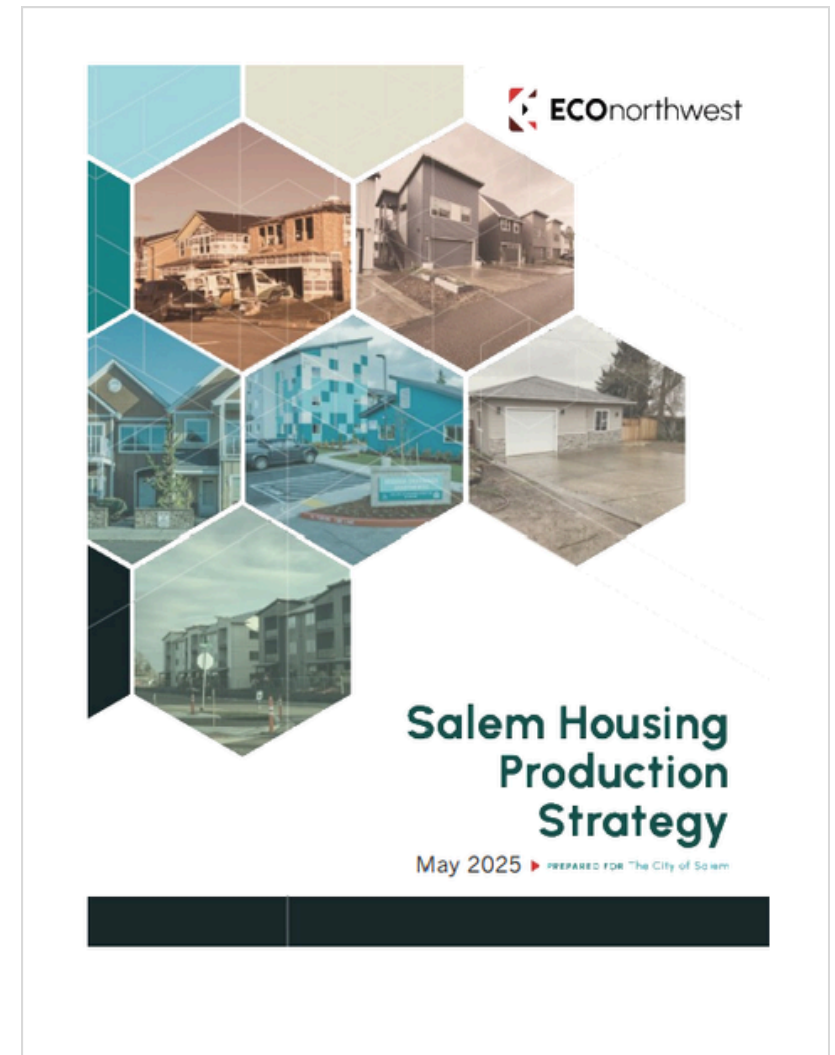


Housing Production Strategy: 2025 Update

Overview

The City Council adopted Salem’s first Housing Production Strategy (HPS) in May 2025, and the State approved it in October 2025. The plan outlines 17 actions that the City intends to take over the next six years to encourage housing development and promote equitable housing outcomes. This document provides a 2025 update on each of the actions, focusing on the metrics included in the HPS for monitoring progress. Below is a snapshot of the housing units that received building permits in 2025.

Housing Type	Units Permitted in 2025
Accessory dwelling unit	47
Single family	234
Townhouse	11
Two family	17
Three family	8
Four family	10
Cottage Cluster	19
Multifamily	496
Manufactured Dwelling in a Park	12
TOTAL	854



HPS ACTION	METRICS	2025 UPDATE
Overall Monitoring	Number of affordable projects developed	<ul style="list-style-type: none"> 6 projects
	Number of affordable units developed by income range	<ul style="list-style-type: none"> 177 total units: 165 units at or below 80% of area median income and 12 units at or below 60% of area median income
	Share of rent-burdened residents	<ul style="list-style-type: none"> 53% of renter households (2024 ACS)
	Sales prices and rents for existing homes	<ul style="list-style-type: none"> \$433,000 median home value, \$1,507 median gross rent (2024 ACS) \$440,000 median sales price (2025 Willamette Valley MLS)
	Location of regulated affordable units	<ul style="list-style-type: none"> Updated affordable housing map in June 2025 Planning additional update in spring 2026
A. Develop a New Urban Renewal Area (URA)	Progress on developing the URA Plan	<ul style="list-style-type: none"> Presented update on URAs - including continuing work to develop new URA - to Urban Renewal Agency in September 2025 Ongoing work to develop new URA
	Amount of funding from urban renewal dollars to support housing development	
	Total number of new dwelling units built with urban renewal funding	
	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.	<ul style="list-style-type: none"> Ongoing discussions with developers about feasibility of using Single Property URA program
	Number of developers who express interest in using the program.	
	Total number of units affordable at or below 120% AMI built with urban renewal funding.	
C. Develop a New Middle Housing Urban Renewal Area Program	Progress on developing the URA Plan.	<ul style="list-style-type: none"> Expected to begin development of new URA program in 2028-2029
	Amount of funding from urban renewal dollars to support middle housing development.	
	Total number of new middle housing dwelling units built with urban renewal funding.	

