots.
- Initiated dialog with ODOT for scoping the update to the TSP to comply with CFEC rules.
- Community engagement around CFEC included a new web page, email messages, open house on parking options, virtual webinar on CFAs, presented information on CFEC at roughly 25 community events, and provided reports and presentations to City Council.

### **OAR 660-012-0900(6)(b)**

*(b) The planning horizon date of the acknowledged transportation system plan, a summary of any amendments made to the transportation system plan over the reporting year, and a forecast of planning activities over the near future that may include amendments to the transportation system plan;*

TSP planning horizon date: 2035

Summary of amendments to the TSP:

Salem adopted one minor amendment to the TSP in 2023. This amendment shifted the alignment of a collector street in west Salem and added bike facilities onto the proposed collector. This amendment was associated with a development project.

Forecast of future planning activities:

Salem staff is coordinating with ODOT to scope the update to the TSP. Hoping to launch later in 2024 or beginning of 2025.

### **OAR 660-012-0900(6)(c)**

*(c) Copies of reports made in the reporting year for progress towards centering the voices of underserved populations in processes at all levels of decision-making as provided in OAR 660-012-0130 and a summary of any equity analyses conducted as provided in OAR 660-012-0135; and*

Any included reports are attached to this document.

Summary of equity analyses:

As part of identifying potential CFAs, we worked with the City's Equity Roundtable to refine areas at risk for displacement. See CFA Study Report, Attachment 3 (starts page 112 of pdf). Web address: <https://salem.legistar.com/View.ashx?M=F&ID=12311597&GUID=50D5C08F-7449-4AA2-A95E-5D70BE04E7A5>

### **OAR 660-012-0900(6)(d)**

*(d) Any alternatives reviews undertaken as provided in OAR 660-012-0830, including those underway or completed.*

While there wasn't alternatives being reviewed specific to -0830, the alternatives analysis underway in 2023 for the Cordon/Kuebler corridor attempted to incorporate analysis that would meet these new requirements.

## FAIR AND EQUITABLE HOUSING OUTCOMES

As part of the study phase of this work, the CFEC rules requires cities to include plans to achieve fair and equitable housing outcomes within climate-friendly areas, which are called Walkable, Mixed-Use Areas (WaMUAs) in Salem. These plans must address the location of housing and describe how the city is striving to meet statewide greenhouse gas emissions (GHG) reduction goals by creating compact, mixed-use neighborhoods. The plans must also analyze the potential for displacement in WaMUAs and identify potential anti-displacement strategies.

### Location of Housing

Cities are required to describe actions they have taken to promote the production of affordable and accessible dwelling units, increase housing choices for members of state and federal protected classes, and mitigate displacement in WaMUAs. (The City's work related to anti-displacement strategies is described later in this document.) The City has not yet designated WaMUAs and therefore has not yet targeted housing-related strategies to those areas. However, the City plans to start developing its first Housing Production Strategy (HPS) in late 2023 or early 2024. It is through that process that the City plans to look at strategies that are more targeted to the WaMUAs.

In recent years, the City has undertaken numerous actions to promote the development of affordable housing and increase housing choices citywide. This includes actions and strategies to reduce regulatory barriers, provide land for housing, and provide financial incentives. Examples of these strategies are below.

- **Reduce regulatory barriers:** Removed minimum parking requirements citywide, rezoned more than 1,500 acres to mixed-use zones to allow multifamily housing outright, allowed middle housing in single-family zones, allowed accessory dwelling units citywide, and allowed administrative adjustments to multifamily design standards.
- **Provide land for housing:** Provided excess land to United Way for a nominal amount to create cottage clusters for low-income seniors, and purchased land in downtown Salem to promote redevelopment that includes affordable housing.
- **Provide financial incentives:** Provided federal grants to affordable housing projects (including the first community land trust), waived system development charges for affordable housing and accessory dwelling units, created a tax increment financing district to promote affordable housing, and required affordable housing units in large projects that receive a tax abatement through the Multiple-Unit Housing Tax Incentive Program.
- **Other:** Required middle housing units in large subdivisions.

In 2020, the City adopted the Salem-Keizer 2024 Consolidated Plan and annual action plans, both of which highlight community priorities and describe how the City intends to allocate federal grant funds. Much of these funds have been used to promote the development of affordable housing. The Consolidated Plan can be found [online here](#).

