



## Staff Report

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**File #:** 20-187

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**TO:** Mayor and City Council

**THROUGH:** Steve Powers, City Manager

**FROM:** Kristin Retherford, Urban Development Director

### **SUBJECT:**

Amendments to the 2015-2019 Consolidated Plan, Federal Programs Citizens Participation Plan, 2018 Annual Action Plan and 2019 Annual Action Plan

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

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

### **ISSUE:**

Following a public hearing, shall City Council adopt the amendments to the 2015-2019 Consolidated Plan, Citizens Participation Plan, 2018 Annual Action Plan, and 2019 Annual Action Plan and direct staff to submit the amendments and required forms to the U.S. Department of Housing and Urban Development?

### **RECOMMENDATION:**

Adopt the amendments to the 2015-2019 Consolidated Plan, Citizens Participation Plan, 2018 Annual Action Plan (AAP), and 2019 Annual Action Plan (AAP) and direct staff to submit the AAP, amendments, and required forms to the U.S. Department of Housing and Urban Development (HUD).

### **SUMMARY:**

The City must submit amendments to the 2015-2019 Consolidated Plan, Citizen Participation Plan, and the 2018 AAP and 2019 AAP to be eligible to receive Community Development Block (CDBG) COVID-19 funds. The AAP amendment identifies all resources and proposed expenditures of the CDBG funds. Also required is an amendment for prior program years to request changes in the allocation of awarded CDBG funds.

With CDBG-CV supplemental funding, repayment of loans, reallocation of funds from delayed

projects, and previously unallocated funds, the amendments include \$1,462,367 in CDBG resources.

## **FACTS AND FINDINGS:**

### **Amendment #2 to the 2015-2019 Consolidated Plan (Attachment 1)**

An analysis of COVID-19 impact data (unemployment, education, public health and business) identifies additional needs for the Consolidated Plan. The three identified as priorities are food, mortgage/rent payments, and micro/small business assistance.

### **Amendment to the Citizen Participation Plan (Attachment 2)**

The Coronavirus Aid, Relief and Economic Security Act (CARES Act) has made available supplemental funding in response to COVID-19 pandemic. CDBG-CV funds provided by the CARES Act are to prevent, prepare for, or respond to the impact of Coronavirus. The CARES Act provides CDBG grantees with flexibilities, including reducing public notice time from 30 days to 5 days and the ability to hold virtual public hearings.

### **Amendment #2 to the 2018 AAP (Attachment 3)**

Increase funding for Garten Services by \$60,000 for completion of recycling center modernization. This increase is due to construction cost exceeding the anticipated amount when the application was considered.

Increase funding for Integrated Services for Living by \$101,530 for completion of rehabilitation of affordable housing for persons living with disabilities. This increase is due to construction cost exceeding the anticipated amount when the application was considered.

### **Amendment #3 to the 2019 AAP (Attachment 4)**

Reallocate \$451,960 in 2019 CDBG entitlement funding, previously awarded to the Salem Housing Authority (SHA) for rehabilitation of Yaquina Hall.

Allocate \$73,040 in undesignated resources to address COVID related actions.

Allocate \$775,837 in newly allocated CDBG-CV funding.

The combined CDBG resources available for this amendment are \$1,300,837. The specific program uses:

- City Program Administration - \$155,167
- Emergency Mortgage Assistance Program - \$100,000
- Micro-Business Assistance Program - \$200,000
- Meals on Wheels - \$86,773
- Rental / Utility Assistance Programs - \$325,000

Balance for future COVID-19 recovery efforts - \$433,897

**BACKGROUND:**

The City of Salem receives an annual entitlement allocation from HUD for CDBG to assist low-to-moderate-income households. HUD requires a five-year Consolidated Plan to set goals and prioritize needs that can be addressed by CDBG funding. The regular CDBG program goals are economic development, ending homelessness, and expanding affordable housing.

CDBG-CV goals are designed to be used for the prevention, preparation, and response to the impacts of COVID-19. The funds have been distributed nationally by formula that uses an entitlement community's percentage of poverty, age of housing, and population factors.

Shelly Ehenger  
Federal Programs Manager

**Attachments:**

1. Amendment to the 2015-2019 Consolidated Plan
2. Amendment to the Citizen Participation Plan
3. Amendment to 2018 Action Plan
4. Amendment to the 2019 Action Plan, including CDBG-CV