HPS ACTION	METRICS	2025 UPDATE
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	<ul style="list-style-type: none"> • \$1,120,000 affordable housing bond funds to support Gussie Belle development (\$720K acquisition for stormwater, \$400,000 street improvements) • Ongoing discussions to create a new middle housing program in the Capital Improvement Program to fund infrastructure to support infill development
	Location of new significant infrastructure improvements that support housing development	<ul style="list-style-type: none"> • None, but work underway to identify potential locations for infrastructure needed to support housing
E. Revise System Development Charges (SDCs) Methodology for Smaller Housing Types	Progress on revising SDC methodology	<ul style="list-style-type: none"> • Expected to begin SDC methodology work in 2026
	Number and type of smaller units built with the new SDCs	
	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	<ul style="list-style-type: none"> • Expected to begin work identifying potential MUHTIP areas in 2027
	Number of new affordable units built with the MUHTIP exemption	
G. Support Housing Development in Areas of Opportunity	Identification of areas of opportunity	<ul style="list-style-type: none"> • Developed draft criteria for affordable housing bond that considers access to transit, services, schools, parks, and low poverty areas, among other factors
	New housing built in areas of opportunity, including type of units	<ul style="list-style-type: none"> • 194 units (105 of which are affordable units) received building permits
	Amount of funding investment made to support housing development in areas of opportunities	<ul style="list-style-type: none"> • \$3 million of affordable housing bond funds pledged to Neighborly Ventures development on Joseph Street SE

HPS ACTION	METRICS	2025 UPDATE
H. Support Development of Permanent Supportive Housing (PSH)	Amount of funding investments made to support PSH development	<ul style="list-style-type: none"> • None
	Number of PSH and affordable units developed	<ul style="list-style-type: none"> • None
I. Support Development by Community Land Trusts (CLT)	Number and type of units built and sold in CLT model by affordability range	<ul style="list-style-type: none"> • None
	Amount of funding or other support provided to CLT by the City, if any	<ul style="list-style-type: none"> • \$817,900 (acquired Market Street property in April 2025 for future CLT development)
	Percentage decrease in unit cost to buyer by virtue of using CLT model	<ul style="list-style-type: none"> • NA
J. Provide Homebuyer Assistance	Amount of funding provided for the program	<ul style="list-style-type: none"> • None, but \$300,000 planned for DevNW in 2026
	Number of households served by the program, including basic demographic information	<ul style="list-style-type: none"> • None
K. Revise the Zoning Code to Support more Development of Needed Housing	Progress with developing code revisions	<ul style="list-style-type: none"> • Developed list of proposed code revisions and presented to City Council in December (adoption process in 2026) • Created new resource guide on accessible housing for developers
	Number of new accessible dwelling units built	<ul style="list-style-type: none"> • 12 accessible units • 280 adaptable units
L. Revise the Zoning Code to Preserve Nonconforming Housing	Progress with developing code revisions	<ul style="list-style-type: none"> • Began researching regulations in other cities that aim to preserve nonconforming housing • Expect to incorporate changes into a larger proposed code amendment in 2026

HPS ACTION	METRICS	2025 UPDATE
M. Improve the Permitting Process	Description of measures made to improve permitting process	<ul style="list-style-type: none"> • See attached staff report
	Monitoring of average time to process key housing development permits	<ul style="list-style-type: none"> • 66 days (22 days with staff): Single family and middle housing building permits • 155 days (57 with staff): Multifamily building permits • 251 days (107 days with staff): Subdivisions permits for housing <p><i>NOTE: Data from March to December 2025</i></p>
	Number and type of educational materials developed	<ul style="list-style-type: none"> • Created a bi-annual Development Bulletin for the development community and surveyed developers to identify needed materials
N. Advocate for Manufactured Home Park Residents	Description and progress with implementing action	<ul style="list-style-type: none"> • Evaluated options for implementing this action and will propose updates to the City's Legislative Policy Statements in 2026
O. Increase Developer Understanding and Awareness of Existing Programs	Number and type of educational materials or webpages created	<ul style="list-style-type: none"> • Drafted a housing development resource webpage, and created an online map that highlights financial, regulatory, and other factors that impact housing development • Created a resource guide on accessible housing (non-mobility disabilities) for developers
	Number and type of educational events or meetings	<ul style="list-style-type: none"> • None, but shared new resource guide on accessible housing at meetings with developers and neighborhood associations
P. Expand Ready-Build Plans	Description and progress with implementing action	<ul style="list-style-type: none"> • Worked with local designers to develop 3 accessory dwelling unit (ADU) designs for the ready build program • Expect to finalize plans and launch expanded program in 2026
	Number of available ready-build plans	<ul style="list-style-type: none"> • 1 set of plans (with 3 additional designs nearly finalized)
	Number of dwelling units using ready-build plans by type unit	<ul style="list-style-type: none"> • 3 building permits issued for existing ready-build ADU plans
Q. Affirmatively Furthering Fair Housing	Description and progress with implementing action	<ul style="list-style-type: none"> • Identified housing-related financial incentives and multifamily license that would trigger a new fair housing training requirement • Expect to update Salem's code to add the new fair housing training requirement in 2026.
	Number of participants at training events	
	Number and type of training events	
	Decrease in number of complaints	