

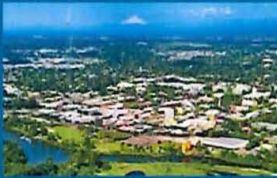
ATTACHMENT 1



city of Salem
Urban Development Department

Annual Report 2019

ATTACHMENT 1



The Urban Development Department Mission

To provide for the sustainable expansion of the community's prosperity, measured in terms of jobs and income growth, economic and human development, education, health and environmental sustainability.

The Urban Development Department administers and oversees a variety of programs and services aimed at strengthening Salem's economy including Salem's **seven** urban renewal areas. In addition, the Department provides loans and grants to finance activities that create emergency, transitional and permanent affordable rental housing for low and moderate income families in Salem and Keizer; allocates funds to non-profits to provide emergency services to homeless and families at-risk of being homeless; facilitates economic opportunities and reinvestment; invests in economic empowerment for individual prosperity and small business growth; issues commercial loan and grant programs; performs real property management, acquisition, sales and leasing services for the City; manages downtown parking services and revitalization; manages Salem's Municipal Airport; and functions as the liaison to community organizations, businesses, and City Council and Agency Board appointed advisory groups.

Urban Development and the Strategic Plan

Urban Development plays an integral role in implementing many of the initiatives in the City's Strategic Plan.



Welcoming and Livable Community

HUD funded programs that support affordable housing
Funding and oversight of social services programs



Strong and Diverse Economy

Business retention and recruitment efforts
High speed internet downtown



Safe, Reliable and Efficient Infrastructure

Acquisition of property to support infrastructure projects
Urban renewal funding for needed infrastructure



Natural Environment Stewardship

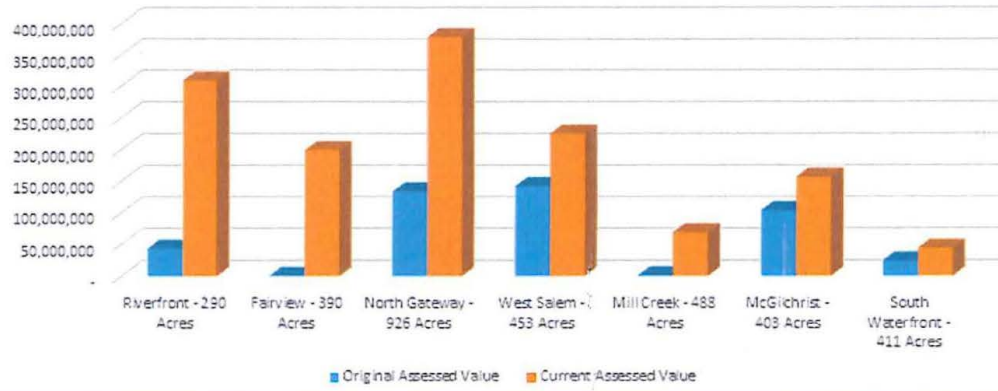
Facilitate Phase I and Phase II environmental reviews on local properties to remove barriers to redevelopment

What is Urban Renewal?

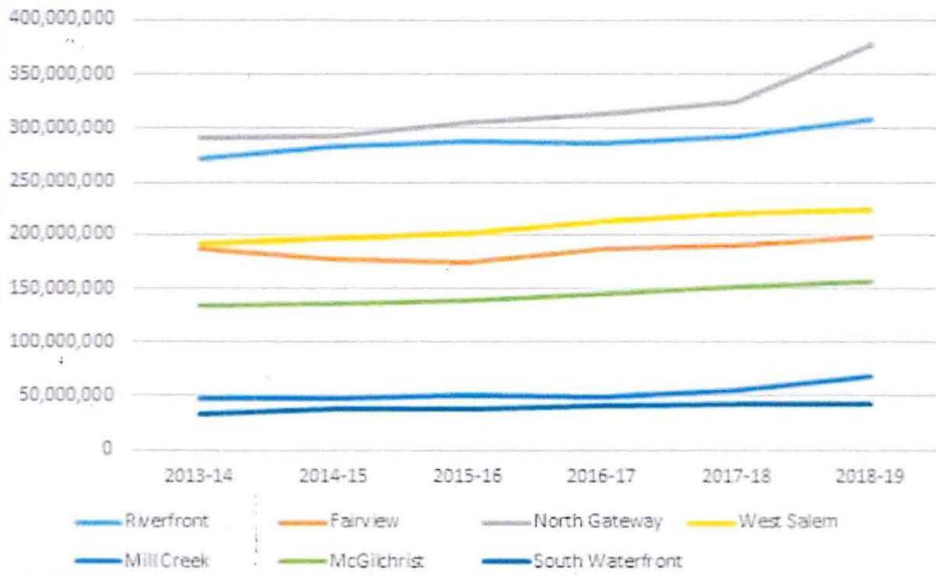
Urban Renewal or Tax Increment Financing is a tool used by municipalities to finance improvements and redevelopment in specific areas of a city by reinvesting the increase in the area's property taxes. When the district is created, the assessed value of property within the district is set (or "frozen") and those taxes continue to go to the government (city, county, and school districts throughout the State). Any property value increase above that frozen amount is called the "increment." The amount of taxes on the increased value (or "increment") is what is collected for the urban renewal district to use for redevelopment projects. The State of Oregon created the legislation that allows for urban renewal; districts are created by local municipalities. In Salem, the City Council decides what areas should be included in urban renewal districts. The Council also creates a Plan for improving the area.

