

**FINDINGS FOR THE ADOPTION OF
THE SALEM HOUSING PRODUCTION STRATEGY**

Substantive Findings

Salem's Housing Production Strategy (HPS) has been reviewed for conformance with the applicable Statewide Planning Goals, Comprehensive Plan goals and policies, and Oregon Administrative Rules adopted by the Department of Land Conservation and Development.

The following **Statewide Planning Goals** are applicable to the HPS:

Goal 1 – Citizen Involvement: *To develop a citizen involvement program that ensure the opportunity for citizens to be involved in all phases of the planning process.*

The HPS is consistent with the above goal because the City, working with ECONorthwest, engaged the community in various ways to inform the development of the HPS, including the actions. Specifically, the City conducted broad community engagement, including two public webinars, citywide surveys, meetings with various community organizations and neighborhood groups, and outreach at public events such as Viva Salem.

The City also held focus groups with organizations that serve marginalized or underserved communities, including people with disabilities, communities of color, lower-income residents, students, and people at risk of losing their homes. These focus groups helped the City better understand the specific housing needs and challenges faced by different underserved communities. The City also participated in events that were co-hosted by the Micronesian Islander Community, Enlace Cross-Cultural Community Development Project, and Willamette University.

In addition, the City held several focus groups with the development community to get input on potential barriers to housing development as well as ideas for proposed actions to promote development. The focus groups included home builders, realtors, architects, engineers, land use consultants, and market-rate and affordable housing developers. ECONorthwest also interviewed developers to understand the local housing market and the feasibility of development in different areas of Salem.

Throughout the planning process, the City posted information and updates on a project website: <https://www.cityofsalem.net/housingproduction>. Opportunities to engage in the HPS project were posted on the project website as were summaries and presentations from outreach activities, such as webinars and surveys. In addition, the City used social media and emails to interested parties to keep the community informed of project milestones and opportunities to give input.

The process to adopt the HPS, which includes public hearings, affords the public an opportunity to review, comment, and take part in the approval process.

Goal 2 – Land Use Planning: *To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.*

The City has established a land use planning process and policy framework as a basis for all decisions and actions related to the use of land and to assure an adequate factual base for such decisions and actions. The City has a state-acknowledged Salem Area Comprehensive Plan (Comprehensive Plan) that complies with the statewide goals and administrative rules. The HPS is consistent with the applicable goals and policies of the Comprehensive Plan, as is described later in these findings. The HPS is therefore consistent with Goal 2.

Goal 9 – Economic Development: *To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens*

The HPS is consistent with Goal 9 because it includes regulatory, financial, partnership, and other actions that encourage the development of housing, including housing for those who work within the city. The HPS specifically aims to increase the supply of housing that is affordable to a wide range of incomes; this, in turn, supports the retention and recruitment of Salem's diverse workforce. The HPS also encourages the production of housing, which is part of the city's local economy. Actions within the HPS seek to remove potential barriers to development and raise awareness of local and State policies and resources that support the development community.

Goal 10 – Housing: *To provide for the housing needs of citizens of the state.*

The HPS is consistent with Goal 10 because it outlines specific actions that the City will take to help meet Salem's housing needs. It includes a range of actions that aim to promote the development of different types of housing, including housing that is affordable at a range of incomes. For example, several actions help facilitate the development of middle or multifamily housing, while others promote affordable homeownership. Other actions look to promote housing development overall by removing potential regulatory barriers, streamlining permitting processes, and raising awareness of local and State policies and resources.

The HPS was also developed in compliance with Goal 10's associated administrative rules, particularly OAR 660 Division 8 – Interpretation of Goal 10 Housing. Additional findings describing compliance with those administrative rules is included below. Findings describing compliance with the City's housing goals and policies in Salem's Comprehensive Plan are also included below.

Goal 14 – Urbanization: *To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.*

The HPS is consistent with Goal 14 because it describes actions that the City will take to accommodate the city's housing needs within Salem's portion of the urban growth boundary. Several HPS actions promote the efficient use of land by encouraging infill development, including middle housing. This type of development helps reduce the need to expand infrastructure to outlying areas. In addition, the HPS includes actions that encourage more housing to be located near jobs, services, amenities, and transit service, which promote more livable communities.

Salem's HPS has been reviewed for conformance with the applicable **Comprehensive Plan goals and policies**, as provided below. In the HPS, Appendix A outlines each action, including a description and an exhibit of the specific Comprehensive Plan goals and policies that the action advances.

