

Legislation Details (With Text)

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In control: Urban Renewal Agency
On agenda: 8/27/2018 **Final action:** 8/27/2018
Title: Funding for purchase of property located at 4075 and 4107 Fisher Road NE
Ward(s): 5
Board Member(s): Ausec
Neighborhood(s): Northgate

Sponsors:**Indexes:****Code sections:****Attachments:** 1. Site Map

Date	Ver.	Action By	Action	Result
8/27/2018	1	Urban Renewal Agency	approved	Pass

TO: Urban Renewal Agency Board
THROUGH: Steve Powers, Executive Director
FROM: Kristin Retherford, Urban Development Director

SUBJECT:

Funding for purchase of property located at 4075 and 4107 Fisher Road NE

Ward(s): 5
Board Member(s): Ausec
Neighborhood(s): Northgate

ISSUE:

Shall the Agency Board authorize the temporary use of \$435,000 of North Gateway Urban Renewal Area funds to increase funding authority for the purchase of properties located at 4075 and 4107 Fisher Road NE?

RECOMMENDATION:

Authorize the temporary use of \$435,000 of North Gateway Urban Renewal Area funds to increase funding authority for the purchase of properties located at 4075 and 4107 Fisher Road NE.

SUMMARY AND BACKGROUND:

On February 12, 2018, the Agency approved the use of \$1.2 million of North Gateway Urban Renewal dollars to be used towards the acquisition of property located at 4075 and 4107 Fisher Road NE, for the purpose of affordable housing.

The Salem Housing Authority (SHA) identified a 19,336 sq./ft. residential building and adjacent 0.58 acre parcel of vacant land as an affordable site to acquire for housing using a “housing first” model. The existing structure will be renovated to increase the number of residential units from 19 to 35. The building will house and offer comprehensive services to residents.

At the time of approval, it was determined the purchase of the land and building would be done through a combination of funds; the Agency would contribute \$1.2 million and the SHA would cover the remainder of the purchase price. Following the authorization by the Agency to move forward with the purchase of property, staff was made aware of available federal funds from the Community Development Block Grant (CDBG) program which the Fisher Road project is eligible to receive with respect to property acquisition. The available CDBG funds total \$425,000. The CDBG funds require specific processes be completed prior to purchasing the property. In order to utilize the CDBG funds for purchase of the property, the SHA would need to purchase the property from the Agency as opposed to a joint purchase.

FACTS AND FINDINGS:

City staff have developed a strategy to integrate the CDBG funds which will achieve Department of Housing and Urban Development (HUD) goals for timely expenditure of CDBG funds and at the same time create savings for the North Gateway Urban Renewal Area (NGURA). The key steps are below:

- The Urban Renewal Agency would be the sole purchaser of 4075 and 4107 Fisher Road NE. The purchase would occur in early September 2018. The Agency had originally authorized \$1.2 million towards property acquisition. The additional \$435,000 being requested would close the purchase gap.
- Following the completion of a required Environmental Assessment, the Agency would sell the 4075 and 4107 Fisher Road NE properties to the SHA. The SHA would purchase the properties from the URA for a total of \$785,000, utilizing funds directly from the SHA as well as the CDBG allocation.

The following table summarizes the transaction:

Agency Purchase Contribution	\$1,635,000
Sale Proceeds from SHA	\$ (785,000)
Net Agency contribution	\$ 850,000

It is expected that the sale of property from the Agency to the SHA would occur in October 2018.

The NGURA adopted budget has sufficient funds and budget authority to authorize the additional \$435,000. The funds would come from \$3,202,000 currently allocated for future, unspecified projects.

Purchase of the property is consistent with the North Gateway Urban Renewal Area Plan Section 601.C.1.S.

Sara Long
Project Manager

Attachments:

1. Site Map