

DRAFT-2023
Annual
Action Plan

2023 Annual
Action Plan

DRAFT FOR PUBLIC REVIEW

Public Review Period:
March 10- April 10, 2023

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of Salem is an entitlement community under Title 1 of the Housing and Community Development Act of 1974. Entitlement communities are eligible to receive federal funds annually from the U S Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG) Program and Home Investment Partnership Act (HOME).

This Annual Action Plan (AAP) describes various housing and community development activities for the federal program year (PY) beginning July 1, 2023 and ending June 30, 2024 (City of Salem Fiscal Year 2024). This is the fourth year of activities designed to address community needs described in the 2020-2024 Consolidated Plan.

A total of approximately **\$2.2 million** in entitlement and estimated program income is proposed for allocation to for profit and nonprofit partners. For PY 2023 this estimate includes program income, actual entitlement award, reallocation of funds from canceled projects and past unallocated resources.

2. Summarize the objectives and outcomes identified in the Plan

The goals of the CDBG and HOME programs are to provide decent housing, a suitable living environment for the cities' low- and moderate-income residents, and economic opportunities for low moderate-income residents. The Cities strive to accomplish these goals by maximizing and effectively utilizing all available funding resources to conduct housing and community development activities. These goals are further explained as follows:

- Providing decent housing means helping homeless persons obtain appropriate housing and assisting those at risk of homelessness; preserving the affordable housing stock; increasing availability of permanent housing that is affordable to low- and moderate-income persons without discrimination; and increasing the supply of supportive housing.
- Providing a suitable living environment improving the safety and livability of neighborhoods; increasing access to quality facilities and services; and reducing the isolation of income groups within an area through integration of low-income housing opportunities.
- Expanding economic opportunities involves creating jobs that are accessible to low- and moderate-income persons; making down payment and closing cost assistance available for low- and moderate-

income persons; promoting long term economic and social viability; and empowering low-income persons to achieve self-sufficiency.

Please refer to sections AP-35 and AP-38 for detailed information on specific activities.

3. Evaluation of past performance

The City of Salem's evaluation of its past performance has been completed in a thorough Consolidated Annual Performance and Evaluation Report (CAPER). These documents state the objectives and outcomes identified in each year's Annual Action Plan and include an evaluation of past performance through measurable goals and objectives compared to actual performance. These documents can be found on the City of Salem's website at:

<https://www.cityofsalem.net/community/household/financial-assistance-grants/apply-for-federal-grants>

The City of Salem has been successful in allocating the CDBG and HOME for eligible program activities. The City's goals included (1) End Homelessness, (2) Expand Affordable Housing, and (3) Promote Economic Development. The following activities were taken to meet the goals:

- DevNW: Community Housing Development Organization (CHDO) operating support
- DevNW: Macleay CLT, down payment assistance
- Applegate Landing LLC: Applegate Terrace Apartments
- City of Salem: Land acquisition
- Marion Polk Food Share: Meals on Wheels
- St. Francis Shelter: Case management
- Women at the Well: Case management

4. Summary of Citizen Participation Process and consultation process

The Citizen Participation Plan (CPP) provides for, and encourages, citizens to participate in the planning, development, implementation, and evaluation of proposed plans and programs. The CPP focuses on public involvement in the process of developing the Consolidated Plan (ConPlan), Annual Action Plan, and the Consolidated Annual Performance and Evaluation Report (CAPER). Substantial amendments to the Consolidated Plan and the Annual Action Plan go before citizens for evaluation and comments prior to City Council approval.

Every program year there are multiple opportunities for the public to provide comment in writing or during public meetings to the City's leadership (Mayor, City Manager, and Department Directors) and staff. Comments are considered and addressed, as needed.

Recent public input gathered by the city include *Our Salem Planning for Growth, Salem Climate Action Plan* <https://www.cityofsalem.net/home/showpublisheddocument/5142/637969534610430000>, and the **2022 Community Satisfaction Survey** provide examples of citizen participation in the development of this plan. Since 2016, the city has with intentionality, garnered public input through an annual Community Satisfaction Survey. The survey informs citywide policies, plans and budget. The 2022 Community Satisfaction Survey <https://www.cityofsalem.net/home/showpublisheddocument/17938/638042855999540623> identified homelessness as the top concern, at 57%, for Salem residents. Addressing homelessness is a goal in the Consolidated Plan.

Pre-COVID, public meetings were held at times convenient to potential and actual beneficiaries in locations that meet American with Disabilities Act (ADA) accessibility standards. During COVID, the City's YouTube Channel <https://www.youtube.com/user/CITYOFSALEM>, CCTV and website <https://www.cityofsalem.net> provide the public opportunity to review documents in two primary languages (English and Spanish). With notice, prior to any public meeting, the City can provide the following services: an interpreter and audio equipment for the hearing impaired, a reader to review printed materials with the sight impaired; and a foreign language interpreter for non-English speaking residents.

In person meetings resumed: On January 9, 2023, the Salem City Council resumed meetings in-person in the City Council Chambers at the Salem Civic Center, 555 Liberty Street SE, second floor. Citizens still have the option to participate remotely or in person.

This draft AAP was publicized and made available for public comment for a 30-day public comment period beginning March 10, 2023. The document was made available in paper form in the City's Library at the Information Desk and a link emailed to the Continuum of Care (CoC), National Association for the Advancement of Colored People (NAACP), City of Salem Human Rights Commission members, Community Action Agency (CAA), Salvation Army, St. Francis Shelter, United Way, Women at the Well, Family Promise, Mano A Mano, Seed of Faith Ministry and Union Gospel Mission for sharing with their members and other interested partners.

The Salem City Council held a public hearing on the proposed activities April 10, 2023. The public hearing was announced on the City's website and on the public agenda. The hearing was opened and provided an opportunity for citizens/interested parties to comment on the proposed plan. No comments were received from the public during the 30-day review period or during the public hearing.

5. Summary of public comments

Comments from the public will be reviewed and considered. Comments and responses will be attached as an addendum to the final document.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments from the public will be reviewed and considered. Comments and responses will be attached as an addendum to the final document.