The City has also worked to specifically create more compact, mixed-use areas during the recent Our Salem project, which updated the Salem Area Comprehensive Plan, Comprehensive Plan Map, and zoning map. Through that multi-year project, the City added more than 1,500 acres of mixed-use land in Salem, much of which was located along or near frequent transit routes provided by Cherriots. The

purpose was to allow more housing to be built near transit to help reduce GHG emissions related to transportation. (This is also a strategy recommended in Salem’s [Climate Action Plan](#).)

The City made several other zoning map and zoning code changes during the Our Salem project to help Salem reduce GHG emissions. Highlights of those changes are below. Several of the changes were done to align with the CFEC rules related to WaMUAs.

- Increased minimum densities in mixed-use and multifamily zones
- Increased maximum height in a mixed-use zone largely located along frequent transit routes
- Established a minimum density for large subdivisions in single-family zones

As mentioned earlier, the City plans to develop a HPS soon, and that work will include taking a closer look at strategies to promote housing in WaMUAs.

### **Anti-Displacement Analysis**

The CFEC rules require cities to conduct a spatial analysis, examine anti-displacement strategies, and select strategies that best achieve equity goals and minimize displacement in WaMUAs. That work is described below, including the community engagement that was conducted.

### **Background**

The MWVCOG conducted an analysis to determine the likelihood that potential Walkable, Mixed-Use Areas (WaMUAs) would displace residents, as outlined in Technical Memo #6. Specifically, OAR 660-012-0315(4)(f) requires cities like Salem to analyze spatial and other data to determine “if the rezoning of potential” WaMUAs would be likely to displace residents who are members of state and federal protected classes. The City must also identify actions that “may be employed to mitigate and avoid potential displacement.”

The City is not proposing to rezone any areas to designate WaMUAs. As noted in Technical Memo #7, very few changes are required in Salem’s zoning code to comply with the State rules for WaMUAs (a.k.a., climate-friendly areas). That is because the City followed and participated in the CFEC rulemaking process and subsequently incorporated many of the rules into the [Our Salem project](#). Specifically, the City updated existing zones and created new zones through the multi-year project so that Salem’s zoning was largely in compliance with the newly-adopted CFEC rules related to WaMUAs.

While the City does not plan to rezone any areas, the City did want to examine the potential for displacement related not only to potential WaMUAs but citywide. The City also wanted to look at ways of mitigating and minimizing any displacement. This is in line with the following new policy in the [Salem Area Comprehensive Plan](#) (Comprehensive Plan):

**H 2.8 Anti-displacement:** Programs, incentives, investments, and regulations that support the long-term affordability of housing and minimize the involuntary displacement of residents due to increases in housing costs should be promoted. Early engagement with affected communities should occur during planning processes to empower those at risk of displacement to influence outcomes.

## Equity Roundtable

As part of this housing, CFEC, and anti-displacement work, the City wanted to ensure that the perspectives and ideas of underserved communities in Salem were heard and included. To do this, staff held one-on-one discussions with eight leaders of community organizations, groups, or agencies that serve traditionally underserved communities. These discussions, held in late 2022 and early 2023, helped staff better understand how to best engage underserved communities in this CFEC work and other future planning work. The community leaders were also asked about the idea of a new equity roundtable and if or how it should be formed and structured. Based on their input, staff established an equity roundtable as a pilot project.

This roundtable comprised of leaders and representatives of 15 organizations that serve Salem’s underserved communities, including low-income residents, communities of color, LGBTQIA residents, people experiencing homelessness, youth, refugees, and people with disabilities. The participants are listed below:

Name	Organization
Jimmy Jones and Ramon Hernandez	Mid-Willamette Valley Community Action Agency
Amador Aguilar	Enlace Cross-Cultural Community Development Project
Rhonda Wolf	United Way of the Mid-Willamette Valley
Jesse Gasper	Oregon Marshallese Community Association
Jackie Leung	Micronesia Islander Community
Alex Buron	Latinos Unidos Siempre (LUS)
An Nguyen	CAREcorps
Luke Glaze and Tania Moran	Salem for Refugees
Irvin Brown	Salem-Keizer NAACP
Kristin Kuenz-Barber	Northwest Human Services
Jennifer Colachico	Salem-Keizer Community Transition Program
Renn Raska	Salem Capital Pride
Kevin Gonzalez	Isaac's Place
Lucy Escobar	Latino Business Alliance

