

## **AFFORDABLE HOUSING, SOCIAL SERVICES, AND HOMELESSNESS COUNCIL WORK GROUP RECOMMENDATIONS**

The Affordable Housing, Social Services, and Homelessness Council Work Group includes Councilors McCoid (spokesperson), Andersen, Cook and Mayor Bennett. Andy Wilch, Housing Administrator, serves as the lead staff person. The Work Group met on Friday, April 14, 2017 to better understand the issues, potential solutions/approaches and the optimal role for the City of Salem, in support of the City of Salem's Strategic Goals.

**Policy Recommendations** for addressing affordable housing, social services and homelessness were grouped into four major categories, which included 1) funding/investment; 2) regulatory; 3) policy; and 4) programs.

### **Issue**

#### Affordable Housing

- Over half (54%) of Salem's households are rent-burdened, paying more than 30% of their income toward housing costs.
- 6,844 Salem families earn less than \$25,000 a year.
- A minimum wage worker earning \$9.75/hour (\$20,280/year working full time) can afford a rent of \$563/month. The average Salem one bedroom apartment rents for \$700 and two bedroom units rent for \$871. Rents are increasing at a rate of more than 10% annually.
- Salem's housing stock is currently missing at least 6,400 affordable units for its residents.
- As demand for all types of rental housing continues to outpace development, the vacancy rate in Salem declines. It is currently below 1.3%.

#### Social Services/Homelessness

There is greater community need for social services, specifically for homeless shelters and food assistance, than there are currently services and funding to address. There is also a lack of service coordination, strategic funding and accurate, comprehensive data to fully understand the true nature of the needs and gaps in social services. The ability to capture such data becomes possible with a fully implemented Coordinated Entry system. However, until that process is in place and available universally in our community the available data for analysis will remain incomplete and fragmented. Homelessness continues to be one of the greatest challenges facing the community. Currently, there are estimates of 1,500 – 2,000 homeless citizen in the Salem area alone. Most striking, is the number of chronically homeless in the Salem area. In fact, of the 1,000 homeless individuals evaluated with the vulnerability index known as the VI-SPDAT, 38% meet the HUD criteria for "Chronic Homelessness", which are the most at risk of dying on the street and the hardest to house. Of these:

- Only 56% of these households reported any income
- 42% report felonies on their record, 8% are Sexual Offenders (who are banned from most housing options)

- 41% report Domestic Violence history with 43% of those report they are fleeing a current abuser

## **Goals**

### Affordable Housing Goals

- Increase the affordable rental housing stock in the Salem area.
- Create a sustainable, substantial funding stream for affordable housing.
- Enhance neighborhood livability and resident engagement through thoughtful affordable housing site selection, development and design, which prioritizes access to transit, proximity to services and the creation of a sense of community.

### Affordable Housing Recommendations

#### Funding/Investment

- Affordable housing goals should be accomplished through incentive-based programs, when possible, as opposed to regulatory-based policies.
- Consider dedicating part or all of the cannabis fund to the development and/or acquisition of affordable housing.
- Consider using the Construction Excise Tax for affordable housing.
- Develop incentives for businesses to open locations in underserved neighborhoods (i.e. opening markets in food deserts).

#### Land/Housing Inventory

- Inventory existing surplus land and evaluate land for possible affordable housing development.
- Compile and maintain an inventory of existing affordable housing in Salem.

#### Regulatory

- Further explore bonus density and cash in lieu as strategies for increasing affordable housing by incentivizing developers to build or fund affordable housing units.
- Approve Accessory Dwelling Units (ADUs) to allow for second dwelling units as a way to increase the affordable housing stock.
- Consider increasing the parking flexibility policy and incentivizing affordable housing development on transit lines, trails and in the urban core.
- Evaluate strategies for streamlining the regulatory process by creating City Resource Teams, for example, that are specifically assigned to a project or finding other ways to fast-track the development process for affordable housing projects.
- Adopt a Housing Dispersal Policy to ensure neighborhood diversity.

#### Partnerships

- Engage private developers in Salem's affordable housing strategy.

## Social Services and Homelessness Goals

- Implement a “Housing First” strategy to create permanent supportive housing.
- Maximize resources for and coordination of local social services.
- Support programs that house and serve the most vulnerable, at-risk homeless individuals.

## Social Services and Homelessness Recommendations

### Investment/Funding

- Fund and implement the Homeless Rental Assistance Program (HRAP), which will house and program wraparound services to the 100 hardest-to-house homeless individuals in Salem.
- Fund a Sobering and Recovery Center in Salem.
- Align existing City social services funding, such as CDBG and General Fund for Social Services, with City’s strategic initiatives.

### Approaches/Data

- Support the formation of a Marion/Polk County and City of Salem Continuum of Care (CoC) in order to increase the availability and flexibility of funding for local social services.
- Participate in a community-wide needs and gaps analysis of Salem’s existing social services network.
- Explore the One-Stop Shop model for homeless services that would include the colocation of substance abuse treatment services; mental, medical and dental health services; and case management services.
- Support evidence-based social services efforts, such as the use of the VI-SPDAT (Vulnerability Index) data, which is being used to identify the most vulnerable homeless individuals with the Homeless Rental Assistance Program (HRAP).
- Mobilizing volunteers and provide outreach/marketing support for the annual Point-in-Time (PIT) count, which is designed to capture the scope of the homelessness issue in our community and will subsequently affect the determination of the amount of HUD funding that will be allocated to the CoC for the competitive grant process, for programs and services which serve or impact the homeless. Require that independent organizations that want to build shelters in Salem consult and coordinate with the City to ensure the shelter is strategically located and meets the greatest need.

