



## Staff Report

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**File #:** 20-505

**Version:** 1

**Date:** 12/14/2020

**Item #:** 4.a.

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**TO:** Mayor and City Council

**THROUGH:** Steve Powers, City Manager

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

### **SUBJECT:**

Amendment #2 to the 2020 Housing and Community Development 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:**

Shall the City Council approve Amendment #2 to the 2020-2021 Annual Action Plan and direct staff to submit the amendment to the U.S. Department of Housing and Urban Development?

### **RECOMMENDATION:**

Approve Amendment #2 to the 2020-2021 Annual Action Plan and direct staff to submit the amendment to the U.S. Department of Housing and Urban Development (HUD).

### **SUMMARY:**

#### **Amendment #2 to the 2020-2021 Annual Action Plan (AAP):**

An award of \$393,539 in HOME Investment Partnership Program (HOME) is funding for the acquisition, predevelopment, and conversion of Evergreen Presbyterian Church and parsonage located at 905 & 925 Cottage Street, NE to affordable housing. The award is available due to unallocated resources remaining in the 2020-2021 HOME formula grant.

The 2020-2025 Consolidated Plan established several community and housing development goals. This project will address the City's efforts to expand affordable housing. The converted church and parsonage will result in the addition of up to 19 affordable housing units.

### **FACTS AND FINDINGS:**

A public notice requesting applications for HOME funding was opened on November 17, 2019. The application period ended on January 6, 2020. An external panel of citizens reviewed and scored the submissions.

On an annual basis, HUD requires at least 15 percent of HOME funds must be set aside for specific activities to be undertaken by a special type of nonprofit called a Community Housing Development Organization (CHDO). DevNW submitted the sole application for funding in the HUD CHDO category.

Should the proposed project result in unspent, uncommitted HOME funds, this Amendment will be revised and presented again to the public and City Council for review and reconsideration.

### **Public Process**

A 5-day comment period of the draft AAP Amendment ended on December 10, 2020. Previously submitted public comments and community input from the zoning application were taken into consideration. Prior to submitting the AAP to HUD, a public hearing and City Council adoption is required.

### **BACKGROUND:**

The City of Salem receives an annual entitlement allocation from HUD for Community Development Block Grant funds (CDBG) and HOME funds to assist low-to-moderate-income households. HUD requires a five-year Consolidated Plan to set goals and prioritize needs that can be helped by CDBG and HOME resources. The goals are ending homelessness, expanding affordable housing and economic development.

In June of 2020, the City submitted an AAP to HUD and received approval for the HOME entitlement funding. Amendments to the approved funding plan are required to follow the same public review process as the original AAP approval.

Shelly Ehenger  
Federal Programs Manager

### **Attachments:**

1. Amendment #2 to 2020 Annual Action Plan