The roundtable met three times with staff in March, April, and May. The roundtable dove into the details of the City’s work to address Salem’s housing needs and helped revise the City’s map that shows areas that are at risk of displacement. It also recommended a variety of strategies to mitigate and minimize displacement. Summaries of the three equity roundtable meetings are linked below:

- March 21, 2023: [Equity Roundtable Meeting #1 Summary](#)
- April 20, 2023: [Equity Roundtable Meeting #2 Summary](#)
- May 25, 2023: [Equity Roundtable Meeting #3 Summary](#)

## Displacement Risk Mapping

The MWVCOG examined GIS data from DLCD and compared it with the potential locations of WaMUAs in Salem to understand where residents were most vulnerable to displacement (see Technical Memo #6). That information showed that all of the potential downtown WaMUA and 60 percent of the

potential north downtown WaMUAs were considered to be in the “Affordable and Vulnerable” neighborhood typology. This typology, as outlined in DLCD’s “Anti-Displacement and Gentrification Toolkit,” is described as follows:

**Affordable and Vulnerable:** The tract is identified as a low-income tract, which indicates a neighborhood has lower median household income and whose residents are predominantly low-income compared to the city average. The neighborhood also includes precariously housed populations with vulnerability to gentrification and displacement. However, housing market in the neighborhood is still remained stable with no substantial activities yet. At this stage, the demographic change is not under consideration.

As mentioned early, City staff wanted to look at displacement potential more broadly than the WaMUAs, so staff asked the MWVCOG to also examine how much of each zone in Salem – particularly mixed-use and residential zones – were vulnerable to displacement. Large swaths of Salem’s mixed-use zones and Multiple Family Residential-II (RM-II) zone were found to be “Affordable and Vulnerable,” as shown in Technical Memo #6. A few areas in outer south and southeast Salem were found to be “Advanced Exclusive,” which means the areas are already high-income neighborhoods with no vulnerable populations.

Staff displayed the displacement risk data provided by DLCD on a map and shared it with the equity roundtable. Staff also created and shared several maps that showed demographic data, including Hispanic or non-white populations, poverty, and rent-burdened households. Then staff asked the roundtable to help ground truth the displacement risk map and provide their input.

The roundtable provided comprehensive feedback. Specifically, the roundtable suggested the following changes to the map:

- Most of North and Northeast Salem are at risk of displacement (shown as “**displacement risk**” on the map).
  - Several of these areas starting from downtown Salem and extending northeast to Salem’s city limits are already experiencing displacement (shown as “**active displacement**” on the map).
- Other areas that are at risk of displacement include inner West Salem, along Wallace Road NW, inner Southeast Salem, and along Commercial Street SE near the Salem’s city limits.
- The vast majority of West Salem as well as the portion of South Salem roughly between Skyline and Sunnyside Streets SE are already exclusive (shown as “**exclusive**” on the map).

Staff added the information from the equity roundtable to the displacement risk data from the State and created an updated “Displacement Risk” map. The updated map is provided at the end of this document, followed by descriptions of the neighborhood typologies on the map provided by DLCD.

### **Anti-displacement Strategies**

Staff worked with an internal staff housing workgroup to identify strategies in DLCD’s [Housing Production Strategy Guidance Document](#) (Guidance Document) that the City has already implemented or is interested in implementing. (The workgroup includes staff from the Salem Housing Authority and Community and Urban Development Department.) The Guidance Document groups strategies into seven categories – categories A through F and Z for custom options – and provides information about each strategy’s housing equity impact and the type of neighborhood they are best suited for when

considering displacement risk (e.g., “neighborhood typology”). Identifying current and potential strategies helped staff set the stage for seeking input from the equity roundtable.

Staff worked with the equity roundtable to consider potential causes for displacement and brainstorm ideas for addressing or minimizing that displacement. Major takeaways from the roundtable include the following:

- Displacement is already occurring and is likely going to continue whether or not the City makes public improvements, changes zoning, or encourages development. This is due to rising rents.
- The City should help vulnerable people where they are – largely in North and Northeast Salem – that they can stay in their homes. At the same time, the City should encourage more affordable housing in exclusive areas, particularly in West and South Salem; this would help create more mixed-income neighborhoods in those areas.

Staff provided the equity roundtable with a framework for considering different types of anti-displacement strategies, which also promote equity. This included looking at three broad categories of strategies: Regulatory, Financial, and Land. These align with – but simplify – the categories of tools, actions, and policies provided by DLCD in its Guidance Document.

