



Staff Report

File #: 23-267

Version: 1

Date: 7/10/2023

Item #: 3.3a.

TO: Mayor and City Council

THROUGH: Keith Stahley, City Manager

FROM: Kristin Retherford, Community and Urban Development Director

SUBJECT:

Letter of Support for Housing Production Strategy Grant Application

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Strong and Diverse Economy; Welcoming and Livable Community.

SUMMARY:

The City is applying for a Housing Planning Assistance Grant from the Oregon Department of Land Conservation and Development to provide a consultant to help develop a Housing Production Strategy. The application must include a letter from the City Council that demonstrates support for the project.

ISSUE:

Shall the City Council authorize the Mayor to sign a letter of support for the Housing Production Strategy project on behalf of the City Council?

RECOMMENDATION:

Authorize the Mayor to sign a letter of support for the Housing Production Strategy project on behalf of the City Council.

FACTS AND FINDINGS:

The Oregon Department of Land Conservation and Development (DLCD) is accepting applications for Housing Planning Assistance Grants and Consultant Support. The purpose of the planning assistance grants is to help local governments develop plans and update codes to support housing production, affordability, and choice.

The City of Salem is applying for a Housing Planning Assistance Grant to help develop a Housing Production Strategy (HPS), which will lay the roadmap for actions the City would take to help promote the production of housing. Specifically, the City is requesting a DLCD-provided consultant to help City staff develop the HPS. The City is required by State rules to adopt a HPS by December 31, 2025.

Grant applications are due July 31, 2023. Applications must include a letter of support from the governing body of the city or county applying for the grant. A draft letter of support is included as **Attachment 1**.

Grant Details

DLCD expects to announce grant awards by September 1, 2023. Between November and December 2023, DLCD plans to execute contracts with consultants, who will then begin working on housing projects for cities and counties. Projects utilizing a DLCD-provided consultant must be complete by May 31, 2025.

The Housing Planning Assistance grant requires a local match, which can be in the form of staff time. Staff plans to dedicate time to working on the HPS, including conducting broad community engagement. Acceptance of a Housing Planning Assistance grant does not obligate the City to adopt an HPS. However, as mentioned earlier, the City is required by State rules to adopt an HPS by the end of 2025.

Housing Production Strategy Overview

A HPS outlines a list of specific tools, actions, and policies that a city plans to take to address the housing needs identified in its Housing Needs Analysis (HNA). Salem adopted its HNA in 2022 with the adoption of the Our Salem project. That multi-year project redesignated and rezoned enough land to accommodate Salem's projected housing needs, including land for multifamily housing.

Developing a HPS is the next step in helping meet Salem's housing needs, as it focuses on strategies to promote the production of housing. Strategies can include financial incentives, regulatory changes, partnerships, land acquisition, and other actions. For each strategy, an HPS outlines a timeline for implementation as well as an estimated magnitude of impact.

A HPS will further the City's efforts to encourage housing choices, access, and affordability, while promoting equity and mitigating displacement. It will also help the City coordinate and advance housing priorities that have been established in Salem's updated Comprehensive Plan, the State's Climate-Friendly and Equitable Communities rules, the Salem Climate Action Plan, the City's Annual Action Plan for federal funding, and other housing-related work.

BACKGROUND:

Developing an HPS is listed in Salem's updated Comprehensive Plan as a project to implement and

advance that plan's goals and policies. The City Council allocated \$50,000 in the 2023 City Budget to develop an HPS. That funding can be used for other work or services if the City receives a DLCD Housing Assistance Grant.

Eunice Kim
Long Range Planning Manager

Attachments:

1. Draft Letter of Support for Housing Planning Assistance Grant Application