H1 Housing Choice Goal: *Promote a variety of housing options to meet the needs, abilities, and preferences of all current and future residents.*

H 1.1 Housing types: *A variety of housing types shall be allowed and encouraged throughout the Salem Urban Area, including single-family homes, accessory dwelling units, manufactured homes, townhouses, middle housing, and multifamily housing.*

H 1.2 Innovation: *The development of new and innovative housing types and designs such as cottage clusters, cohousing, and multigenerational housing should be encouraged in the Salem Urban Area to diversify the housing stock and meet different housing needs.*

H 1.5 Housing diversity: *New residential developments should be encouraged to incorporate a diversity of housing types and sizes to attract residents of varying income levels, lifestyles, and housing preferences.*

The HPS advances the Housing Choice Goal and related policies above because it includes actions that promote the development of a variety of housing types, including middle housing, accessory dwelling units, permanent supportive housing, single-family homes, and multifamily housing. For example, several actions look to promote the development of middle housing, including those that would establish a new middle housing urban renewal area (URA), expand the City's ready-build program, and revise the City's system development charges (SDC) methodology. The HPS also includes actions that promote accessible housing through revisions to Salem's zoning code, encourage multifamily housing through a new multi-unit housing tax abatement (MUHTIP) area, and promote permanent supportive housing through financial incentives or support. Other actions seek to encourage the development of homeownership units, including single-family homes; this includes the action to support community land trusts.

H 1.3 Accessibility and aging in place: *The development of affordable and low-income accessible housing, including homes with universal design features, should be encouraged to meet the needs of older adults and people with mental and physical disabilities, particularly in areas near services and transit.*

The HPS advances the policy above because it includes an action to revise the zoning code to promote accessible housing. Under that action, the City would specifically examine different ways in Salem's zoning code to incentivize or require more housing to meet accessibility, Universal Design, or other similar standards. This could include decreasing setbacks, increasing maximum lot coverage standards, providing a density bonus, or making other regulatory changes to promote the development of more accessible units. It could also include requiring housing developments to include a certain percentage of accessible or adaptable units. Promoting accessible housing would help meet the needs of people with disabilities.

H 1.6 Multi-dwelling ownership: *Homeownership opportunities in multi-dwelling housing should be encouraged, including the creation of townhouses, condominiums, and cooperatives.*

The HPS advances the policy above because it promotes the development of middle housing, which includes townhouses, as well as community land trusts (CLT), which can include townhouses and other ownership structures. Specifically, the HPS includes an action to create a new middle housing URA and another action to support the development of CLTs through funding or partnerships. There is also an action to provide a homebuyer program, which would directly help lower-income residents buy a home.

H 1.7 Specialized housing: *The development of specialized housing for the area's elderly, disabled, students, and other groups with special housing needs should be encouraged.*

The HPS advances the policy above because it includes an action to support the development of permanent supportive housing (PSH). This type of housing combines affordable housing with on-site wraparound services. It provides stability and support vulnerable populations, including individuals experiencing chronic homelessness. The HPS also includes an action to promote the development of accessible housing to meet the needs of people with disabilities.

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 HPS advances the policy above because it includes an action to promote fair housing. Affirmatively Furthering Fair Housing is intended to ensure that people from all backgrounds have access and opportunity to housing that they can afford. It is intended to eliminate housing discrimination, create inclusive communities, and reverse segregation. Under the HPS fair housing action, the City would continue to partner with the Fair Housing Council of Oregon (FHCO) to conduct landlord training about Affirmatively Furthering Fair Housing and investigate complaints. The City would also require recipients of federal funding and City grants or tax abatements to participate in FHCO training. Appendix F of the HPS describes in detail how the HPS promotes fair and equitable housing outcomes for protected classes.

H 2 Housing Affordability Goal: *Provide opportunities for housing that are affordable to current and future residents of all income levels*

H 2.1 Low-income and workforce housing: *The City should encourage the development of housing that is affordable to low- and moderate-income households, including public, government-assisted, subsidized, low-income, and workforce housing, through incentives and other tools.*

The HPS advances the Housing Affordability Goal and related policy above because many of the actions promote the development of affordable housing. For example, one action would expand the use of the City's single property URA program and create a new MUHTIP area, both of which would encourage the inclusion of affordable units in otherwise market-rate housing projects. As mentioned above, the HPS includes an action to support the development of PSH, which is affordable housing with on-site services. Other actions promote middle housing and accessory dwelling units, which tend to be more affordable than detached single-family homes.