### Policy

- Require all City funded agencies to use Service Point as part of the HUD required Coordinated Entry data collection point of entry system.

## **Summary and Background**

### **Scale of the Issue**

The scale of the issues Salem faces with the lack of affordable housing, an extremely low vacancy rate, a high number and the vulnerable nature of our homeless population, lack of shelter beds and permanent supportive housing, and lack of centralized and coordinated social services and funding will require that the City develop a multi-pronged, strategic approach to address them effectively.

Additionally, in the latest community survey (December 2016), Salem residents clearly identified housing, including homelessness, as one of two key issues that should be the top priority of city leaders to address in the City's Strategy Plan. In fact, when asked in an open-ended format what issue is most important for city leaders to address, 21% of residents mentioned an issue related to housing or homelessness. This is a 13 percentage point increase since this question was asked in May 2016.

### **Causes and Effects**

The causes of a lack of affordable rental housing are numerous and include the limited number of developers willing to build affordable housing, a lack of dedicated funding for affordable housing, a lack of incentives to build affordable housing, a strict regulatory and compliance environment, the complex nature of managing affordable housing, and low wages. The effects are what we're currently experiencing with an exceedingly low vacancy rate, a lack of housing options and a high rate of homelessness.

In general, the main causes of homelessness include a lack of affordable housing options, insufficient income, addiction, domestic violence, mental illness, physical disability, broken relationships and trauma.

The effects of homelessness, in addition to the suffering of those who languish on the street, include shelter overcrowding, police contacts and crime enforcement, jail admissions, emergency medical, hospital and psychiatric services, theft, property crimes (vandalism, trespass, destruction) and more. The negative impact on the downtown business core and local neighborhoods will also improve as a result of less loitering, panhandling, sidewalk resting and other related issues. Though difficult to quantify the influence, the presence of homeless persons near businesses and restaurants has a negative impact on sales and revenue of downtown merchants, threatening their stability and prosperity. When shoppers and consumers begin to fear being approached by aggressive panhandlers, or merely having to walk down streets lined with the homeless, the charm and ambiance of our historic district takes on a decidedly darker tone.

Moreover, the lack of centralized service coordination and local flexibility of resources has hampered Salem's ability to meet our community's social service needs.

Developing a comprehensive inventory of service providers as well as a comprehensive social services needs/gaps analysis will also help the City develop strategic goals to address the need more effectively and efficiently.

## **Desired Outcomes**

To increase the affordable housing options, coordinate and centralize social services and funding, and reduce the number of chronically homeless in the community.

## **Existing Actors**

The Salem Housing Authority (SHA) is the largest provider of affordable housing in the Salem area with 637 units of affordable and public housing plus administers close to 3,133 housing vouchers for a total of 3,770 households - providing housing assistance to more than 8,000 people at any one time. SHA is guided SHA has a number of homeless programs, including dedicated housing vouchers for homeless individuals and self-sufficiency coordination to provide wraparound services to help increase their chances of housing stability. SHA's Emergency Housing Network also serves as the community's social services resource network. Additionally, SHA partners closely with Salem Police Department to triage individual homeless individuals and find them emergency shelter, housing and resources. The Salem PD is responsible for handling both the criminal and non-criminal aspects of homelessness.

Union Gospel Mission (UGM) has sheltered up to 300 men each night. Fire and life safety codes limit the building's capacity to 180. The Salvation Army (families and individuals), Simonka House (women), HOST (juveniles) and the Inter-Faith Hospitality Network (families) are the other main shelters in Salem. Those shelters have an estimated total capacity of up to 300. Other services providers at HOAP and ARCHES, both of which are blocks and miles away from UGM. Additionally, Shangri-La provides transitional and supportive housing to intellectually and developmentally disabled individuals as well as those in substance abuse recovery.

There are a number of other key social services agencies that will be a part of the community-wide social service network resource mapping and needs/gaps analysis that the work group is recommending the City support.

## **Next Steps -**

- The work group will schedule 2-3 meetings after the May 6<sup>th</sup> retreat to continue developing strategic goals and recommendations for public and full Council consideration.
- SHA and other City staff will follow up on a number of requests from the work group including:
  - Developing a matrix of the pros and cons (cost/benefit) the affordable housing strategies outlined in the matrix. See Matrix on City's Strategic Plan webpage.
  - Invite the Home Builders Association a future work group meeting to get their perspective on affordable housing development.
  - Inventory existing surplus land and affordable housing.
  - Provide more information on the breakdown of the homeless statistics. Jimmy Jones from ARCHES will be invited to a future work group meeting to break down the statistics on Salem's homeless population.
  - Outline what HUD's priorities are related to the Continuum of Care funding and Coordinated Entry.

- Provide a list of existing social service providers and the services they provide.

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