7. Summary

The City of Salem will coordinate Annual Action Plan funds with other community initiatives and funding sources including General Fund; Low Income Housing Tax Credits (LIHTC), New Market Tax Credits (NMTC), Urban Renewal Areas (URA) and public housing Project Based Vouchers (PBV). The combination of efforts will result in the provision of human services, affordable housing, and community and economic development for the citizens of Salem. How each resource is used depends upon the various restrictions and regulations covering the funds.

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PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administration, Monitoring and Compliance	City of Salem	Community and Urban Development
HOME Administration, Monitoring and Compliance	City of Salem	Community and Urban Development

Table 1 – Responsible Agencies

Narrative (optional)

The City's Federal Programs activity is within the Community and Urban Development Department's Financial Services. Two program managers are responsible for the development of the Consolidated Plan, the Annual Action Plans, the CAPER, and the Assessment of Fair Housing.

Activities and programs funded by both CDBG, HOME and General Fund are carried out in cooperation with several partners: community based non-profit organizations, for-profit organizations, faith-based groups, private developers, and other City and State agencies and departments.

Consolidated Plan Public Contact Information

Community and Urban Development Department staff hours are Monday–Friday from 8:00 a.m.–5:00 p.m. The mailing address is 350 Commercial ST NE, Salem, OR 97301. The staff can be reached via email or by calling 503-588-6178 or TTY/TDD: 503-588-6370. Federal program policies, plans, mailing list and other information can be found at: <https://www.cityofsalem.net/community/household/financial-assistance-grants/apply-for-federal-grants>.

AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

The Federal Programs staff conducted outreach to peer entitlement community agencies, service providers, City departments, state partners and community leaders as part of the consultation process. From the sharing of ideas, reviewing planned activities, and discussing opportunities to coordinate efforts, this input was invaluable to the development of this year's AAP. Due to the ongoing COVID-19 variants outreach was conducted both virtually and in person.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health

The Housing Authority of the City of Salem (SHA) and West Valley Housing Authority are the public housing organizations within the jurisdiction. The Federal Programs staff coordinated with both PHAs in the development and sustaining of public housing assets. As the responsible entity, the City conducts environmental reviews, review each PHAs five-year plan and coordinate housing activities to meet community needs. The Community and Urban Development Director is supervisor of SHA. The Housing Administrator at SHA is part of the Urban and Development management structure and meets weekly to discuss joint priorities and programs.

The City has longstanding relationships with both affordable housing service providers and developers. Throughout the year, developers and property management companies regularly engage federal programs staff in discussing their needs and how the City can assist in expanding affordable housing. City Planning Department staff provide information to potential developers looking to financing housing construction for low to moderate income households. The federal programs staff work with transitional shelter organizations, persons seeking housing, and homeless advocates to discuss priorities and various funding streams available.

The City of Salem continue to monitor projects that received both City of Salem federal funds and State of Oregon funding (LIFT, LIHTC, and Section 8 Housing Assistance Program). This coordination is a streamlining effort to reduce the burden of entry for tenants occupying funded units, and to reduce the administrative burden of monitoring on the City of Salem and the State of Oregon.

Kaiser Permanent and Salem Health are partners in CDBG/HOME funded programs.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Mid-Willamette Valley Homeless Alliance is the regional Continuum of Care (CoC) organization. Board members with voting rights include City of Salem Mayor Chris Hoy and Councilor Deanna Gwyn. The board includes private, governmental, health (physical & mental), and human service agencies. The CoC governing body host monthly public meetings. Subcommittees meet on a regular basis to data gather and share service efforts to address homelessness. City staff participate in monthly meeting activities.

In July 2021 the CoC adopted a strategic plan. The plan includes increase all types of housing opportunities, align systems to improve service delivery and address mental health assistance. The plan can be found: <https://mwwhomelessalliance.org/wp-content/uploads/2021/07/MWVHA-Strategic-Plan-FINAL-BOARD-APPROVED-7.8.21-1-1.pdf>. Some of the efforts overlap needs in the 2020-2024 Consolidated Plan and are being addressed in this AAP.

Several past and current City funded projects are active members with the CoC. They include:

<u>Organization</u>	<u>CDBG/HOME Program Name</u>
• Family Promise	HOME TBRA – Homeless Families
• Mano A Mano	Rental Assistance – Homeless Prevention
• ARCHES	TBRA, Warming Shelter, Youth Homeless Shelter
• Northwest Human Services	Homeless Youth Shelter, Rental Assistance
• Seed of Faith	Transitional Housing, Food Pantry and Homeless Services
• St. Francis Shelter	Transitional Housing for Homeless Families
• Westcare / VetCare	Transitional Housing Shelter with Wraparound Services
• Salem Housing Authority	Expand Affordable Housing, HOME TBRA

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

Mid-Willamette Valley Community Action Agency (MWVCAA) administers the ESG funds. The City and MWVCAA collaborate on several projects to ensure that the ESG resources align with previously mentioned community efforts to address homelessness. These community efforts include warming shelter, day resource center, tenant-based rent assistance, and homelessness prevention.

The CoC agencies with HMIS data sharing with past and current HOME/CDBG include:

Organization	CDBG/HOME Program Name	HMIS
• Family Promise	HOME TBRA – Homeless Families	Yes
• Mano A Mano	Rental Assistance – Homeless Prevention	Yes
• ARCHES	TBRA, Warming Shelter, Youth Homeless Shelter	Yes
• Northwest Human Services	Homeless Youth Shelter, Rental Assistance	Yes
• Seed of Faith	Transitional Housing, Food Pantry and Services	Yes
• St. Francis Shelter	Transitional Housing for Homeless Families	Yes
• Westcare / VetCare	Transitional Housing Shelter with Services	Yes
• Salem Housing Authority	Expand Affordable Housing, HOME TBRA	Yes

2. Describe Agencies, groups, organizations, and others who participated in the process and describe the jurisdiction’s consultations with housing, social service agencies and other entities

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Agency/Group/Organization	Salem Interfaith Hospitality Network Db a Family Promise of Mid-Willamette Valley
Agency/Group/Organization Type	Services-homeless Other government - Local
What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Family Promise is completing a tenant based rental assistance program for homeless families. They also provide case management. Family Promise was consulted regarding a desire to develop additional affordable housing and after consultation, they declined to apply.
Agency/Group/Organization	Northwest Human Services
Agency/Group/Organization Type	Services - Housing Services-Children Services-Persons with Disabilities Services-Homeless Services-Education
What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Homelessness Strategy
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Resources for public services, crisis hotline and mental health hotline. The HOST program provides homeless case management services to youth.
Agency/Group/Organization	Salem Housing Authority
Agency/Group/Organization Type	PHA
What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs

Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Development of affordable rental housing and outreach services for persons who are houseless. SHA works with Federal Programs staff in review of plans, updates regarding the Housing Authority properties and programs, and in consultation with Federal Programs as needed about overlaying of funding sources and the outcome regarding income and rent restrictions. The City reviewed SHAs Annual and Five-year Plan to ensure consistency with the Consolidated Plan. SHA recently completed funding for a security deposit program and is in current development of two LMI properties.
Agency/Group/Organization	Marion Polk Food Share
Agency/Group/Organization Type	Regional organization
What section of the Plan was addressed by Consultation?	Anti-poverty Strategy
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Marion Polk Food Share has been awarded funding for the purchase of emergency food resources through General Fund and CDBG dollars dedicated to public services.
Agency/Group/Organization	St. Francis Shelter
Agency/Group/Organization Type	Services - Housing Services-Children Services-Victims of Domestic Violence Services-homeless Housing Need Assessment
What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Strategy Anti-poverty Strategy

Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	St. Francis Shelter has been diligently assigning tenant based rental assistance (TBRA) to eligible families-and newly awarded CDBG for case management.
Agency/Group/Organization	Center for Hope and Safety
Agency/Group/Organization Type	Services - Housing Services-Children Services-Victims of Domestic Violence Services-Homeless Housing Need Assessment
What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Families with children Non-Homeless Special Needs Anti-poverty Strategy
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Center for Hope and Safety has been awarded funding for case management that will be provided to victims of domestic violence, human trafficking, and stalking. Resources regarding expansion of affordable housing was also awarded previous years and construction has begun.
Agency/Group/Organization	Women at the Well
Agency/Group/Organization Type	Services-homeless
What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homelessness Strategy Anti-poverty Strategy
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Women at the Well Grace House has been awarded funding for case management that will be provided to single women with no dependents.
Agency/Group/Organization	DevNW

Agency/Group/Organization Type	Housing Community Development Financial Institution
What section of the Plan was addressed by Consultation?	Homelessness Strategy Economic Development Anti-poverty Strategy
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Understanding of housing needs for low to moderate income persons wishing to build equity through single family homeownership. Tools that can be used to maintain affordability. Past award for new building, rehabilitation and newly awarded funds for down payment assistance will be available.
Agency/Group/Organization	Mid-Willamette Valley Continuum of Care
Agency/Group/Organization Type	Regional organization Planning organization
What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Anti-poverty Strategy
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City leadership attend monthly governing body meetings. During the meetings information is shared and action taken. Federal Programs staff participate in CoC meetings and provide input.
Agency/Group/Organization	Mid-Willamette Community Action Agency

Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Services - Victims Regional organization
What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Mid-Willamette Valley Community Action Agency applied for tenant-based rent assistance, warming network, youth case management and expanding childcare services. The childcare project will be a rehabilitation of a childcare center and a new activity for the city.
Agency/Group/Organization	Seed of Faith Ministries

Agency/Group/Organization Type	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Anti-poverty Strategy
What section of the Plan was addressed by Consultation?	Homelessness Strategy Anti-poverty Strategy
Agency/Group/Organization	Applegate Landing LLC
Agency/Group/Organization Type	For Profit Housing Developer
What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Homelessness Needs - Veterans
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Multifamily housing developer. HOME funds will assist in the securing of additional affordable housing units for Veterans with a compliance period of 20 years.

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

A wide range of affordable housing agencies, social service agencies, economic development partners, and others were consulted during this AAP process. Many opted to not apply for funds or were not able to meet federal compliance requirements. Staff will continue to educate, encourage, and provide technical assistance to agencies.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care – 2021 Strategic Plan	Mid-Willamette Homeless Alliance	The Mid-Willamette Homeless Initiative Strategic Plan contains a shared vision with a regional approach. As the City of Salem was actively engaged in the Initiative, the City will work collaboratively with the other partners in the Initiative to move the goals in the strategic plan forward. The strategies address affordable housing, transportation, addictions and mental health, veterans, domestic violence, runaway and homeless youth, and seniors.
Community Economic Development Strategy	Mid-Willamette Council of Governments	The CEDS report contains a shared vision for increased economic opportunities for low to moderate income families. Some of the shared goals include increasing capital for microenterprises, continued development of job creation activities, and increased financial capacity of existing companies to continue adding living wage jobs.
City of Salem Climate Action Plan	City of Salem	Housing near public transportation network, healthy local food system, protection of natural resources and accessible and affordable resources for all residents.
Statewide Housing Plan	Oregon Housing and Community Services	The plan includes reliable data that will allow decision makers to consider impacts and alternatives to funding affordable housing.
Our Salem: Planning for Growth	City of Salem	Updates to the Comprehensive Plan which guides development in Salem.

Table 3 – Other local / regional / federal planning efforts

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal setting

The Citizen Participation Plan (CPP) provides for and encourages public participation and consultation, emphasizing involvement by residents and the organizations and agencies that serve low and moderate income (LMI) persons in the planning and implementation of community development and housing programs. The CPP establishes the policies and procedures by which citizens of the City of Salem, public agencies, and other interested parties can actively participate in the development of the Consolidated Plan, Annual Action Plan (AAP), Substantial Amendments, and the Consolidated Annual Performance and Evaluation Report (CAPER). This includes citizen involvement in identifying needs; setting priorities among these needs; deciding how much money should be allocated to each high-priority need; suggesting the types of programs to meet high-priority needs; and overseeing the way in which programs are carried out.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Internet and Emails	City Council, City Departments, Neighborhood Associations, Current/Past Subrecipients, General Public, Persons on City's various email distribution lists	On October 12, 2022, a public notice was emailed to stakeholders. The notice was also posted to the City's website, Facebook Page.	Inquiries regarding the process and eligible activities from potential applicants	Not Applicable	https://www.cityofsalem.net/community/household/financial-assistance-grants/apply-for-federal-grants
2	Press Release	Local Media Outlets	Press notification was disseminated by the City's Communications Team.	Not Applicable	Not Applicable	https://www.cityofsalem.net/Home/Components/News/News/443/15
3	Virtual / Internet	Non- targeted/ broad community	Two virtual and two in-person application workshops were held to assist potential applicants and answer questions regarding priorities and process.	Individual organizations reached out for one-on-one consultations	Consultations were held with Federal Programs staff	Fri., Oct. 21, 2022, at 9-11 a.m. In person Fri., Oct. 21, 2022, at 1-3 p.m. Zoom Tues., Nov. 1, 2022, at 9-11 a.m. Zoom Tues., Nov.1, 2022, at 1-3 p.m. In person