H 2.4 Housing/transportation costs: *Housing opportunities that decrease commuting and lower the combined housing/transportation cost burden for people who live in Salem should be encouraged.*

The HPS advances the policy above because it promotes housing opportunities near transit service. Specifically, the action to create a new MUHTIP area would encourage more housing near frequent transit routes. The HPS also has an action to expand access to areas of high opportunity where there are jobs, parks, services, amenities, and transit service. These areas could include the City's potential Walkable, Mixed-Use Areas, which include the north downtown area, downtown Salem, and inner West Salem. In addition, the HPS includes an action to fund infrastructure to support housing development. This will include planning and advocating for funding for transportation infrastructure, including investments in bicycle and pedestrian

infrastructure as well as transit-supportive infrastructure.

H 2.5 Regulations and incentives: *Regulations and incentives should be periodically updated to reduce the impacts that development standards, processes, and fees have on housing affordability, including parking requirements and tax relief programs.*

The HPS advances the policy above because it seeks to update Salem's zoning code, financial incentives, and programs to, in part, reduce the impacts on housing affordability. For example, one action is to revise the zoning code to remove potential barriers to development, while another action is to update Salem's SDC methodology to account for middle housing types and potentially scale SDCs to the size of homes. These and other actions look to promote the development of more housing, including more affordable housing.

H 2.6 Shelter to housing continuum: *A continuum of shelter to housing opportunities should be encouraged through regulations, incentives, or other tools to help address the needs of unsheltered residents and those at risk of losing housing.*

The HPS advances the policy above because as mentioned earlier, it includes an action to support the development of permanent supportive housing. This type of housing, which includes on-site services, provides stability and support for vulnerable populations, including individuals experiencing chronic homelessness. It is therefore expanding the housing opportunities for unsheltered residents. The HPS also includes an action to advocate for changes in State law that would help prevent the displacement of manufactured home park residents.

H 2.2 Naturally-occurring affordable housing: *The preservation and development of naturally-occurring affordable housing should be facilitated and encouraged, including small homes, manufactured homes on individual lots, and manufactured homes in manufactured home parks.*

The HPS advances the policy above because it seeks to preserve existing housing and could promote the development of smaller homes. Specifically, the HPS includes an action to revise the nonconforming and continued use provisions in Salem's zoning code to help ensure that existing housing can be rehabilitated and rebuilt. That would help preserve naturally-occurring affordable housing and prevent displacement. Another HPS action is to revise the City's SDC methodology, as mentioned earlier. During that process, the City would look at scaling SDCs to the size of homes, and this could promote smaller homes through lower SDCs. As mentioned earlier, the HPS also encourages the development of middle housing, which could be more affordable than detached single-family homes.

H 2.3 Affordable homeownership: *Programs and investments that increase affordable homeownership opportunities should be promoted, particularly for communities of color and other groups who have historically been disadvantaged in the housing market*

The HPS advances the policy above because it seeks to promote homeownership opportunities. One HPS action, as mentioned earlier, would support the development of CLTs, which provide affordable homeownership opportunities for lower-income residents by separating the cost of land ownership from housing ownership. This model enables long-term affordability because a nonprofit organization or trust retains ownership of the land but sells the homes to individuals or families. Another HPS action would provide a homebuyer assistance program, which would help lower-income residents purchase homes by downpayment assistance, closing costs, or other financial support.

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.

The HPS advances the policy above in numerous ways. Appendix F specifically discusses how the HPS actions seek to promote housing stability and minimize the involuntary displacement of residents due to increased housing costs. Several actions directly aim to minimize displacement. For example, one action is to advocate for changes in State law to specifically help prevent manufactured home park residents from being displaced. Other actions look to promote the development of long-term affordable housing, which mitigates displacement. There is also an HPS action to revise Salem's zoning code to ensure existing housing can be rehabilitated and rebuilt; this also helps mitigate or minimize displacement.

H 3 Land Supply Goal: Provide a supply of residential land that accommodates the amounts and types of housing needed to meet the population forecast for the Salem Urban Area.

The HPS advances the Land Supply Goal because it lays out the specific actions that the City plans to take to promote the development of housing to meet Salem's housing needs within its portion of the UGB. While the HPS does not change the Comprehensive Plan designation or zoning of properties in Salem, it does encourage a variety of housing types – including through infill and redevelopment – to meet Salem's housing needs.

H 3.1 Access and dispersal: Multifamily housing should be located near employment centers, parks, shopping, and schools throughout the Salem Urban Area to increase pedestrian access to those destinations and services, foster complete neighborhoods, and promote dispersal of such housing across Salem's neighborhoods.

