



CITY OF SALEM

585 Liberty St SE
Salem, OR 97301

Staff Report

File #: 22-23

Version: 1

Date: 2/14/2022

Item #: 5.c.

TO: Mayor and City Council
FROM: Steve Powers, City Manager

SUBJECT:

2022 City Council Policy Agenda priorities.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Result Areas - Good Governance; Natural Environment Stewardship; Safe Community; Safe, Reliable and Efficient Infrastructure; Strong and Diverse Economy; Welcoming and Livable Community.

SUMMARY:

Through its annual City Council Policy Agenda, City Council makes its initial priorities for action clear to staff and the community and provides direction on aligning resources towards the Strategic Plan Policy areas through the City's budgeting process. Each fall, City Council develops a framework for its policy priorities.

In its November 15, 2021 Work Session, Council considered progress achieved on 2021 Policy Agenda priorities, community feedback from the 2021 Community Satisfaction Survey, and updates on major initiatives in the 2021 Community Report.

Discussion of initial priorities was concentrated in four areas: (1) responding to our sheltering crisis; (2) planning for our future; (3) engaging our community; and (4) sustaining infrastructure and services. In a Work Session each January, staff return with proposals for how to achieve City Council priorities. In April, the City's budgeting process begins, with final City Council action taken in June.

ISSUE:

Update on priorities for 2022 Policy Agenda.

RECOMMENDATION:

Information and discussion.

FACTS AND FINDINGS:

In its November 15, 2021 Work Session, Council considered progress achieved on 2021 Policy Agenda priorities, community feedback from the 2021 Community Satisfaction Survey, and updates on major initiatives in the 2021 Community Report.

Within the overarching framework of the City's goals, result areas, and Strategic Plan, the City Council has established four priority areas that demand attention in the coming year: (1) responding to our sheltering crisis; (2) planning for our future; (3) engaging our community; and (4) sustaining infrastructure and services.

For each activity, the City's primary roles are noted:

- DOER: The City's primary role is to execute the activity.
- PARTNER: The City's primary role is to partner with external parties and/or provide funding to support the activity.
- CONVENER: The City's primary role is to bring together external parties to advance the activity via collaboration.

1. Responding to Our Sheltering Crisis

Result Areas: Safe and Healthy Community; Welcoming and Livable Community

The Salem City Council recognizes homelessness as a critical problem in our community. This issue is the most important issue to the majority of our residents. We're actively working with partners to reduce hardships that lead to homelessness and increase access to affordable housing for our residents and families with children who are unsheltered or at-risk of becoming homeless. We're taking a collaborative approach and adapting multiple best practices to fit our community.

With the support of partners and other agencies, efforts are underway to help prevent homelessness, manage homelessness, and end homelessness. Services and activities which are available to manage homelessness would include things like triage and connection to services, health and mental health care, other basic needs, safe and secure outdoor shelter, and temporary indoor shelter. Services and activities for ending homelessness include services available to support transition to housing, like navigation services and permanent supportive housing, as well as providing incentives for and constructing affordable housing. The service network in Salem is designed with the goal of transitioning participants to permanent supportive housing or other appropriate housing. The majority of activities led by the City are focused on managing and ending homelessness. Prevention activities tend to be the purview of regional efforts, however, the City also offers some relief for qualified households from monthly bills, like utility bills or garbage bills, which may help

some retain housing.

For the coming year, the City can continue the following activities:

Managing Homelessness

A. Respond to Community Complaints for Clean Up at scattered unmanaged tent, car and RV camping sites and trash clean up. In response to community complaints of accumulated trash, abandoned tents or RVs, we work with area non-profits and Salem Housing Authority navigators to connect those living unsheltered in our community to services and housing options. These efforts are coordinated with clean ups due to concerns about on downtown area sidewalks, freeway off-ramps, and temporary camping areas in Wallace Marine and Cascades Gateway Park. Currently, staff anticipate adding capacity to our response with some portion of the \$10.5 million funding allocation from the Oregon Legislature.

DOER/PARTNER/CONVENER

B. Complete Construction and Open Navigation Center. In late May, the City received a two-year operating grant from the Oregon Legislature for a navigation center. While under construction, the navigation center opened for temperature-activated warming network this winter. The navigation center will open in Summer 2022 as a low barrier shelter, operate 24-hours a day, seven days a week, with intensive case management to connect people to public benefits, health services, and permanent housing. On December 6, 2021, City Council included a request to cover the gap between available funding and current construction costs.

DOER/PARTNER/CONVENER

C. Site and Operate Micro-Shelter Village Communities. The City has actively participated in efforts to address gaps in shelter beds, allocating \$8.1 million of American Rescue Plan Act funds to add new shelter bed and safe park spaces. The City welcomes participation from cities, counties, non-profits, churches, and property owners with allowing use of land for managed shelters. Community members have raised funds for the purchase of 150 micro shelters. Currently, 50 micro shelters are in use and the City is actively searching for property suitable for a managed micro shelter site. Currently, staff anticipate operating existing - and future - shelter sites with some portion of the \$10.5 million funding allocation from the Oregon Legislature.