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Newspaper Ad / City Website / Emails	Non-targeted/broad community	The draft AAP Public Notice was posted in the Statesman Journal for the 30-day comment period. Additionally, the draft document was posted on the City's website and emailed to stakeholders on the various distribution lists.	TBD	TBD	
5	Public Hearing	Non-targeted/broad community	Public Hearing schedule for April 10, 2023.	TBD	TBD	
6	Public Meeting Directed emails	African American, Latino, Pacific Islander Community	Public Hearing schedule for April 10, 2023.	No comments regarding the opening of the application portal and eligible activities.	N/A	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

Congress approved the FFY 2023 budget and for the CDBG/HOME program year the City's allocation is \$1,448,576 for CDBG and \$743,055 for HOME program activities. The City anticipates receipting program income from both programs and using prior year resources that are unallocated. Total amount available is CDBG \$2,209,440 and HOME \$1,049,945.

Community Development Block Grant (CDBG)

The CDBG entitlement program, established in 1974 and administered by HUD, provides metropolitan cities and urban counties with funds to assist in the efforts of providing decent housing, neighborhood revitalization, economic development, as well as the prevention and elimination of slums and blight, and assistance to low- and moderate-income persons. In conjunction with the entitlement allocations, the City, as it is able, will contribute General Fund dollars for various social service programs. The General Funds will be allocated to support individuals and families in need of essential services such as food, shelter, health care, etc. The CDBG social service allocation works in conjunction with the General Funds towards meeting the same goals.

Eligible CDBG activities include but are not limited to:

- Economic Development-Microenterprise, special economic development, financial assistance
- Public Services-Job training and employment, health care, and substance abuse services
- Community Facilities-Rehabilitation, construction, or acquisition of neighborhood facilities
- Community Revitalization-Removal of slums and blight
- Housing-Rehabilitation for residential purposes, lead-based paint testing, and mitigation

HOME Investment Partnerships

The HOME program addresses a variety of activities such as acquisition, rehabilitation, new construction, tenant-based rental assistance, and homebuyer assistance aimed at developing and providing affordable housing for low- and moderate-income persons.

Eligible HOME activities include:

- Housing- Homebuyer activities and homeowner rehabilitation
- Tenant-Based Rental Assistance- Rental Assistance, Utility Assistance, and Security

Deposits

- Rental Housing Activities- New construction, rehabilitation, site improvement, among others

Program Income, reallocation of funds from canceled projects, and past project funding reduction will supplement the entitlement funds received by the City to complete projects. Program Income is an additional source of funds generated in whole or in part by repayment of CDBG, Neighborhood Stabilization Program (NSP) or HOME loan funds.

The Anticipated Resources Matrix provided in this document summaries the expected amount of federal entitlement resources and program income available for Program Year 2023 (Year 4 of the 2020-2024 Consolidated Plan). It includes a list of available eligible activities from the HUD’s planning system known as IDIS (Integrated Disbursement and Information System).

Anticipated Resources

Program	Source of Funds	Uses of Funds	Total Available
CDBG	public - federal	Acquisition Admin and Planning Housing Public Improvements Public Services	\$2,209,440
HOME	public - federal	Acquisition Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for homeownership TBRA	\$1,049,945

Table 5 - Expected Resources – Priority Table

Total available include prior year resources and program income.

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Sources of match can be cash, donated land or real property, infrastructures improvements, bonds issued by state or local government, donated materials, equipment, or professional services, sweat equity, and the value of foregone taxes. The City will meet the 25% match requirement through the \$400,000 in general funds committed in the FY 2024 budget. Applicants are required to contribute 25% to their awarded activities. Subrecipients declare

their match on the annual CAPER report.

State Partners: The City leverages funds administered by Oregon Housing Community Services (OHCS). These resources include all programs currently managed by the State agency:

<https://www.oregon.gov/ohcs/Pages/index.aspx>.

General Funds/System Development Charges (SDC): The City of Salem waive the SDCs for nonprofit organizations who use HOME or CDBG in housing development projects.

Nonprofit Property Tax Exemption Program: On January 8, 2018, the Salem City Council enacted an ordinance that provided property tax exemptions for low-income housing held by charitable, nonprofit organizations. The tax exemption is intended to benefit low-income residents and support the availability of low-income housing units in the City. Applications are accepted annually.

Federal Opportunity Zones: The City has identified several Opportunity Zone (OZ) census tracts to encourage long-term investments in low-income and city center communities.

For decades, the City has partnered with developers and non-profit agencies to produce an approximate match surplus. This surplus will ensure the City will meet the required match obligations for the next several years without the need for any additional match contributions.

Allowed sources of match include private grants; donated real property; value of donated or voluntary labor of professional services; sweat equity; cash contribution by nonfederal sources; proceeds from bonds not repaid with revenue from an affordable housing project; state and local taxes, charges, or fees. This is not an exhaustive list of allowable match sources. All sources must comply with 24 CFR §§ 92.218 - 92.222

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Using Downtown Urban Renewal Area resources, the City purchased land located at 615 Commercial St. N.E. Sited on the land is the building owned by ARCHES, a regional homeless service provider. Services provided in the building include respite, mental health counseling, veteran services, daily meals, and a location for mail.