H 3.2 Dispersal: Affordable housing, including low-income, subsidized, and public housing, should be located throughout the Salem Urban Area to promote mixed-income neighborhoods and reduce economic segregation and concentrations of poverty.

The HPS advances the two policies above because it seeks to expand access to areas of high opportunity. The HPS has a specific action whereby the City would promote the development of affordable or mixed-income housing near parks, jobs, services, amenities, and transit service. This would disperse these types of housing in Salem and avoid concentrating affordable housing in one area. Lower-income residents would have more opportunities to live near jobs, services, diverse transportation options, and amenities throughout Salem. The HPS also promotes housing opportunities near transit service. As mentioned earlier, the action to create a new MUHTIP area would encourage more housing near frequent transit routes.

H 3.3 Infill: Infill housing should be encouraged to promote the efficient use of land and existing infrastructure as well as access to existing services and amenities.

The HPS advances the policy above because it seeks to promote middle housing, which can and has been developed in Salem as infill housing on underutilized properties. As mentioned earlier, several actions – a new middle housing URA program, SDC methodology revisions, and ready-build program expansion specifically – encourage the development of middle housing. Other actions promote infill and redevelopment near transit service, which tend to be in already-developed areas of the city.

H 4.3 Transit-oriented development: High-density residential development should be

located along corridors in Cherriots' Core Network to increase pedestrian and transit access to jobs and services and to support the use of transit.

The HPS advances the policy above because it promotes housing near transit service. As mentioned earlier, one HPS action would create a new MUHTIP area along a transit route. The MUHTIP area would likely be near Cherriots' Core Network, which is a network of bus routes where Cherriots has prioritized maintaining frequent service.

H 5.1 Existing housing: *The preservation, maintenance, and rehabilitation of existing housing should be facilitated and encouraged through regulations, incentives, or other tools, including those that remove barriers to improving homes in older neighborhoods.*

The HPS advances the policy above because it seeks to preserve existing housing. As mentioned earlier, there is an HPS action to revise the nonconforming and continued use provisions in Salem's zoning code to help ensure that existing housing can be rehabilitated and rebuilt.

CE 1 Community Engagement Goal: *Engage the public in planning, investment, and policy decisions and in the implementation of this Comprehensive Plan through inclusive, equitable, transparent, and collaborative processes that foster meaningful involvement from all members of the community.*

The HPS advances the City's Community Engagement Goal by including actions that were developed through extensive engagement in the Salem community. As mentioned earlier, the City conducted citywide outreach through public webinars, surveys, meetings with community organizations, and engagement at public events. The City also conducted targeted outreach to hear from groups in the community that have historically been underserved or underrepresented in Salem. For example, the City attended events and held focus groups with organizations that people with disabilities, communities of color, lower-income residents, students, and people at risk of losing their homes. The City also held focus groups with the development community. Project information was also translated into Spanish and other languages to increase opportunities for Salem's diverse population to participate in the project.

In addition, the City developed and maintained a project website: <https://www.cityofsalem.net/housingproduction>. Opportunities to engage in the HPS project were posted on the website as were summaries and presentations from outreach activities, such as webinars and surveys. In addition, the City used social media and emails to interested parties to keep the community informed of project milestones and opportunities to give input. This helped create a more transparent and collaborative process.

CE 2 Equity Goal: *Ensure that all Salem residents have access to opportunities and that the benefits and impacts of growth are shared, recognizing and addressing historic disparities.*

The HPS advances the City's Equity Goal because it aims to ensure the benefits and impacts of growth are shared while recognizing historic disparities. For each action, the HPS examines the benefits and burdens on federal and state protected classes, and it identifies mitigation for burdens. Several of the actions themselves also seek to ensure that traditionally underserved communities in Salem receive the benefits of the City's housing actions. For example, one action is to revise Salem's zoning code to promote or require more accessible housing for people with disabilities. Other actions encourage the development of PSH with on-site services to better meet the housing needs of Salem's unsheltered residents. Several actions also encourage the development of affordable housing for lower-income residents.

L 5 Transportation and Land Use Coordination Goal: *Coordinate transportation and land use planning efforts to ensure infrastructure improvements support development patterns, land use designations, and densities.*

PF 2 Service Provision and Development Goal: *Provide an orderly and efficient system of public facilities and services to serve existing and future development.*

The HPS advances the City's Transportation and Land Use Coordination Goal and Service Provision and Development Goal because it seeks to better align infrastructure improvements with future housing development opportunities. Under one of the HPS actions, the City will identify priority areas for infrastructure investments that will support housing development; then the City will partner with State agencies and organizations to seek and secure funding for those needed infrastructure improvements, including street upgrades.