Staff provided the equity roundtable with examples of each of the three broad strategy categories, highlighting actions or tools that the City has already implemented. The equity roundtable then suggested a variety of other strategies. Staff took these strategy ideas back to the internal housing workgroup to evaluate the ideas and determine which ones were most feasible.

Next, staff brought the most feasible strategy ideas back to the equity roundtable for confirmation and discussion. Based on the input of the equity roundtable and staff, the City has identified the following strategies that could be implemented to mitigate or avoid potential displacement. Staff has noted in italics how each strategy aligns with specific strategies in the Guidance Document.

- **Rental assistance:** The City provides federal funding to organizations that provide rental/utility assistance, and the funding is restricted to low moderate income households. Several community organizations also receive direct federal funding for rental assistance. Organizational capacity and lack of publicity can be an issue related to getting funds distributed. To help streamline and publicize opportunities, the City can create a “one-stop shop” webpage that lists where residents can find rental/utility assistance in Salem and provides links to those resources. The webpage should be translated into Spanish, Marshallese, Chuukese, and other languages. (The City has already started creating this webpage.) *(aligns with Strategy D14)*
- **Purchase land for affordable housing in West and South Salem:** The City currently purchases land in some urban renewal areas such as the Riverfront Downtown Urban Renewal Area (URA) to sell it for redevelopment that includes affordable housing (e.g., former Union Gospel Mission block). To help create more mixed-income neighborhoods in more exclusive areas of Salem, the City could purchase land in the URA in West Salem for affordable housing. The City could also use bond money and/or federal funding to purchase land in South Salem for affordable housing. *(aligns with strategies A15, B16, D16, and F01)*
- **Promote land trusts:** Land trusts are a fairly new concept in Salem. The City has provided federal funding to an organization, DevNW to provide down payment assistance to low moderate-income families, who purchase homes in a new development owned by a community land trust. The City could provide further support for land trusts through funding, land, or other means. *(aligns with Strategy F03)*

- **Reduce design requirements for multifamily housing:** The City updated design standards, approval processes, and parking requirements for multifamily housing in 2020. This included reducing requirements for smaller projects and creating more flexibility in how design standards can be met. In May 2023, the City eliminated all minimum parking requirements for all uses. To help ensure the changes promote multifamily housing development, the City could seek input from housing developers and determine if further refinements are necessary. *(aligns with Strategy B07 and B17)*

The equity roundtable and staff identified several other opportunities, largely focused on education, outreach, and continued coordination. These strategy ideas include the following:

- Raise awareness of changes in State law that allow affordable housing broadly across Salem, including churches and nonprofits *(aligns with Strategy F07 and F19)*
- Educate developers and others about the City's expedited process for reviewing affordable housing projects (e.g., 100-day review required by State law) *(aligns with Strategy B03)*
- Promote options for starting home businesses in Salem
- Publicize housing projects that have received City/federal funds
- Continue collaborating with Cherriots to improve transit service and study the feasibility of a trolley (if funded)
- Continue connecting organizations to others with expertise in housing development
- Explore regulatory changes to promote other housing options such as single-room occupancy or prefabricated homes *(aligns with Strategy A06)*

Beyond the work of the equity roundtable, staff has started examining other opportunities to promote housing development. This includes researching how to implement pre-approved plans for accessory dwelling units and potentially middle housing *(aligns with Strategies A20 and A21)*. The City has also undergone a process improvement study that examined Salem's permitting process and recommended a variety of process, regulatory, staffing, and other improvements *(aligns with Strategy B06)*.

All of this work as well as the strategy ideas from the equity roundtable will be incorporated into the development of the City's first HPS. The City plans to kick off a HPS project by the end of 2023 or start of 2024. The City is required to adopt an HPS by the end of 2025. The City plans to engage the Equity Roundtable in the development of the HPS.



