

## City of Salem: Urban Renewal Areas

### Single Property Tax Increment Financing District Guidelines

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#### I. Background

The City of Salem approved its first Single Property TIF District in 2020 to provide a financial incentive tool in the form of a property tax rebate for the development of affordable housing. Oregon Revised Statute (ORS) 457.085 details the requirements for creating a new TIF District. The ORS process requires a high amount of staff time and contracted financial analysis. These guidelines are being developed to provide transparency to property owners/developers as to the requirements of any given project for staff to begin the analysis process.

#### II. Program Objectives

In order to begin the analysis process, the following criteria must be met:

- Proposed project must incorporate affordable housing.
- The level of affordable housing should equal 15% of the total units or 20 units, whichever is greater.
- Examples of affordable housing include rent at 80 AMI or less, annual rent increase caps less than the statutory requirement, etc.
- Project must be located within the City of Salem municipal boundaries.
- Project team must have a development concept.
- Proposed project is not utilizing additional property tax exemption benefits.

#### III. Financial Responsibilities

The following costs are to be incurred by the property owner/development team:

- Current property survey and legal description.
- Super notice as required per ORS 457.085.

#### IV. Public Process

Staff will submit a Report to the Urban Renewal Agency to initiate any future TIF District adoption process and will follow ORS requirements consisting of a public hearing process with City Council including public outreach. Following the establishment of a Single TIF, staff will return to the Agency with a development agreement outlining the details of any proposed incentive program.