



Staff Report

File #: 17-161

Version: 1

Date: 4/24/2017

Item #: 4.a.

TO: Mayor and City Council
THROUGH: Steve Powers, City Manager
FROM: Kristin Retherford, Urban Development Director

SUBJECT:

2017-2018 Housing and Community Development Annual Action Plan

Ward(s): All Wards
Councilor(s): All Councilors
Neighborhood(s): All Neighborhoods

ISSUE:

Shall City Council adopt the 2017-2018 Housing and Community Development Annual Action Plan following a public hearing on the matter and direct staff to submit the Plan to the U.S. Department of Housing and Urban Development before May 15, 2017?

RECOMMENDATION:

Adopt the 2017-2018 Housing and Community Development Annual Action Plan (Plan) (Attachment 1) following a public hearing on the matter and direct staff to submit the Plan to the U.S. Department of Housing and Urban Development before May 15, 2017.

SUMMARY AND BACKGROUND:

The Plan anticipates total revenue of \$1,486,680 for the CDBG Program, and \$1,039,910 in HOME Funds.

The 2017-2018 Housing and Community Development Annual Plan guides the use of Community Development Block Grant (CDBG) and HOME Investment Partnership Funds to assist low-moderate income households. The U.S. Department of Housing and Urban Development (HUD) requires communities to complete a five year Consolidated Plan to identify priority needs for CDBG and HOME allocations. For the 2015-2019 Consolidated Plan, the City must also submit an Annual Action Plan (Plan) to be eligible to receive CDBG and HOME funds. The Plan constitutes an annual program budget identifying all resources and proposed expenditures of the CDBG and HOME programs and other federal funds administered by HUD.

HUD requires a 45-day period following their receipt of the Plan before issuing a release and approval to expend funds. To be eligible to expend funds on or near July 1, 2017, the City must transmit its adopted Plan to HUD by May 15, 2017.

FACTS AND FINDINGS:

Action Plan Development Process

Applications for CDBG and HOME funds were solicited in the fall of 2016, with all applications due by December 12, 2016. In January and February all applications were provided to the Salem Urban Development, Community Services and Housing Commission (CSHC) to review and make 2017-2018 CDBG and HOME funding recommendations to City Council and the Budget Committee. CSHC held a series of meetings to evaluate all applications and take public comment.

Goals and Funding

The City of Salem is an entitlement city receiving an annual allocation from HUD for both CDBG and HOME funds. Through a consortium established between the cities of Salem and Keizer in 1993, Keizer also participates in the use of HOME funds. In addition to the annual entitlements, program funding includes projected program income (i.e., the repayment of loans), reallocation of funds from canceled projects, and past project funding reductions.

Consolidated Plan/Annual Plan	2017-2018 Funding
• Goal 1: Promote Economic Development	\$ 322,585
• Goal 2: End Homelessness	\$ 474,765
• Goal 3: Expand Affordable Housing	\$1,372,710
• Administration	\$ 356,530

Organizations, Programs, and Projects

The 2017-2018 proposed funding awards address the goals and general priorities in the 2015-2019 Consolidated Plan.

For Goal 1 Economic Development to promote job creation:

• MERIT-Microenterprise Development	\$ 104,800
• Interface-Microenterprise Development	\$ 67,785
• Garten Services-Facility Modernization Phase II	\$ 150,000

For Goal 2 End Homelessness to provide homeless case management, interim housing assistance, case management for victims of domestic violence and human trafficking, rental assistance to families that are homeless, and veterans transitional housing rehabilitation:

- Center for Hope and Safety - Case Management
\$ 88,000
- Congregations Helping People - Interim Housing Assistance
\$ 50,230
- Salem Interfaith Hospitality Network - Homeless Case Management
\$ 62,000
- Salem Interfaith Hospitality Network-Rental Assistance \$ 200,000
- Westcare- Transitional Housing Rehabilitation \$ 74,535

For Goal 3 Affordable Housing to rehabilitate affordable rental units for seniors, convert multi-family affordable units, reconstruct multi-family affordable units, provide operating assistance, construct new multi-family affordable units, and provide one-time security deposit assistance:

- Catholic Community Services Foundation- Operating \$ 30,000
- Catholic Community Services Foundation- Reconstruction \$ 191,770
- Jason Lee Manor- Rehabilitation \$ 148,200
- Salem Housing Authority - Security Deposits \$ 90,000
- SHA -Conversions \$ 612,740
- Mt. West Community Resource Trust- New Construction \$ 300,000

Public Process

HUD regulations require an advertised minimum 30-day period for the public to comment on the draft Plan. The 30-day comment period for the 2017-2018 Annual Action Plan ended on April 14, 2017, at 5:00 pm. Comments and staff responses are in Attachment 2.

A public hearing is required prior to submitting the Plan to HUD. This will allow for Council deliberations on April 24, 2017, and submission to HUD by May 15, 2017, for the 2017-2018 funds to be available at the beginning of the program year, on or near July 1, 2017.

Kristin Retherford
Urban Development Director

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Attachments:

1. 2017-2018 Housing and Community Development Annual Action Plan
2. Comments and Responses

4/03/2017