# Displacement Risk

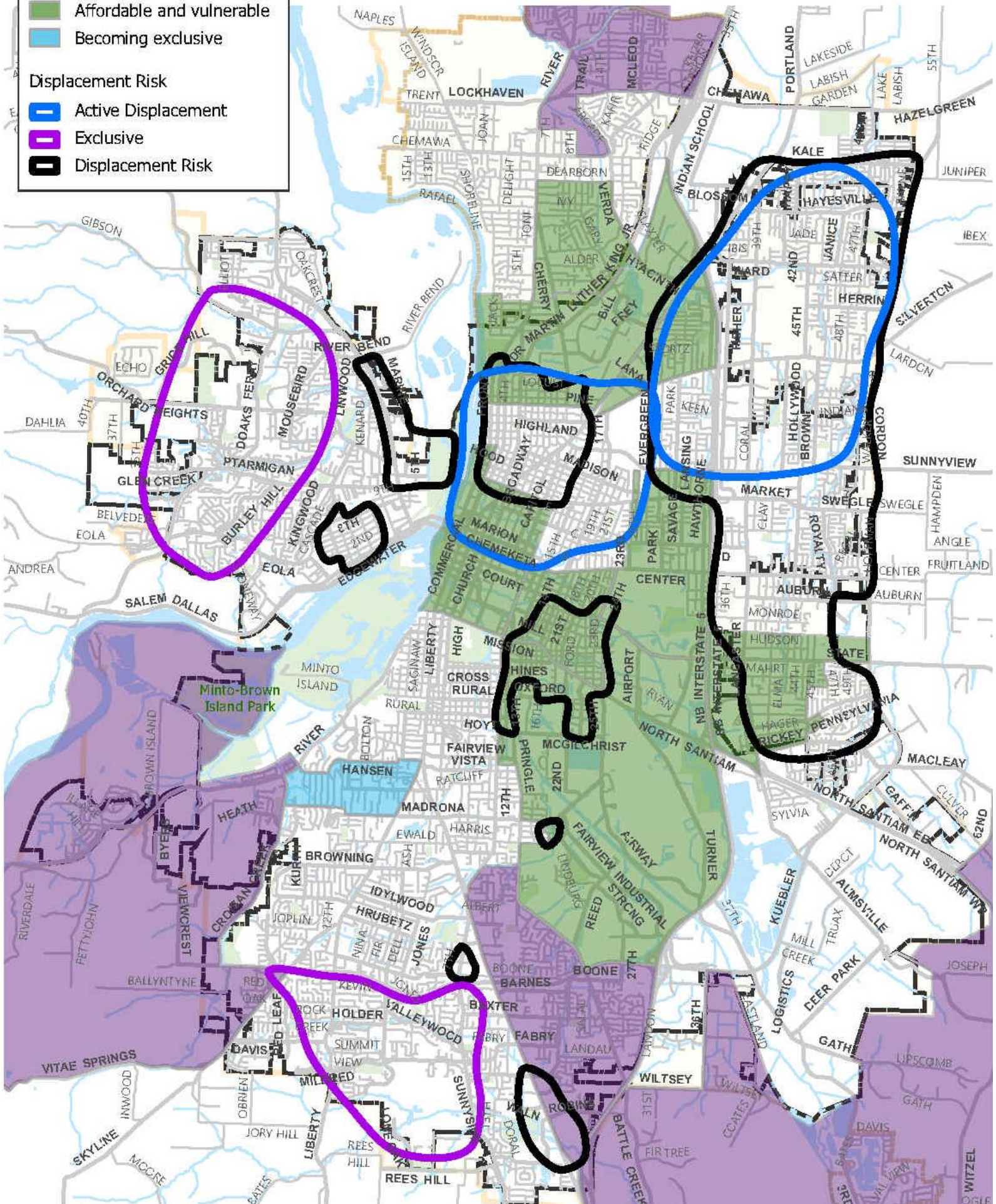


## Anti-Displacement Typologies

- Advanced exclusive
- Affordable and vulnerable
- Becoming exclusive

## Displacement Risk

- Active Displacement
- Exclusive
- Displacement Risk





## **Neighborhood Typologies**

### *Affordable and Vulnerable*

The tract is identified as a low-income tract, which indicates a neighborhood has lower median household income and whose residents are predominantly low-income compared to the city average. The neighborhood also includes precariously housed populations with vulnerability to gentrification and displacement. However, housing market in the neighborhood is still remained stable with no substantial activities yet. At this stage, the demographic change is not under consideration.

### *Becoming Exclusive*

The neighborhoods are designated as high-income tracts. Their population is no longer vulnerable to gentrification. Precarious housing is not found in the neighborhoods. However, the neighborhoods are still experiencing demographic change related to gentrification with hot housing market activities.

### *Advanced Exclusive*

The neighborhoods are identified as high-income tracts. They have no vulnerable populations and no precarious housing. Their housing market has higher home value and rent compared to the city average, while their appreciation is relatively slower than the city average. No considerable demographic change is found in the neighborhoods.