The City purchased a building on 22nd Street for the region's first Navigation Center. The

Navigation Center should be open on or about April 2023.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 4				Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvement sPublic Services	\$1,448,576	\$150,000	\$610,860	\$2,209,436	Prior year resources include reprogrammed funds from previous program years
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	\$743,055	\$150,000	\$156,890	\$379,945	Prior year resources include reprogrammed funds from previous program years

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding 2023 PY Only	Goal Outcome Indicator 2023 PY Only
Homeless Prevention	2020	2024	Homeless	Salem Citywide	Homelessness	CDBG: \$112,000 HOME: \$0	Public service activities other than Low/Moderate Income Housing Benefit: 77 Persons Assisted
Development of New Housing / Housing Rehabilitation	2020	2024	Affordable Housing	Salem Citywide	Low-to-Moderate Income Housing	HOME: \$453,750 CDBG: \$1.6M	Household Housing Unit New Construction- 48 units and land acquisition
CHDO Set-Aside	2020	2024	Affordable Housing	Salem Citywide	Low-to-Moderate Income Housing	HOME: \$30,000	Expand Housing: 24 single family homeownership subdivision-
Enhance Access to Public Facilities	2020	2024	Non-Housing Community Development	Central Salem	Public Facilities	CDBG: \$0	Facilities to provide services for low to moderate income households.

	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding 2023 PY Only	Goal Outcome Indicator 2023 PY Only
	Provide Support for Public Service Programs	2020	2024	Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence	Salem Citywide	Special Needs Populations	CDBG: \$105,500	Public service activities Low/Moderate Income Housing 600 persons assisted
	Program Administration	2020	2024		Salem Citywide Salem Citywide	Homelessness Low-to-Moderate Income Housing	CDBG: \$339,715 HOME: \$89,305	Other: All Indicators and Fair Housing Activities

Table 6 – Goals Summary

Goal Descriptions

Goal Name	Support Efforts to End Homelessness
Goal Description	This goal is to support service provider efforts to combat homelessness through homeless prevention activities, establishment and support of homeless shelters and transitional housing, and supportive services for homeless households. The partners will use HOME funds for TBRA. Housing is restricted to households below 80% AMI.
Goal Name	Expand Affordable Housing
Goal Description	The expansion of affordable housing in Salem includes the renovation and/or development of rental and homeowner housing units. This will increase access to affordable housing options for low to moderate income households with housing needs.
Goal Name	Provide Support for Public Service Programs
Goal Description	This goal aims to increase access to public services in Salem for at-need populations including the elderly, persons with disabilities, persons with substance abuse issues, and food insecure households.
Goal Name	Enhance Access to Public Facilities
Goal Description	This goal includes construction, modification and or rehabilitation of public facilities in Salem, including increasing access to facilities for special needs and low-income populations.
Goal Name	CHDO Set-Aside
Goal Description	This goal will account for the 15 percent set-aside for Community Housing Development Organizations (CHDO).
Goal Name	Program Administration
Goal Description	Administrative costs associated with federal programs are allocated 10% (HOME) & 20% (CDBG) percent.

Projects

AP-35 Projects – 91.220(d)

Introduction

Projects

Goal	Support Efforts to End Homelessness
Project Description	The following programs have been allocated CDBG or HOME resources: <ul style="list-style-type: none"> • Marion Polk Foodshare Homeless Prevention Services for Vulnerable Seniors \$105,500
Goal	End Homelessness
Project Description	The following programs have been allocated CDBG or HOME resources: <ul style="list-style-type: none"> • St. Francis Shelter - case management \$60,000 • Women at the Well – Grace House- \$52,000 case management
Goal	Expand Affordable Housing
Project Description	The following programs have been allocated CDBG or HOME resources: <ul style="list-style-type: none"> • Willamette Neighborhood Housing Services dba DevNW - (HOME CHDO Activity) CHDO-operating expense \$30,000, down payment assistance \$300,000 • Applegate Terrace – Veterans Housing - \$453,750 and (HOME \$20,000 project delivery expenses) • Land acquisition - \$1.6 Million
Goal	Enhance Non-Housing Public Facility
Project Description	The following programs have been allocated CDBG or HOME resources:

Table 7 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Oregon Governor Kotek just announced executive orders 2023-2, 2023-3 and 2023-4 due to Oregon’s increase in homeless population. “Oregon has the fourth highest rate of unsheltered homelessness in the country and the highest rate of unsheltered homelessness for families with children.”

[Executive Order No. 23-02](#) declares a state of emergency due to homelessness in regions of the state that have experienced an increase in unsheltered homelessness of 50% or more from 2017 to 2022:

- Salem/Marion, Polk Counties (150%)

The order directs the state of emergency to areas that have had an increase in homeless numbers. Directs those areas to have expansion of services using the authorities already in place and established a housing production goal, statewide, of 36,000 units, per year.

Link to SEIU:

https://seiu503.org/member_news/housing-eos/#:~:text=On%20her%20first%20day%20in,an%20ambitious%20state%20target%20to

A lack of housing remains. There is a shortage of 111,000 units, 11,000 more than last years research showed.

“ECONorthwest’s report, which determined that Oregon has underbuilt by 111,000 housing units over the past two decades, offers a backdrop for the current shortage. The pain is particularly acute now.”

Link: <https://www.wweek.com/news/2022/05/25/new-numbers-show-oregon-homes-at-their-least-affordable-in-15-years/>

Past economic reports have seen that an increase in the cost of rent and mortgage does not match the increase in earned income for most families. In order to combat the increased costs, Oregon needs to see an availability of useable funds, a robust supply chain return, available developers and construction crews to assign to projects and agencies with experienced case management and staff to work with individuals and families to become engaged and housed. By using the HOME and CDBG dollar, the City of Salem is working in many current and new projects to complete affordable units to increase the availability of units.

