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Title: Community and Business Assistance and Homelessness Prevention Program

Ward(s): All Wards
 Councilor(s): All Councilors
 Neighborhood(s): All Neighborhoods
 Result Area(s): Good Governance; Strong and Diverse Economy; Welcoming and Livable Community.

Sponsors:

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Attachments: 1. Public Comment from Travel Salem

Date	Ver.	Action By	Action	Result
5/11/2020	1	City Council	received and filed	

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kristin Retherford, Urban Development Department Director

SUBJECT:

Community and Business Assistance and Homelessness Prevention Program

Ward(s): All Wards
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 Result Area(s): Good Governance; Strong and Diverse Economy; Welcoming and Livable Community.

ISSUE:

Information Only.

RECOMMENDATION:

Information Only.

SUMMARY:

The economic impacts of the COVID-19 pandemic are severe for many Salem businesses, community organizations, and residents most vulnerable to job loss. Staff have developed a program to provide funds to support small businesses and community organizations and to prevent homelessness. Using federal Community Development Block Grant (CDBG), City General Fund, enterprise zone fines, and a grant from Marion County, the City will be able to provide \$3,473,000 million in assistance.

City funds of \$488,000 will be available for award in June following City Council action on May 26. The CDBG funds of \$2,985,000, including an additional amount received through the CARES act, will be awarded after two separate processes, each requiring a public hearing, City Council action, and HUD review and approval. The first of these funds are expected to be available for award in July or August, while the remainder will be available sometime between August and November, depending on Congressional and HUD action.

This information report is a high-level summary of the proposed program. Staff are working through federal requirements and will have specific information about organizations and amounts at the upcoming council meetings.

FACTS:

The City’s flexibility is limited with federal CDBG funds, including CARES, that have required approval processes and use restrictions. City funds require only City Council action and can be allocated at the discretion of City Council, so staff have attempted to maximize the use of City funds for immediate assistance.

CDBG

Community Organizations	\$1,421,745
Emergency Mortgage, Rent, and Utility Assistance	425,000
Small Business Assistance	200,000
Grant Administration	467,250
Additional or Future allocations	<u>470,737</u>
	\$2,984,732

Community organizations include \$965,000 in grants to non-profits that applied for funding through the City’s 2020 CDBG grant application process. These grants will be for programs that assist the unsheltered, prevent homelessness, retain jobs, and construct or rehabilitate affordable housing.

An additional \$456,745 in CDBG funds will be recommended for grants to non-profits that have been funded by the City. These grants will be used to feed the hungry, provide case management, shelter, and utility payments.

The CDBG portion of the program includes \$451,960 from the Yaquina project. This project has been significantly delayed and is not in immediate need of funds. The City risks losing CDBG funds that are not being used. The Yaquina project would be funded by the City’s 2021/2022 CDBG funds.

City

Rental Assistance and Crisis Support	\$149,000
Small Business Assistance	188,000
Cultural, Heritage Non-profits	25,000
Non-profit Grant Administration	35,000
Additional or Future Allocations	<u>91,000</u>
	\$488,000

Staff recommends that some CDBG and General Fund resources be retained through the end of the summer to assess and meet community needs.

Kristin Retherford
Urban Development Director