There are seven Urban Renewal Areas in Salem and each area's Plan includes a list of specific projects that were approved by the City Council.

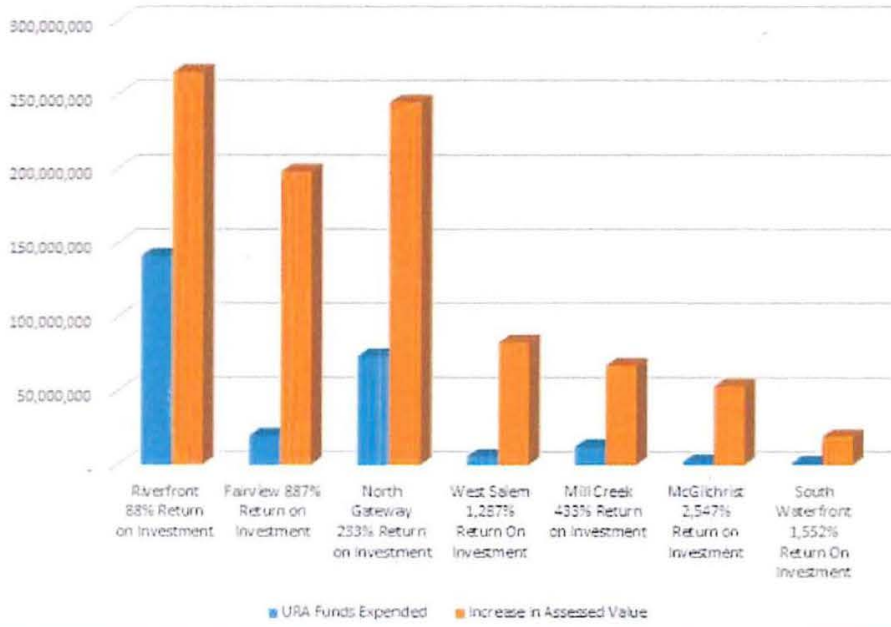
Growing Assessed Value In Urban Renewal Areas



History of Assessed Value



URA Funds Expended and Increases in AV



**City of Salem Urban Renewal Areas
Maximum Indebtedness
As of June 30, 2019**

	Maximum Indebtedness	Borrowed to Date	Borrowing Capacity Remaining
Pringle Creek Urban Renewal Area	-	-	-
Riverfront/Downtown Urban Renewal Area	\$315,000,000	\$105,964,345	\$209,035,655
North Gateway Urban Renewal Area	\$101,466,402	\$ 71,072,084	\$ 30,394,319
Fairview Industrial Park Urban Renewal Area	\$ 6,286,000	\$ 6,281,615	\$ 4,385
West Salem Urban Renewal Area	\$ 31,000,000	\$ 9,727,425	\$ 21,272,575
Mill Creek Industrial Park Urban Renewal Area	\$ 26,000,000	\$ 14,089,188	\$ 11,910,812
McGilchrist Urban Renewal Area	\$ 11,000,000	\$ 5,600,000	\$ 5,400,000
South Waterfront Urban Renewal Area	\$ 24,000,000	\$ 2,577,000	\$ 21,423,000

Urban Renewal Grant Programs... Leveraging Private Investment

Three of Salem's Urban Renewal Areas have grant programs aimed at assisting property owners with new construction, building renovation, and capital equipment purchases. Our URA grants encourage private investment in development and redevelopment for the benefit of the community.

Riverfront Downtown Urban Renewal Area

FY 2018-19 Total Committed to Grants \$ 2.4 million

FY 2018-19 Private Funds Committed to Projects \$ 4.2 million

North Gateway Urban Renewal Area

FY 2018-19 Total Committed to Grants \$ 2.05 million

FY 2018-19 Private Funds Committed to Projects \$ 3.6 million

West Salem Urban Renewal Area

FY 2018-19 Total Committed to Grants \$.4 million

FY 2018-19 Private Funds Committed to Projects \$ 3.8 million



West Salem Machine

Affordable Housing

In August of 2018, Community Resource Trust opened a new, 180-unit affordable housing development within the North Gateway Urban Renewal Area. The project serves those earning 60 percent or less of Salem's median income (equivalent to 33,900 or less per year). The City and Urban Renewal Agency provided a total of \$1.7 million to support this project, including \$749,000 in North Gateway URA grant funding for construction, \$650,000 in URA funding for construction of Rose Garden Street and Portland Road sidewalk improvements, and \$300,000 in City HOME federal funding. Other partners on the project included Mountain West Investments and Oregon Housing and Community Services.