Link: 10/2022 Barriers to Housing Production in Oregon Brief,

https://www.oregon.gov/lcd/UP/Documents/20221102_UO_IPRE_Barriers_Housing_Production_Brief.pdf

AP-38 Project Summary

Project Summary Information

1	Project Name	DevNW
	Target Area	NE Salem
	Goals Supported	Expand Affordable Housing
	Needs Addressed	Affordable Housing down payment assistance
	Funding	HOME: \$300,000
	Description	Provide down payment assistance for low moderate-income families of the new 24 single family home project
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	This project consists of down payment assistance for new LMI built single family homes
	Location Description	5045 MacLeay Rd SE, Salem, Oregon 97317
2	Project Name	CDBG and HOME Admin
	Target Area	N/A
	Goals Supported	All goals.
	Needs Addressed	All program needs
	Funding	CDBG: \$339,715 HOME \$89,305
	Description	Administrative Costs
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	N/A
3	Project Name	St. Francis Shelter
	Target Area	Salem
	Goals Supported	Supportive services
	Needs Addressed	Housing case management
	Funding	CDBG- \$60,000
	Description	Case management for approximately 55 families
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	This program will provide intense case management and referral services for approximately 55 homeless families
	Location Description	This program will provide case management for homeless families.
4	Project Name	Meals on Wheels – Senior Nutrition
	Target Area	Salem Citywide
	Goals Supported	Supportive Services
	Needs Addressed	Food
	Funding	CDBG: \$127,800
	Description	These funds that will be used to ensure seniors receive hot meals and wellness check-ins
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	This program will provide nutritious meals delivered to 600 vulnerable seniors and special needs population

	Location Description	City of Salem
5	Project Name	Applegate Landing LLC
	Target Area	West Salem
	Goals Supported	Expand Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	HOME: \$453,750
	Description	The project, in conjunction with other State funding will provide acquisition and construction of new construction of multi-family affordable housing.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	48
6	Location Description	Wallace Road, Salem, Oregon
	Project Name	Salem land acquisition
	Target Area	Salem
	Goals Supported	Expand Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	HOME: \$1,061,360
	Description	The project will provide acquisition of property for construction of 48 veteran focused affordable units.
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	This project consists of the acquisition of land for development. Unknown number.
	Location Description	Salem, Oregon
7	Project Name	Women at the Well
	Target Area	Salem
	Goals Supported	Supportive Services
	Needs Addressed	Housing case management
	Funding	\$52,000
	Description	The project will provide case management to single women with no dependents and referral assistance to housing
	Target Date	6/30/2024
	Estimate the number and type of families that will benefit from the proposed activities	This program will provide individual case management and referral services to 22 women in the program year
	Location Description	Salem, Oregon

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

For PY 2023-2024 the proposed CDBG projects are targeted throughout Salem. Due to the nature of some of the projects and programs, a specific location cannot be pinpointed at this time. For those projects' location is dependent on client selection.

The CHDO project is in a census tract that 10.51% of the resident household income is below the poverty level. The Applegate project is in areas of primary middle to upper income households. In compliance with the Fair Housing Act, Salem attempts to avoid undue concentrations of affordable housing development within areas of low income or minority concentrations. The Plan promotes housing choices throughout Salem for very low and low-moderate income individuals, and families, especially near employment, shopping, and supportive services.

All clients or tenants assisted must be income eligible and are selected on a first come, first served basis. Residents may apply for program assistance directly through the sub-recipient/recipient. The level of assistance provided, and terms of assistance provided are dependent on client needs, funds available, and program guidelines.

Geographic Distribution

Target Area	Percentage of Funds
Salem Citywide	100%

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Through the City of Salem's application process, the focus is on adding affordable housing projects that integrate neighborhoods racially, ethnically, and economically. In addition, the city will target neighborhood investments that affirmatively further fair housing choice by increasing the number of non-housing investments that bolster the desirability of distressed neighborhoods with additional community amenities, public investments, and economic opportunities. To balance any unintentional housing cost increases, because of capital investments, the City is committed to promoting housing affordability and preservation efforts to keep residents in their homes as nearby property values and/or rents rise in their neighborhoods.

Discussion

The percentages listed above only represent a desire to fund projects that will be located within the target areas. The geographic distribution of funds for funded projects involving activities such as TBRA, rent assistance, utility assistance and other public services, where the location of services will vary during the year, will be included in the Consolidated Annual Performance and Evaluation Report (CAPER) due to HUD in

September 2024.

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Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

One Year Goals for the Number of Households to be Supported	
Homeless	677
Non-Homeless	0
Special-Needs	0
Total	677

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
Down payment assistance	24
The Production of New Units	48
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	72

Table 10 - One Year Goals for Affordable Housing by Support Type

AP-60 Public Housing – 91.220(h)

Introduction

Actions planned during the next year to address the needs to public housing

SHA currently maintains a portfolio of 137 Public Housing units. Plans are currently underway for ongoing rehabilitation and maintenance of these units.

SHA is currently investigating options for repositioning these remaining units to ensure no net loss of affordability while also providing additional affordable housing options in the community. SHA previously completed revitalization of 108 multifamily Public Housing units through the Rental Assistance Demonstration (RAD) program, which converted the units to long-term project-based Section 8 assistance while also providing capital for major renovations, preserving these properties for decades to come.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

SHA has a Central Resident Council/Resident Advisory Board that meets several times a year to review the annual Public Housing Authority (PHA) Plan, as well as other topics including how to use resident participation funds. SHA solicits resident input on the capital needs assessment each year, and alerts tenants of potential policy changes to allow opportunity for tenant comment.

The bylaws of the SHA require at least one tenant serve on the Commission. All tenants are always welcome to attend meetings without serving on the Committee or Commission. Tenants are sent correspondence to ensure awareness of SHA activities and are encouraged to provide feedback to staff.

All tenants are given a 30-60-day period to comment on updated utility allowances, changes made to the security deposits, updates to maintenance charges, modifications to the Admissions and Continued Occupancy Policy, as well as revisions to leases and addendums or other items that could directly affect them. Housing Commission meetings are open to the public with meeting details included on the City of Salem's Meetings of Interest website.

SHA supports homeownership efforts by residents by offering a voluntary Family Self-Sufficiency (FSS) program that provides participants with an escrow savings account, held by the Housing Authority, that receives deposits as household income, and family rent share, increases due to changes in earnings. SHA also partners with CASA of Oregon to offer Individual Development Accounts (IDAs), which can be used for homeownership (and other purposes).

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or

other assistance

The Salem Housing Authority's SEMAP and PHAS scores are not reflective of a HUD designated troubled PHA.

Discussion

SHA provides several services and programs that are intended to address the needs of its residents, including programs that support education, employment, leadership development, and homeownership.

SHA also provides additional services, such as outreach to homeless and formerly homeless households, as well as housing navigation to assist families with tenant-based rental assistance in securing permanent housing. These collaborative efforts are supported by funding through the City of Salem General Funds and other grants.