DOER/PARTNER/CONVENER

D. Continue to Develop Local Partnership and Funding Support for:

- **Sobering Center.** The purpose of a sobering facility is to provide a safe, clean, and supervised environment for acutely intoxicated individuals to become sober and eligible for further treatment and other services, 24 hours each day, seven days a week. Staff from the City, Marion County, Polk County, Pacific Source, and Salem Health are working to develop a

model that is financially sustainable for our community.

- **Mobile Crisis Response.** Mobile crisis response pairs together a crisis intervention worker and an emergency medical technician to triage and provide safe transport for disruptive, but non-criminal behaviors related to mental health or substance abuse. Efforts continue to explore options, and make a policy decision on how best to implement a mobile crisis response model in Salem. Our FY 22 Budget includes some funding for a community partner to pilot a program, based on the much-anticipated House Bill 2417. When it passed, however, the bill directed funds to counties for short-term respite centers, peer-run respite centers, mobile crisis intervention teams, and new technology for a crisis call center system (9-8-8), and a Veteran's Crisis Line.

PARTNER

Ending Homelessness

E. Transition More Households into Supportive Housing. With the housing market tight already and fewer evictions occurring this last year, finding housing for someone with a Section 8 voucher is challenging. Vouchers can be used at several Salem Housing Authority sites as well as privately owned properties. In the 2021 Legislative Session, the City received funds to help 170 households and keep 66 families in transitional housing for the next year, until systems relied on can recuperate from effects of the COVID Pandemic. Staff are also continuing provide case management and support to individuals in the Homeless Rental Assistance Program.

DOER

F. Build More Permanent Supportive Housing. The Salem Housing Authority has received grants for 60 units of permanent supportive housing at ***Sequoia Crossings***. Salem Housing Authority will own and manage the property, contracting with ARCHES to support residents. The 52 one-bedroom unit housing project at ***Yaquina Hall*** is also moving forward. Through, the City or Salem Housing Authority, we currently ***offer affordable housing developer incentives***: a non-profit low-income housing tax exemption, a multi-unit housing tax incentive for transit-oriented development, and a community partner property tax exemption to include affordable units in market rate developments. To encourage private sector building of affordable housing, the Urban Renewal Agency offers grants to support the development of low-income subsidized housing, workforce housing, and market-rate housing. Staff are conducting market analysis regarding housing development, affordable housing and how incentives are designed to mitigate market risk. In January, staff anticipate returning with options for expanding affordable housing.

DOER/PARTNER/CONVENER

G. Support Regional Efforts. The City is an active participant in the Mid-Willamette Homelessness Alliance, the region's strongest and best opportunity for collaborative approaches to preventing and ending homelessness. Homelessness transcends Salem and is a regional issue. Investment in the Alliance is building capacity to help prevent and end homelessness. On December 6, 2021, City Council allocating \$150,000 from the ARPA funds to the Mid-Willamette

Valley Homeless Alliance to continue developing regional capacity to help those who are unhoused. The funds will be used for operations and planning needs directly connected to building regional service capacity.

PARTNER

2. Planning for Our Future

Result Areas: Welcoming and Livable Community; Strong and Diverse Economy; Safe, Reliable, and Efficient Infrastructure; Natural Environment Stewardship

We are looking forward to the Planning Commission and City Council adoption process of the Comprehensive Plan Update, Our Salem. As the multi-year community visioning process comes to conclusion in mid-2022, we are planning to carry this vision into other plans. The largest component of this work is the Transportation Systems Plan. This piece alone is anticipated to require additional funding for the next three years. Other plans tied to the Comprehensive Plan are updates to the Comprehensive Parks System Master Plan, Goal 5 Inventory for Natural Resources (recommended by the Planning Commission), Housing Production Strategy, and Economic Opportunities Analysis. Implementation strategies to support Climate Action Plan are also linked to the Comprehensive Plan. All this future work will be informed by the rules from the Oregon Department of Land Conservation and Development's Climate Friendly and Equitable Communities rule-making process. Sequencing of follow-on steps is shown in Attachment 1.

After Our Salem is approved by City Council, and coordinating with any Department of Land Conservation and Development rules that come out of Oregon's Climate-Friendly and Equitable Communities work, the City's next steps will be to:

- Update the Transportation System Plan to align with the updated Comprehensive Plan,
- Conduct a Goal 5 inventory to conserve open space and protect natural and scenic resources,
- Coordinate and implement strategies in the Climate Action Plan, following public hearing and approval
- Update the Comprehensive Parks System Master Plan to align with the updated Comprehensive Plan,
- Complete a new Economic Opportunities Analysis, and
- Develop a Housing Production Strategy following Housing Needs Analysis adoption planned with the Our Salem project.

