



## Staff Report

**File #:** 18-197  
**Version:** 1

**Date:** 5/14/2018  
**Item #:** 4.b.

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

### **SUBJECT:**

2018-2019 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 2018-2019 Housing and Community Development 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?

### **RECOMMENDATION:**

Adopt the 2018-2019 Housing and Community Development 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.

### **SUMMARY AND BACKGROUND:**

The City of Salem receives an annual entitlement allocation from the U.S. Department of Housing and Urban Development (HUD) for Community Development Block Grant funds (CDBG) and HOME Investment Partnership Program funds (HOME) 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. The goals are economic development, ending homelessness, and expanding affordable housing. With annual entitlements, repayment of loans, reallocation of funds from canceled projects, and previously unallocated funds, the AAP includes \$1,951,099 in CDBG and **\$1,402,107** in HOME.

The City must submit an AAP to be eligible to receive CDBG and HOME funds (Attachment 1). The AAP identifies all resources and proposed expenditures of the CDBG and HOME funds and other federal funds administered by HUD. Also required is an Amendment for prior program years to request changes in the allocation of previously awarded CDBG and HOME funds.

Applications for CDBG and HOME funds were solicited by the City in December of 2017. Applications were due by January 5, 2018. In February, all applications were provided to the Community Services and Housing Commission (CSHC) to review and score. CSHC held publicly announced meetings to evaluate all applications. CSHC's 2018-2019 CDBG and HOME funding recommendations for the AAP are provided in Facts and Findings.

Subsequent to CSHC funding recommendations, HUD formally announced the 2018-2019 entitlement allocations. HOME is receiving an additional \$190,000 and CDBG \$66,400 for programs and projects. In making funding recommendations, the CSHC did not fully fund many grant requests due to funding limitations, and recommended making grant awards whole if the City received additional funding. With Council direction, regarding the desired use of funding, final modifications will be made to the AAP before submittal to HUD.

## FACTS AND FINDINGS

The 2018-2019 proposed projects address the priorities identified in the 2015-2019 Consolidated Plan. Several of the recommended projects also address goals in the City's Strategic Plan and the Mid-Willamette Homeless Initiative. Staff will begin work to further align the 2015-2019 Consolidated Plan with the City's Strategic Plan prior to next year's application cycle.

### Consolidated Plan/Annual Plan (AAP) 2018-2019 Funding

- |  |             |
|--|-------------|
| • Goal 1: Promote Economic Development | \$ 359,060  |
| • Goal 2: End Homelessness             | \$ 770,950  |
| • Goal 3: Expand Affordable Housing    | \$1,550,530 |
| • Administration                       | \$ 414,454  |

#### **Goal 1: Promote Economic Development** **\$ 359,060**

Microenterprise training programs, a vocational workforce initiative, and a facility modernization project that will create jobs.

- |  |            |
|--|------------|
| • MERIT-Microenterprise Development                | \$ 89,845  |
| • Interface-Microenterprise Development            | \$ 67,785  |
| • Garten Services-Facility Modernization Phase III | \$ 150,000 |

- Marion Polk Food Share - Vocational Workforce Initiative \$ 51,430

**Goal 2: End Homelessness**

**\$ 770,950**

Homeless case management, interim housing assistance (subsistence payments), and case management for victims of domestic violence and human trafficking. Additional program activities include a homeless day center with one-stop access to services, providing tenant based rental assistance to families that are homeless, and window replacement at a domestic violence assistance facility.

- ARCHES - Day Center Rehabilitation \$ 282,500
- Center for Hope and Safety - Case Mgmt. \$ 81,900
- Center for Hope and Safety - Window Replacement \$ 87,550
- Congregations Helping People - Subsistence Payments \$ 51,500
- Salem Interfaith Hospitality Network - Case Mgmt. \$ 67,500
- Salem Interfaith Hospitality Network - Rental Assistance \$ 200,000

**Goal 3: Expand Affordable Housing**

**\$1,550,530**

Rehabilitation of multi-family affordable units, new construction of multi-family affordable units, and one-time security deposit assistance.

- Salem Housing Authority - Security Deposits \$ 90,000
- Salem Housing Authority - Yaquina Hall Rehabilitation \$ 975,000
  - 50 Units; 1 bedroom
- Willamette Neighborhood Housing Services \$ 485,530
  - New Construction - 40 Units; 20 (2bd) and 20 (3bd)

**Public Process**

A 30-day comment period of the draft AAP ended on April 20, 2018. The public comments and responses are included as Attachment A in the AAP. Prior to submitting the AAP to HUD, a public hearing and City Council adoption is required. Salem and Keizer are in a consortium established in 1993. The City of Keizer held a public hearing on April 16, 2018.

Shelly Ehenger  
Federal Programs Manager

Attachments:

1. 2018-2019 Housing and Community Development Annual Action Plan
2. Amendments to 2014, 2015, 2016, 2017 Action Plans