



CITY OF SALEM

585 Liberty St SE
Salem, OR 97301

Staff Report

File #: 21-475

Version: 1

Date: 11/8/2021

Item #: 3.2a.

TO: Mayor and City Council
THROUGH: Steve Powers, City Manager
FROM: Kristin Rutherford, Urban Development Director

SUBJECT:

Revision to the Multiple Unit Housing Tax Incentive Program Standards and Guidelines.

Ward(s): Ward 1, 2

Councilor(s): Stapleton, Andersen

Neighborhood(s): CANDO, SESNA, NEN, SCAN, Highland

Service Area(s): Good Governance; Strong and Diverse Economy; Welcoming and Livable Community

SUMMARY:

The proposed changes to the Multiple Unit Housing Tax Incentive Program (Program) implement changes to SRC chapter 2 recently enacted by City Council to incent providing affordable housing as part of a project under the Program. (Attachment 1)

ISSUE:

Shall the City Council adopt Resolution No. 2021-44 updating the Standards and Guidelines for the Program?

RECOMMENDATION:

Adopt Resolution No. 2021-44 updating the Standards and Guidelines for the Program.

FACTS AND FINDINGS:

On October 11, 2021, Council enacted Engrossed Ordinance Bill No. 3-21 extending the Program through January 1, 2032. The Standards and Guidelines need to be updated to reflect the changes to the Program enacted by Ordinance Bill No. 3-21. Adoption of Resolution 2021-44 (Attachment 2) will update the Standards and Guidelines and include a requirement that:

Applicants for multifamily projects with 100 units or more provide at least 15% of the units

at rents affordable to households at 80% of the average median income or less for the duration of the incentive or meet at least two of the public benefit criteria.

BACKGROUND:

In June 1976, the Council approved an ordinance creating a special boundary and implemented provisions of the legislative act Oregon Revised Statute 307.600-690. The Program provides up to a ten-year property tax abatement for new or converted, transit supportive, non-transient housing units constructed within the defined core area (Attachment 3) that provide one or more public benefits as defined in the ordinance. Extending the sunset date for the Program is not an approval of projects. Each application requesting approval is evaluated on a case by case basis and approved by Council.

Since 1976, nine properties have been approved by Council for the Program:

990 Broadway (23 units) - 990 Broadway Street NE
Tax exemption expires in 2032

Parke 325 (30 units) - 325 13th Street NE
Tax exemption expires in 2032.

Koz on State Street/Nishioka Building (142 units) - 260 State Street
Tax exemption period expires in 2031.

The Court Yard Apartments (40 units) - 211 Court Street NE
Tax exemption period expires in 2030.

South Block Apartments (178 units, Phases I & II) - 315 Commercial Street SE
Tax exemption period expires in 2025 & 2027 (Phases I & II respectively).

The Residences at Riverfront Park (118 units) - 230 Front Street SE
Project cancelled prior to construction.

Willamette Landing Apartments (89 units) - 1601-1675 Water Street NE
Tax exemption period expired in 2000.

Forum Apartments (62 units) - 350 13th Street SE
Tax exemption period expired 1990.

Mill Bridge Terrace Apartments (24 units) - 728 Church Street NE
Tax exemption period expired in 1987.

Clint Dameron
Real Property Services Manager

Attachments:

1. Standards and Guidelines
2. Resolution No. 2021-44
3. Core Area Map