Oregon Administrative Rule (OAR) 660-008-0050 outlines the required components of a Housing Production Strategy Report. Salem's HPS has been reviewed for conformance with that rule, as provided below.

OAR 660-008-0050: Housing Production Strategy Report Structure

As provided in ORS 197.290(2), a city with a population of more than 10,000 people must develop and adopt a Housing Production Strategy Report that includes a list of specific actions, including the adoption of measures and policies that the city shall undertake to promote development within the city to address a housing need identified under ORS 197.296(3) or (10) for the most recent 20-year period described in the city's Housing Capacity Analysis. At a minimum, this Report must include the following components:

(1) Contextualized Housing Need – *A contextualization and incorporation of information from the most recent Housing Capacity Analysis that describes current and future housing needs in the context of population and market trends ...*

Appendix B of the HPS includes a Contextualized Housing Needs Analysis that describes current and future housing needs in the context of population and market trends. It includes all of the required components in OAR 660-008-0050(1). A summary of Salem's unmet housing needs is included in Chapter 2. This rule is met.

(2) Engagement – *A Housing Production Strategy Report must include a narrative summary of the process by which the city engaged Consumers of Needed Housing and Producers of Needed Housing, especially with regard to state and federal protected classes. A city may conduct engagement for a Housing Production Strategy concurrent with other housing planning efforts within the city including, but not limited to, a Housing Capacity Analysis, Consolidated Plans for Community Development Block Grant Entitlement Communities, and public engagement for Severely Rent Burdened Households as described in OAR 813-112-0010. ...*

Chapter 1 of the HPS provides a summary of the community's involvement in developing the HPS. Appendix D provides greater detail on the City's public engagement activities as well as the input received from the community, including consumers and producers of needed housing. Appendix A describes each HPS action, and within each detailed description is a summary of the stakeholder input that informed the specific action. This rule is met.

(3) Strategies to Meet Future Housing Need – *A Housing Production Strategy Report must identify a list of specific actions, measures, and policies needed to address housing needs identified in the most recent Housing Capacity Analysis. The strategies proposed by a city must collectively address the next 20-year housing need identified within the most recent Housing Capacity Analysis and contextualized within the Report as provided in section (1). A Housing Production Strategy Report may identify strategies including, but not limited to, those listed in the Housing Production Strategy Guidance for Cities published by the Commission under Exhibit B. ...*

Chapter 3 of the HPS identifies the 17 actions that the City plans to take to address Salem's housing needs. That chapter provides a timeline for implementation of the HPS. Each HPS action is further described in Appendix A, including implementation steps, City and partner roles, and an estimated magnitude of impact for each action. This rule is met.

(4) Achieving Fair and Equitable Housing Outcomes – *A Housing Production Strategy Report must include a narrative summarizing how the selected Housing Production Strategies, in combination with other city actions, will achieve equitable outcomes with regard to the following factors: ...*

Appendix F describes in detail how the HPS actions will achieve equitable outcomes with regard to the six factors required in OAR 660-008-0050(4). Those factors include location of housing, fair housing, housing choice, housing options for residents experiencing homelessness, affordable homeownership and affordable rental housing, and gentrification, displacement, and housing stability. This rule is met.

(5) A Housing Production Strategy Report must include the following additional elements:

- (a) A description of any opportunities, constraints, or negative externalities associated with adoption of the elements of proposed Housing Production Strategies;*
- (b) A description of actions that the city and other stakeholders must take to implement the proposed Housing Production Strategies;*
- (c) If the Housing Production Strategy Report is the first produced under this division, a description of how the city will measure strategy implementation and progress;*
- (d) If the Housing Production Strategy Report is not the first produced under this section, a summary of strategies that the city has previously adopted and implemented, and a reflection on the efficacy of each implemented strategy; and*
- (e) A copy of the city's most recently completed survey to meet the requirements of ORS 456.586.*

Chapter 3 of the HPS describes the opportunities, risks (or negative externalities), benefits, and burdens related to each action. Also included in Chapter 3 is a description of how the City plans to monitor and measure implementation and progress of the HPS. Appendix A provides a description of the implementation steps that the City and others must take to implement each action. A copy of the City's most recently completed survey – completed in the summer of 2023 – is included in Appendix G. This rule is met.