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AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Reducing homelessness, ending chronic homelessness, providing temporary emergency services, diverting persons from shelter into stable housing and shortening shelter stays, and rapidly connecting to permanent housing for persons who fall into homelessness are the policy and programmatic priorities of Salem and Keizer. We will continue participation in the Mid-Willamette Valley Homeless Alliance (MWWHA) (Marion and Polk County Continuum of Care) and will implement the actions and activities outlined in the City of Salem Strategic Plan, MWWHA Strategic Plan and strategies as written in the approved Consolidated Plan.

These objectives are being advanced through a coordinated care approach with the following components:

1. Ongoing outreach and assessment of persons who are homeless.
2. Helping to meet emergency shelter needs of homeless persons and individuals with special needs.
3. Providing prevention services to individuals and families with low-income, especially those with extremely low incomes.
4. Strengthening existing partnerships and developing new collaborations with private and not-for-profit agencies.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

During 2023 PY, the jurisdiction will take a multipronged approach to reducing and ending homelessness, the goals include:

- Prevent people from becoming homeless.
- Expand housing opportunities.
- Consistent street outreach to provide services and information to unsheltered persons (food, clothes, pet resources, etc.), connect individuals with emergency shelter and/or housing options and provide urgent non-facility-based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility.
- Increase childcare opportunities.

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

- The city will continue to be an active participant in the MWWHA (Continuum of Care) and will implement many of the actions and activities outlined in the Continuum’s Homeless Strategy.
- This annual plan allocates funding to prevent and end homelessness. See programs and description in AP-20.
- Work with homeless service providers and funders to ensure that local outreach efforts are culturally competent and designed to meet the needs of people with addictions and mental illnesses.
- Work with homeless services providers to review restrictive program rules and adjust as appropriate to

reduce barriers that keep people from obtaining and retaining permanent housing.

Addressing the emergency shelter and transitional housing needs of homeless persons

Emergency shelters play a critical role in providing basic needs (food, clothing, and shelter) for those who are homeless, and the City will continue to fund emergency shelter services. This AAP provided resources for case management in shelter services operated by St. Francis Shelter and Women at the Well. It is important to note that the goal of transitional and shelter housing is to move individuals and families from street to temporary shelter and successful placement into appropriate permanent housing solutions.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The focus of services in the city is to help homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living. Coordinated entry and objective assessment are the keys to the housing first process. It recognizes that not everyone who is at-risk or experiencing homelessness have the same level of need. Through coordinated entry, the “front doors” have established protocol for prevention and diversion. The goal is to keep people at-risk of homelessness in housing and wrap support services so they can maintain housing. If an individual is homeless, emergency shelter and support services will be provided, and their needs will be assessed. The agencies use the Vulnerability Index – Service Prioritization Decision Assistance Tool to help determine the appropriate housing solution based on the person’s experience across multiple domains: homelessness history, emergency service risk, social supports and risks, and general health. The higher the score, the less likely an individual is to survive homelessness for any length of time. Much like the triage function in a hospital emergency room, vulnerability assessment prioritizes individuals/families, such that those in the greatest need receive care first and with the most intense services. Therefore, the level of vulnerability is matched with the appropriate level of intervention with the goal of getting individuals and families into housing as quickly as possible.

Based on their vulnerability score, low, medium, or high vulnerability, an individual/family are prioritized into categories with corresponding solutions. Effective housing solutions will (i) provide permanent supportive housing for those whose afflictions and circumstances mean they are highly vulnerable, and likely to remain homeless without assistance; or (ii) provide rapid rehousing and applicable services for those who are likely to quickly exit homelessness after a short-term period to reestablish housing stability. Both elements are cornerstones of the federal government’s Housing First programmatic strategy. Individuals determined to have low vulnerability are most likely to have a onetime episode of homelessness from which they will recover quickly, and with very limited community resources.

The coordinated entry impact measures set by the Mid-Willamette Housing Alliance (CoC). HMIS is used to collect data so that systems wide performance can be evaluated. Length of stay, successful placement to permanent housing and recidivism are areas that will be evaluated and adjustments to coordinated entry will be made in order to facilitate individuals and families to make the transition from homelessness to permanent housing.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The city will continue to work with the CoC and other partners to address helping low-income individuals and families avoid becoming homeless. The CoC includes a broad-base partnership that can better address systems issues such as how policies of private and publicly funded institutions, medical facilities, mental health facilities, foster care, corrections, etc. impact homelessness.

The goals set forth in our Annual Action Plan are to assist individuals with prevention services and provide temporary and permanent housing. The City will continue to partner with public and private agencies to provide referral and support assistance to address housing, health, social services, legal, employment, education, or youth needs. Through this approach we will be able help low-income individuals and families avoid becoming homeless and reach the prescribed goals.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

The most recent Housing and Community Development Needs survey found that the greatest barriers to the development or preservation of affordable housing in Salem were a “Not in My Backyard (NIMBY) mentality (75 responses), the cost of land (57 responses), a lack of affordable housing development policies (57 responses), and the cost of materials (45 responses). These remain to be on-going challenges.

Table NA-40.1 Providing Decent Housing Salem Housing and Community Development Survey	
Question	Response
Do any of the following act as barriers to the development or preservation of affordable housing in Salem:	
Not In My Back Yard (NIMBY) mentality	75
Cost of land or lot	57
Lack of affordable housing development policies	57
Cost of materials	45
Cost of labor	35
Density or other zoning requirements	32
Lack of available land	29
Building codes	26
Construction fees	25
Permitting fees	24
Permitting process	23
Impact charges	21
Lack of other infrastructure	19
Lot size	13
Lack of qualified contractors or builders	9
ADA codes	4
Lack of water	2
Lack of water system	1
Lack of sewer system	1

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Discussion:

The city is addressing barriers to affordable housing through:

- The prioritization of addressing homelessness and housing development as a City Strategic Plan goal.
- Revising the multifamily housing standards and policies.
- Granting System Development Charges (SDC) waivers for non-profit affordable housing developments using

HOME/CDBG funding.

- Providing property tax exemption for non-profits operating low-income housing.
- Advocating with and educating Federal and State partners about affordable housing needs in Salem.
- Approving code amendments to allow additional, smaller residences on the same property as a single-family home.
- Continuing to update Community Plans, which are components of the City's Comprehensive Plan, and which specify the location & density of proposed residential development; and
- Providing technical assistance with completing tax credit or foundation funding applications.