Each of these infrastructure plans is a foundational planning component and substantive in scope, including extensive community outreach and engagement, staff and consultant support, and dedicated funding. For the coming year, the City can expect to:

A. Complete adoption of Our Salem mid-2022. With existing staffing resources and funding, by the end of 2021, the City expects to start the adoption process for the updated

Comprehensive Plan, Comprehensive Plan Map, zoning map, and zoning code. That process will stretch into 2022 and include public hearings at the Planning Commission and City Council. Through this process, changes may be made to the proposed zoning map or other components of the project.

DOER

B. Fund Transportation System Plan Update. After the Comprehensive Plan Update is adopted, other infrastructure plans will need to be updated for consistency with the vision in Our Salem. The Transportation System Plan is a major undertaking and includes substantive community outreach and engagement. In the proposed budget for FY 2023, City Council may consider \$400,000 from Transportation System Development Charges for this purpose.

DOER

C. Launch Riparian Inventory for Natural Resources (Goal 5). We can begin this follow-on work to Our Salem in fourth quarter of 2022. Expected to cost about \$150,000, funding is anticipated from the Utility Fund, as the majority of the initial issues are creek-related.

DOER

3. Engaging Our Community

Result Areas: Good Governance

For the last several years, increasing transparency and trust with community through communications and engagement has consistently been among the priorities of City Council. The City is making continual improvements to its communication, accessibility, and sharing of our shared story.

We also connect with our community through the media, social media (Facebook, Twitter, NextDoor, Instagram), video content, weekly e-newsletter, neighborhood association engagement, outreach to stakeholders and civic organizations about on-going and Policy Agenda-related projects, programs, and initiatives like Our Salem; bicycle, pedestrian and vehicle transportation projects to improve safety; parks planning; and volunteer opportunities. Emergency information is shared through the Community Alert System for member-defined locations to their phone or email. Staff meet quarterly with community, civic, and cultural organizations to share information for cross promotion opportunities; other governments and agencies; and our media partners.

For the coming year, the City can expect to:

A. Launch the new City of Salem website update. City Council allocated funding in the FY 22 Budget for a new City website. A new website in April will improve search and navigation and

accessibility of information for different language preferences. With more information and services available in the web environment, translation will be easier and more accessible to screen readers. The site will also feature seamless integration of off-site web-based information sources.

DOER

B. Share performance measures and metrics. By mid-2022, the City will launch new web-based access to information on the City's budgeting and gauge how well the City is doing on these priorities. Measures will include the annual statistically valid survey to sample community perspectives on our performance.

DOER

C. Finish Plans and Start Construction of Customer Service Center. Based on the principal that members of the public should not have to understand how the City is organized to access services, the Customer Service Center is opening by Spring 2023 in the former café space at the Civic Center.

DOER

D. Expand Neighbor to Neighbor communications. With a focus on recruiting more members to participate in Neighborhood Associations, communications staff can work with Neighborhood Association Boards to build communications strategies to expand engagement and recruit additional members. This would further City efforts to encourage engagement at neighbor-to-neighbor level by supplementing Neighborhood Associations communications occurring today through the Next Door social media platform, and direct City communications to Neighborhood Association Chairs and Land Use Chairs on items of interest. Currently, attendance at a quarterly Chairs' meeting, hosting a block party, submitting written comments on a land use case, or developing an e-newsletter are examples of how Neighborhood Associations can earn communications funds. Each has been accruing communications funds for several years and can accrue up to \$2,500 per Neighborhood Association. If not at their maximum, the City offers incentives to get an annual up to \$500 for neighbor-to-neighbor communications. With these resources, neighbors fund neighborhood-wide postcards for recruitment or to raise awareness about a land use proposal.

PARTNER

4. Sustaining Infrastructure and Services

Result Areas: Safe and Health Community; Welcoming and Livable Community; Strong and Diverse Economy; Safe, Reliable, and Efficient Infrastructure; Natural Environment Stewardship; Good

Governance

Actions taken by Salem's City Council helped speed the City's recovery from the 2008 recession. Strengthening the City's long-term financial position to ensure ongoing provision of core services to all residents has remained at the forefront of City Council priorities since that time. In addition to concerns about funding day-to-day operations, the City of Salem has pressing needs for fire engines and equipment, for improvements to streets and sidewalks, for parks, for affordable housing and shelter, and other projects to improve the community. In Fall 2020, the City Council formed a Steering Committee to guide development of a proposal for a Community Improvement Bond - without increasing the City's property tax rate - for the November 2022 ballot.