Cornerstone Apartments

Downtown Revitalization

In May of 2019, The Court Yard opened its doors. The new 43,000 square foot mixed-use building consists of 40 for rent residential units and 2,180 square feet of ground floor commercial space. The Riverfront-Downtown Urban Renewal Area contributed \$740,000 to this project, leveraging over \$8 million in private investment. Prior to redevelopment, the site consisted of a surface parking lot and a long-vacant, non-historic building.



The Court Yard

In addition, several new creative businesses located in downtown Salem, including:

- **All Around Project:** video production
- **Tailwind Visuals:** graphic design
- **Huckleberry Collective:** floral design, food, and styling
- **Sackcloth and Ashes:** blanket sales, donating one blanket to local homeless shelters for every blanket purchased
- **Ponderosa and Thyme:** floral workshops



Salem Municipal Airport

There are 700 acres of land at the Salem Municipal Airport.

Over 40,500 operations are completed each year at the Salem Municipal Airport.

17 businesses are located on the Airport, employing over 500 people.

Accomplishments

Business Retention and Recruitment: **Help local companies create or retain jobs;** **attract new companies to Salem.**

- Committed \$4.85 million in grants to help businesses locate and expand in the City's West Salem, North Gateway, and Riverfront Downtown Urban Renewal Areas.
- Made 57 retention visits to local businesses and attended 30 business networking events, in support of the City's small business retention and expansion program.
- Responded to 48 inquiries from site selectors with information about locating businesses in Salem and the region.
- Two companies in Marion County claimed their first year of the Enterprise Zone benefit for manufacturing equipment and facility upgrades, totaling an estimated \$20 million in private investment.

- Assisted 42 low to moderate income entrepreneurs seeking to start or expand micro enterprise business in Salem, created 14 jobs.
- Assisted 18 persons with employment readiness services through the Vocational Workforce Initiative.

Public Improvements:

Support public improvement projects.

- Completed 46 public right of way acquisitions to support infrastructure projects.
- Completed the acquisition of the 17.5 acre Rees Hill property for use as a future Community Park.
- Completed the acquisition of the Saffron properties downtown for future redevelopment in conjunction with the UGM site.
- Completed a \$3 million rehabilitation of the Airport's primary runway.

Environmental Best Practices:

Promote environmental best practices for City and Agency projects

- Completed 4 Phase I and Phase II environmental site assessment projects to help facilitate the sale, purchase and/or re-use of underutilized properties in Salem.
- The Salem Convention Center disposed of over 19,000 pounds of materials per month, 75% of those materials are diverted for recycling and other secondary uses.

Affordable Housing:

Create and preserve affordable housing.

- Assisted 239 households retain or obtain housing through the security deposit and tenant based rental assistance programs.
- Provided funding to create or renovate over 200 affordable housing units.

Social Services:

Provide critical emergency services to low income individuals.

- Provided funding for emergency food services to over 32,000 low income residents in Salem.
- Provided crisis hotline assistance to over 22,000 persons in need of general reassurance, service referrals, crisis intervention, suicide assessment and support.
- Provided resource assistance services to over 570 youth, including case management, connecting clients to housing, employment and other social service programs.
- The Salem Convention Center donated over 60,000 pounds of food to the Union Gospel Mission.

Salem Housing Authority

The Salem Housing Authority's mission is to assist low- and moderate-income families to achieve self-sufficiency through stable housing, economic opportunity, community investment, and coordination with social service providers. The Housing Authority administers a variety of programs to support its mission, including the Housing Choice Voucher Program, Security Deposit Program and ...

In addition, the Housing Authority owns and manages over 630 rental units for Public Housing, Affordable Housing and Senior Housing.

In 2017 the Housing Authority, working with the City of Salem, began administering the Homeless Rental Assistance Program (HRAP). SHA provides intensive case management, resource and referrals, housing placements, landlord engagement and administers all rental assistance and barrier removal funds for the program. The Program assisted a total of 124 citizens known by local service providers as to be least likely to find housing in FY 2018-19

In 2018-19, the Housing Authority:

- Leased 226 units to elderly citizens housing in senior housing programs
- Housed 74 veteran families through the Veterans Administration Supportive Housing Program
- Provided security deposit assistance to 68 households earning less than 50 percent of median family income
- Served 115 households using Family Unification Vouchers



Salem Urban Development

www.cityofsalem.net/URA

Kristin Retherford, Director
kretherford@cityofsalem.net
503-540-2486

Annie Gorski, Economic
Development Manager
agorski@cityofsalem.net
503-540-2480

Renee Frazier, Financial
Services Manager
rfrazier@cityofsalem.net
503-540-2471

Sheri Wahrgren, Downtown
Revitalization Manager
swahrgren@cityofsalem.net
503-540-2495

Clint Dameron, Real Property
Services & Federal Programs Manager
cdameron@cityofsalem.net
503-540-2404

John Paskell, Airport Manager
jpaskell@cityofsalem.net
503-589-2058