



Staff Report

File #: 23-323
Version: 1

Date: 9/11/2023
Item #: 4.a.

TO: Mayor and City Council
THROUGH: Keith Stahley, City Manager
FROM: Kristin Retherford, Community and Urban Development Director

SUBJECT:

Substantial Amendment #3 to the 2021 Annual Action Plan (AAP) for CDBG
Substantial Amendment #2 to the 2022 Annual Action Plan (AAP) for CDBG
Substantial Amendment #1 to the 2023 Annual Action Plan (AAP) for CDBG

Ward(s): All Wards
Councilor(s): All Councilors
Neighborhood(s): All Neighborhoods
Result Area(s): Good Governance; Safe and Healthy Community; Welcoming and Livable Community

SUMMARY:

The City of Salem annually receives HOME Investment Partnership Program (HOME) and Community Development Block Grant (CDBG) program funds from the Department of Housing and Urban Development (HUD). The Annual Action Plan (AAP) is a component of a five-year Consolidated Plan that specifically describes how Salem will spend these federal resources for activities serving low-and moderate-income households, the houseless, and persons with special needs. The Consolidated Plan <https://www.cityofsalem.net/citydocuments/federal-programs-consolidated-plan-2020-2024.pdf> was adopted June 2020 and spans the years 2020-2024. Whenever there is a proposed change of \$50,000 or more, the Citizen Participation Plan requires a substantial amendment process, and a public hearing is required.

ISSUE:

Shall City Council adopt Substantial Amendment #3 of the 2021 Annual Action Plan (AAP), Substantial Amendment #2 of the 2022 Annual Action Plan (AAP), and Substantial Amendment #1 of the 2023 Annual Action Plan (AAP), and direct staff to submit the required forms to the U.S. Department of Housing and Urban Development.

RECOMMENDATION:

Adopt Substantial Amendment #3 of the 2021 Annual Action Plan (AAP), Substantial Amendment #2 of the 2022 Annual Action Plan (AAP), and Substantial Amendment #1 of the 2023 Annual Action Plan (AAP), and direct staff to submit the required forms to the U.S. Department of Housing and Urban Development.

FACTS AND FINDINGS:

Opportunity for Citizen Involvement

HUD requires a 30-day public comment period prior to a public hearing and City Council adoption of the AAP. The City published notice of the hearing in the Statesman Journal on August 8, 2023. The comment period ending on September 8, 2023. No comments were received prior to tonight's public hearing. The notice was available on the City of Salem website and distributed via email to community stakeholders. Public copies were available at the Salem Public Library, 50 + Center and at the Community and Urban Development Agency.

- Substantial Amendment #3 to 2021 Annual Action Plan cancels an award to a WestCare (rehabilitation project) in the amount of \$130,716, for non-responsiveness. The grant awardee was unresponsive to multiple attempts to contact them by City staff.
- Substantial Amendment #2 to 2022 Annual Action Plan cancels an award to IS Living Fisher/Sizemore Apartments rehabilitation in the amount of \$300,000, (Program Year 2022) plus \$138,880 (unspent from prior year's awards) for insufficient documentation. The grant awardee was unable to meet HUD requirements for documentation and opted not to pursue the award.
- Substantial Amendment #1 to 2023 Annual Action Plan adds \$569,596 to the City's land acquisition for low to moderate-income housing for a total project award of \$2,241,816.

BACKGROUND:

All awardees who have deductions have been notified of the proposed amendments. For administrative efficiency, amendments are encapsulated in one change to the 2023 AAP.

Tiffany Ottis
Federal Programs Manager

Attachments:

1. Draft Annual Action Plan (AAP)