

## Staff Report

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**File #:** 19-117**Version:** 1**Date:** 3/11/2019**Item #:**

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**TO:** Urban Renewal Agency Board

**THROUGH:** Steve Powers, Executive Director

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

**SUBJECT:**

Grant amendment to support renovations at the Mid-Willamette Valley Community Action Agency Arches building.

Ward(s): Ward 1

Board Member(s): Kaser

Neighborhood(s): CANDO

Result Area(s): Welcoming and Livable Community. Safe Community

**ISSUE:**

Shall the Agency Board authorize the Executive Director to execute the attached First Amendment to a grant between the Mid-Willamette Valley Community Action Agency and the Urban Renewal Agency for a total not to exceed \$1,100,000?

**RECOMMENDATION:**

Authorize the Executive Director to execute the attached First Amendment (Attachment A) to a grant between the Mid-Willamette Valley Community Action Agency and the Urban Renewal Agency for total not to exceed \$1,100,000.

**SUMMARY:**

In March 2019 the Mid-Willamette Valley Community Action Agency (MWVCAA) is scheduled to award the combined construction contract for day room space renovations and renovations for a future sobering center. Because funding necessary to operate the sobering center is not anticipated by March, staff is recommending an Oregon Health Authority grant received by the City for capital costs for the sobering center be returned and that sobering center capital costs be paid for through an amended urban renewal grant.

The day room is a critical, first component of the City's partnership with non-profit agencies to implement recommendations from the Downtown Homeless Solutions Task Force. The larger grant

will accommodate increased day room project costs due to design and environmental considerations and construction cost inflation. By including the sobering center capital costs in the grant, efforts to start the sobering center can continue. If operating a sobering center is financially unattainable for the City, the renovated space can be used for programs to assist the homeless.

## **FACTS AND FINDINGS:**

Capital costs for the sobering center portion of the renovation project were estimated at \$508,000. The Oregon Healthy Authority (OHA) has provided a grant for \$330,000 to fund these improvements, with the balance of funding approved from the urban renewal grant.

The first amendment, including exemption from grant program criteria, will allow the Executive Director to execute a grant commitment of up to \$1,100,000 to fund the day room and sobering center capital costs.

## **BACKGROUND:**

December 10, 2018, the Urban Renewal Agency Board approved an exception to the Riverfront-Downtown Urban Renewal Area (RDURA) Grant Program to allow a grant to the MWVCAA to support renovation of space for use as a future sobering center. The grant award was up to \$300,000, within the approval authority of the Urban Development Director.

The sobering center renovation project is to be constructed in conjunction with a day room. The Department of Housing and Urban Development (HUD) approved the day room and the sobering center improvements collectively as one project.

Section 1110 of the RDURA Plan was added by amendment on November 26, 2018, to include projects to address homelessness and the support goals and actions of the Salem Strategic Plan, including construction of a sobering center.

All grants are conditioned upon confirmation of financial feasibility, final construction costs, qualified contractor, and meeting all of the City of Salem's building requirements

Kristin Retherford  
Urban Development Director

## **Attachments:**

1. Amended Grant Agreement