A. Pursue Community Improvement Bond. The City is planning a comprehensive bonding strategy for the November 2022 ballot. We have an opportunity to pay for up to \$300 million of the needed improvements. This is because several previous bond measures will be retired and removed from the tax rolls over the next decade. Bond funded projects would save money currently spent on repairs and maintenance of outdated facilities and equipment, and improve energy efficiency.

DOER, CONVENOR

B. Explore opportunities to lower expenses. We are constantly evaluating whether our community can be better served by non-profits or the private sector. In many cases, the services we provide are not offered by others in our community, are the result of a State or Federal mandate, or are cost prohibitive to start-up. In others, our primary role is to provide grants and other funding to nonprofits, rather than build new areas of expertise within the organization. For example, we contract with Travel Salem for destination marketing and with SEDCOR for targeted sector business retention, expansion, and recruitment.

DOER

C. Explore opportunities to increase revenue. Prior to the onset of the Pandemic, the City was moving forward with a program to maintain current City services and begin to keep pace with our community's growing needs. At that time, we were trying to raise an additional \$16.2 million per year to pay for police officers and firefighters, and much-needed additional support for parks, our library and other community services. In February 2020, the City began collecting the operations fee to help continue current services and staffing levels in the near-term. This was the first of two steps to fill the revenue gap and to continue existing services. By March 2020, it became clear that the economic impact of the Pandemic on our residents and businesses would linger and the City Council pulled second piece of revenue measure from the May 2020 ballot. American Rescue Act Plan funds have helped to fill gaps created by the Pandemic. Through FY23, the City will continue to have access to these funds to help stabilize the budget.

DOER

BACKGROUND:

Each year, through its Policy Agenda, the Council provides policy direction and develop a set of specific actions designed to move the City towards achieving each objective.

Progress on 2021 Policy Agenda Priorities

At the November 15, 2022 City Council Work Session, the City Council received a report on progress toward the 2021 Policy Agenda. Priorities for 2021 included:

- 1. Addressing homelessness** through crisis response, homelessness prevention, and affordable housing expansion;
- 2. Creating community resilience** through business support, job creation, and emergency response;
- 3. Increasing equitable delivery of City services** through community-engaged policing; diversity, equity and inclusion; service accessibility; and financial stability;
- 4. Building great neighborhoods** through neighborhood development, parks and recreation facilities, and bike and pedestrian safety; and
- 5. Taking action on climate change** through greenhouse gas reduction; and resilience.

The City's Community Report (<https://www.cityofsalem.net/citydocuments/2021-annual-community-report.pdf>) provides a detailed summary of progress on these priorities. In all, 32 activities were identified for the first year within 15 Strategic Plan objectives.

There are several major initiatives underway - including Our Salem, our response to the sheltering crisis, strategic planning in key areas like Police, Library, and recently completed Economic Development Strategy- with a lasting impact on our community. We are also putting equity in action through access improvements to our programs and services, in business supports and livable wage job creation, and in how we plan for our future - through Our Salem and action need to mitigate effects of climate change. These initiatives have committed current available resources and resources - staff time and funding - into the future. Revenue forecasts indicate that continuing ongoing expenses at current levels is unsustainable. With constrained revenues, funding one-time initiatives is preferable over significant new recurring priorities.

Funding Day-to-Day Operations

For several years, the City's Budget Committee and City Council have been challenged by the City's resource constraints in the General Fund. On an annual basis, we are spending more in ongoing expenses than we are receiving in ongoing revenues. The implementation of the City Operations fee narrowed the gap between revenues and expenses, but expenses continue to grow at a faster pace than revenues. Federal CARES Act and ARPA funds had provided some short-term stabilization for the budget. The City's five-year financial forecast for the General Fund anticipates a structural imbalance of \$8-9 million on an annual basis to support Police, Fire and emergency medical services, the Library, operating Salem's parks, and supporting Salem's neighborhoods. Continuing these ongoing services, exhausts our available funding by fiscal year 2027.

American Rescue Plan Act. In the FY22 Budget, the City Council budgeted American Rescue Plan

Act funds to help stabilize the budget where the City lost revenue due to COVID impacts. The remaining funds in the FY22 budget, \$8.1 million, were allocated to alleviate conditions experienced in our community due to the City's sheltering crisis. These types of investments are eligible for ARPA due to adverse impact of the COVID Pandemic on Salem's unsheltered residents.

The ARPA funding helped defray the immediate revenue needs created by the COVID Pandemic. It did not, however, alleviate the City's fiscal situation. In some cases, the use of ARPA funds for Salem's sheltering crisis has created an ongoing operating expense. A consequence of using ARPA funds currently budgeted for service continuation is accelerating the depletion of fund balance. Current projections are that ARPA will fund the operating expenses through December 2024.

Courtney Knox Busch
Strategic Initiatives Manager

Attachments:

1. Proposed sequencing of Planning Our Future activities.