

The makeup and duties of the Community Services and Housing Commission (CSHC) are defined in Salem Revised Code (SRC) 20G. The Commission consists of nine members, including three at-large members from the general public, one representative from the Salem Housing Advisory Committee, two representatives from nonprofit social service organizations, one representative from the United Way of the Mid-Willamette Valley, one at-large member from the City of Keizer, and one representative of for-profit business within the City. The duties and functions of the CSHC are described in SRC 20G.040 and include functioning in an advisory capacity to City Council in matters relating to allocation of federal grant funds under Title I, Housing and Community Development Act of 1974, as amended (CDBG) and Title II, Cranston-Gonzalez National Affordable Housing Act of 1992, as amended (HOME) from the Department of Housing and Urban Development (HUD) and on such other matters related to HUD grant programs as City Council may request.

On September 29, 2018 the City received a Monitoring Report (Report) from HUD identifying potential conflicts of interest relating to the makeup of the CSHC and the CDBG and HOME grant process. The CSHC membership as defined in SRC, includes representation from organizations that have been CDBG and HOME grant recipients. CSHC members have historically declared any potential conflict of interest and recused themselves from scoring and advising on the grant category where they have a conflict. HUD does not consider this to be a sufficient method for dealing with potential conflicts of interest and has identified required corrective action to mitigate real or potential conflicts of interest.

HUD has directed that the City shall insert language in its Policy Manual that prohibits prospective CDBG/HOME applicants from submitting grant applications if applicants have a real or potential conflict of interest as described in 24 CFR 570.611. Additionally, HUD requires that each member of the CSHC certify that during their respective term and for at least one year after their term, the business or non-profit organization that the member works for or manages shall not apply for CDBG or HOME assistance.

Given the SRC requirements for CSHC membership, HUD's direction would preclude the Salem Housing Authority, United Way, and non-profit social services represented on the CSHC from applying for CDBG or HOME funds. Since receiving this direction from HUD, four members of the CSHC have tendered their resignations.

The CSHC is also tasked with making policy recommendations to the Council in five-year strategic plans, in annual plans for specific project budgets, and as needed for project modifications to the plans. A standing board or commission is not needed to provide this input. The City can obtain robust and diverse public input by establishing short-term work groups to support these activities.

Additionally, at the time the CSHC was established, the Homeless Coordinator position that is now housed with the Council of Governments to implement the Mid-Valley Homeless Initiative's strategic plan did not exist. The City partially funds this position which is charged with many of the same duties that are outlined in SRC as duties of the CSHC.

Given the impact that HUD's direction will have on CSHC membership, functions, and duties, the City's ability to obtain needed input outside of a standing board and or commission, and the number of CSHC functions and duties that are now included in the Homeless Coordinator position, the CSHC

should be dissolved.

FACTS AND FINDINGS:

- HUD has identified potential conflicts of interest with CSHC membership and the City's CDBG and HOME grant programs.
- HUD has defined required corrective action that will require changes to the CSHC membership structure and/or its functions and duties.
- The City has received four resignations from CSHC members.
- Many duties of the CSHC are now included in the position description for Homeless Coordinator partially funded by the City and housed within the Mid-Willamette Valley Council of Governments.
- Community input on grant program awards and other matters can be achieved through limited duration ad hoc committees and work groups.
- The City conducted a first reading of the ordinance on December 10, 2018.

Kristin Retherford
Urban Development Director

Attachments:

1. Ordinance No. 23-18.