

990 Broadway, LLC  
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April 8<sup>th</sup>, 2020

To: Sheri Wahgren, Downtown Revitalization Manager  
Urban Development Department, City of Salem

RE: Capital Improvement Grant Program Exception Request for Proposed Project Located at 990  
Broadway St NE, Salem OR 97301

Dear Urban Development,

On behalf of 990 Broadway, LLC, I would like to request an exception to the maximum funding amount for the Capital Improvement Grant Program.

Our proposed project to be built at 990 Broadway St NE is a mixed-use building comprised of 23 dwelling units (a variety of options – 16 studios, 5 one-bedrooms and 2 two-bedroom apartments) and approximately 2,500 square feet of commercial space. The site plan was approved by the Planning Commission on Nov 6, 2019, allowing us many necessary variances to meet the parking and design requirements to ensure maximum density and efficient usability within the constraints of the overlaid zone. Prior to approval, the project was presented to SCAN and CANDO neighborhood associations with positive feedback. After approval, the project was brought before DAB and received a similar response.

We believe that this project warrants an exception due to meeting of the following criteria: 1.) new construction, 2.) mixed-use, including housing, and 3.) expansion of existing business (referencing the potential tenant for the commercial space). Our request is also well within the required 4:1 ratio of public to private funds (MaPS has committed to \$3,075,000). Finally, we submit that the project meets two of the additional criteria – the removal of blight and inclusion of affordable housing. A vacant gravel lot in the downtown area should be considered as obsolescence, especially in an area that has seen continuous positive redevelopment in the past few years. The subject property has been without a defined use since the last residential structure was demolished in the late 80's, per Sanborn maps and aerial photos. Currently, it is a magnet for the litter and illegal dumping. Frequent clean up attempts have yielded excessive amounts of trash as well as dangerous pieces of drug paraphernalia. Our approved site plan and building design seeks to create a variety of dwelling options to attract the widest audience of users, including 40% of the units to be offered as Affordable Housing (the rent is structured so that the targeted tenant population pays no more than 30 percent of their gross household income for rent and utilities. The targeted tenant populations referred to in this definition include households

up to 80 percent of MFI based on OHCS 2020 Income Limits for Marion County). These are not luxury units, nor are they micro concepts – they are 23 residences that will bring customers, employees and families closer to the downtown core, helping this crucial area of the City continue to thrive and more quickly rebound from this COVID-19 setback.

Our need is dictated by a few factors: we have maximized the available loan amount based on appraised value. The site presents difficulties (vision clearance at a corner, setbacks along alleys, stormwater retention requirements) that had to be addressed with design choices that increased build costs as well as traffic flow requirements that limit site coverage. And with ever-rising construction costs (not to mention the recent economic uncertainty presented by unprecedented stay-at-home orders and public health concerns), this project needs all of the help it can get to be financially feasible.

Based on our analysis of the eligible hard and soft costs and following with the same formula for a traditional grant, **we would like to request an exception amount totaling \$572,689**. Our participation would be the remaining approximately \$3,575,000 (\$3,075,000 loan and \$500,000 cash and equity from LLC members).

In closing, the members of 990 Broadway, LLC are long time residents of Salem and are pleased to have this project even be considered for your generous funds. It is great joy to be able to contribute to the development of the City that we grew up in and the downtown area in which we live, work and play. Taking a littered gravel lot with a handful of weeds and creating a beautifully-designed, modern, 3-story building will be a tremendous accomplishment and honor. We look forward in partnering with Urban Development in bringing this project to fruition.

Thank you for your time and consideration of our request,

A handwritten signature in blue ink, appearing to read 'Charles', with a long horizontal line extending to the right.

Charles Weathers, Member

990 Broadway, LLC