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AP-85 Other Actions – 91.220(k)

Introduction:

Actions planned to address obstacles to meeting underserved needs

Housing affordability encompasses a large number of eligible activities under both the CDBG and HOME formula grant programs. These activities include the production of new housing units, rehabilitation of existing housing units, preservation of housing, and rental assistance for tenants. To ensure effective use of affordable housing funds, local market characteristics and the potential to leverage other sources of funds must be considered.

All the actions taken by the City in the management of HOME and CDBG funds are completed within program guidelines and address one or more goals identified in the Consolidated Plan.

Actions planned to foster and maintain affordable housing

The first priority for the city is to increase affordable housing. HOME will fund a new project that is in the development pipeline.

New Construction:

Applegate Landing LLC:	Applegate Apartments
DevNW:	Down payment assistance
City of Salem:	Land acquisition

Actions planned to reduce lead-based paint hazards

According to the Code of Federal Regulations (CFR) 24 part 35, any housing rehabilitation project involving housing constructed before 1978, and receiving \$5,000 or more in Federal funds, shall be tested for lead-based paint. All projects meeting those parameters with identified lead-based paint hazards are to be mitigated or abated. City policy is to abate all reported lead-based paint with levels exceeding the acceptable limits. Additional staff training will also take place.

Actions planned to reduce the number of poverty-level families

Based on the Consolidated Plan's Needs Assessment and available resources for program year 2023-2024, the city will allocate available resources (CDBG and HOME) to support public service programs for the benefit of low to moderate-income residents. The city will also expand and create new partnerships with service providers and community-based organizations to provide community enrichment programming, affordable housing, case management services, and focus on self-sufficiency.

These actions will be achieved by:

- Creating new affordable housing by leveraging limited funding resources with private, federal, and state

governmental subsidies and grants,

- Allocating 15 percent of CDBG entitlement funds for public services; and
- Funding case management services for homeless individuals / families and those at risk of becoming homeless.

Actions planned to develop institutional structure

The City will proactively work with non-profit agencies, for-profit developers, quasi-public entities, advocacy groups, and clubs, and organizations, neighborhood associations, City departments and with the private sector to implement the City's Strategic Plan and the Consolidated Plan. Engaging the community and partners in the delivery of services and programs for the benefit of low to moderate residents will be vital in the overcoming gaps in service delivery.

The single most significant impediment in the delivery system remains the lack of available funding to support community development, economic development, and affordable housing projects. The City of Salem is trying to address this gap via more strategic targeting, data driven decision-making, and leveraging of resources.

Actions planned to enhance coordination between public and private housing and social service agencies

In an ongoing effort to bridge the gap of various programs and activities, the city has developed partnerships and collaborations with local service providers and City departments that have been instrumental in meeting the needs and demands of the homeless, low-income individuals and families, and other special needs. The city will continue to expand on developing partnerships with public service organizations throughout FY 2023-2024.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	0
5. The amount of income from float-funded activities	0
Total Program Income	0

Other CDBG Requirements

1. The amount of urgent need activities	0
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HOME Investment Partnership Program (HOME) Reference 24 CFR 91.220(I)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The HOME funds allocated are not being utilized for any forms of investments beyond those identified in Section 92.205.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

For down payment assistance and homebuyer activities that incorporate a direct benefit to the homebuyer (i.e. down payment assistance, closing cost, interest subsidies, or other HOME assistance provided directly to the homebuyer which can additionally include the amount of assistance that reduced the purchase price from fair market value (appraised value) to an affordable price), the City will follow the recapture provisions as mandated by 24 CFR 92.254 (a) (5)(ii)(A)(2). A Trust Deed will be executed between the City or sub recipient and the homeowner and recorded in the office of the Marion County or Polk County Recorder's office depending on the location of the property. Assistance will be provided in the form of a deferred loan, which will be deferred until the sale, refinance

and/or transfer of the property. If HOME funds are used for the cost of developing a property and the unit is sold below fair market value, the difference between the fair market value and the purchase price is directly attributable to the HOME subsidy.

- HOME Investment under \$15,000 has a 5-year affordability period.
- HOME Investment \$15,000-\$40,000 has a 10-year affordability period.
- HOME Investment over \$40,000 has a 15-year affordability period.

The City will recapture an amount that does not exceed the net sale proceeds from the sale of the property. In effect, the City will recapture the amount that is still outstanding (based on the remaining balance due on the loan including any interest incurred), however, not in an amount that is greater than the net sale proceeds. If the net proceeds are sufficient, the borrower shall repay to the City the full HOME subsidy plus interest, which is outlined in the promissory note. Should the net proceeds be insufficient to repay, the city will opt to forgive the difference. In the event only a development subsidy is provided to a home, or the property has multiple funding sources (providing homebuyer and/or development subsidy) and the other funding sources are more restrictive, the City will utilize resale provisions in these instances. The property must be resold to an income eligible household making less than or equal to 80% AMI. The homeowner will be allowed to base the sales price of the home on the original cost of the home inflated by the consumer price index, reflecting the sales price cap. The new owner's principal, interest, taxes, and insurance (PITI) will not exceed 30% of the homebuyer's gross wages. This will allow for a reasonable range of homebuyers to afford the property.

The PJ is currently enforcing recapture/resale provisions for projects covered under previous plans; however, the City of Salem is carrying out homebuyer assistance via a down payment assistance award with a portion of the 2023 allocation.

For owner-occupied rehabilitation projects, the after-rehab value will not exceed the HUD Homeownership Sales Price Limits. After-rehab value is established by utilizing the assessed value and adding the cost of rehabilitation of the home.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

For homebuyer projects, the above-mentioned recapture provisions apply. As required by HOME funding, all rental units acquired with HOME funding will be subject to resale provisions to ensure the affordability of the units. The same per unit funding amounts apply to the affordability period of the rental units unless it is new construction. Under new construction, regardless of the amount of funding provided, the affordability period will be 20 years.

Rental project affordability period is also secured through an agreement, covenant, note, and trust deed.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

There are no projects being refinanced with HOME funding scheduled for this plan year.

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