



**2021- 2022
CDBG and HOME Program
Annual Action Plan**

**for
Public Review**

4/16/2021 - 5/16/21



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

Introduction The following narrative and accompanying tables describe the anticipated resources for Program Year (PY) 2021-22. (All year designations are aligned with City fiscal years beginning on July 1st and ending June 30th)

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 outlines the expected amount of federal entitlement resources and program income available for Fiscal Year 2021-22 (Year 2 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).

COVID-19 Resources, Waivers Impacting 2020 Entitlement Funding and Reporting

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was created on March 27, 2020, in response to the growing effects of this historic public health crisis. In response to COVID-19, the US

Congress authorized the Department of Housing and Urban Development (HUD) to provide supplemental Community Development Block Grant (CDBG) funding to entitlement communities. This supplemental funding is known as Community Development Block Grant COVID-19 (CDBG-CV). The 2019 Annual Action Plan was revised to reflect some CDBG-CV program activity. Subsequent amendments will be issued.

On April 10, 2020, HUD issued a memorandum outlining waivers for both the CDBG and HOME programs. Four waivers, available to the City of Salem, as a result of the presidentially declared major disaster declaration due to the coronavirus include:

1. Allowing up to 25% of the FY19 and FY20 HOME allocations (plus program income) for administrative costs. This is up from a 10% cap. The waiver is meant to provide adequate funding to pay for increased cost of administering HOME-related activities to address the effects of the coronavirus, including attempts to prevent the spread of the virus.
2. The mandatory, 15% set-aside, for Community Housing Development Organizations (CHDOs) is waived. The intent is to make additional HOME funds immediately available for activities such as tenant-based rental assistance for which CHDO set-aside funds cannot be used. This is for program years 2017, 2018, 2019 and 2020.
3. The use of up to 10% of the FY19 and FY20 HOME allocations for CHDO operating assistance. This is up from 5%. Participating Jurisdictions (PJs) may also allow a CHDO receiving increased operating assistance fill operating budget shortfalls even if the amount exceeds the higher of \$50,000 or 50% of its annual operating budget. CHDOs receiving increased operating assistance must use it to maintain organizational capacity during the pandemic. CHDOs may receive increased operating assistance through June 30, 2021.
4. The mandatory 25% HOME match requirement is waived for 24-months (October 1, 2019 - September 30, 2021).

Other waivers available and applicable to the City of Salem community include:

- Allowing a reduction in the public notice and comment period to five days when amending an approved Consolidated Plan (ConPlans), Annual Action Plans, and the Citizen Participation Plans.
- Allowing the use of a household's self-certification that they are income-eligible. This waiver applies only to households who have lost employment or income either permanently or temporarily due to the pandemic and who are applying for admission to a HOME rental unit or a HOME tenant-based rental assistance program. This waiver also applies to homeless households who are applying for admission to a HOME rental unit or a HOME tenant-based rental assistance program. Funds excluded from consideration include the Economic Impact Funding (\$1,200). Rent and income reviews must be conducted within 90 days after the waiver period. This waiver was previously in effect through December 31, 2020, but as of December 04, 2020 has been extended through September 30, 2021.
- Eliminating the requirement to conduct periodic on-site inspections to determine property standards and to verify information submitted by owners regarding tenant income requirements and rent requirements. Initial inspections of rental properties upon completion of construction or

rehabilitation are not exempt from this waiver. Within 120 days of the end of this waiver period, the properties must be physically inspected. The waiver was previously in effect through December 31, 2020, but as of December 04, 2020 has been extended through September 30, 2021.

- Eliminating the requirement to conduct annual Housing Quality Standards (HQS) inspections at units assisted with HOME tenant-based rental assistance (TBRA) that were scheduled to take place between April 10, 2019 and December 31, 2020. Within 120 days of the expiration of this waiver period, inspection of units must take place and is subject to HQS inspections that were not conducted during the waiver period. The exception of this waiver is lead-based housing requirements, which cannot be waived. In addition, reasonable efforts must be taken to address any tenant-reported health and safety issues during the waiver period. This has been extended through September 30, 2021.
- Waiving the requirement that HOME projects be completed within four years from the date that HOME funds were committed. The waiver applies to projects for which the four-year project completion deadline will occur on or after April 10, 2019. The completion deadlines are extended to December 31, 2020. This has also been extended through September 30, 2021.
- Allowing additional HOME funds to recapitalize operating deficit reserves for HOME-assisted rental projects if it is determined that the project is experiencing operating deficits related to the economic effects of the pandemic during the waiver period. The waiver is effective through December 31, 2020.
- Until September 30, 2021, allowing the provision of assessing rent reasonableness to provide immediate TBRA to families and individuals;
- Until September 30, 2021, allowing TBRA payments to assist with up to 100 percent of the cost of rent, security deposit payments, and utility bills for tenants affected by reduction or loss of income due to the COVID-19 pandemic;
- Until September 30, 2021, waiving the requirement that the term of TBRA begins on the first day of the term of a lease so that PJs may assist affected households that already have executed leases;
- Until September 30, 2021, waiving the requirement that a TBRA recipient's lease comply with all tenant protection requirements. Violence Against Women Act (VAWA) requirements at 24 CFR 92.359 apply;
- Until September 30, 2021, waiving the source documentation requirements for income certification related to households receiving TBRA as long as the tenant provides a self-certification of their income that indicates how the tenant's financial situation has changed and includes all income, including unemployment or emergency benefits, received as a result of the pandemic;
- Suspending until September 30, 2021, the time frame for a PJs response to findings of noncompliance from a HUD monitoring review.

HUD published limited guidance related to flexibilities provided for Community Development Block Grant (CDBG) annual appropriations and CDBG supplemental funding under the Coronavirus Aid, Relief, and Economic Security Act (CDBG-CV). HUD will provide further detail on the CDBG guidance in a soon-to-be-published Federal Register notice regarding requirements for CDBG-CV grants. The City will review and implement regulatory relief as applicable.

2021-2022 CDBG / HOME Anticipated Resources

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation for 2021: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,374,901	182,750	234,570	1,792,221	4,124,703	PI: Calculated based upon anticipated reduction due to COVID-19. The City requested the transfer of Neighborhood Stabilization Program (NSP) funds for use on eligible CDBG program activities. Remaining ConPlan Allocation: Based upon 2021 entitlement allocation, multiplied by 3 remaining plan years.
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	648,222	283,470	106,290	1,037,982	1,944,666	PI: Calculated based upon anticipated reduction due to COVID-19 Remaining ConPlan Allocation: Based upon 2021 entitlement allocation, multiplied by 3 remaining plan years.

Table 1 - Anticipated Resources – NSP funds are contingent upon transfer approval by OHCS, other amounts projected by COS UD Finance Manager

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

The mandatory 25% match requirement is waived for 24-months (October 1, 2019 - September 30, 2021). At the expiration of the waiver, participating jurisdictions (PJs) will be required to provide match in an amount equal to no less than 25% of the total HOME funds drawn for the project cost. 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 of Salem require applicants to submit applications that leverage eligible HOME resources. The partners declare their match on the annual CAPER report. During monitoring reviews, the reported match is verified.

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/agency-programs-directory-list.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 provide 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 area accepted annually.

Organizations that benefiting from the Property Tax Exemption Program include Community Resource Trust, Catholic Community Services, NW Housing Alternatives, and St. Vincent de Paul.

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.

McKinney-Vento: The Mid-Willamette Valley Community Action Agency (MWVCAA) administers the McKinney-Vento resources received for the City. The MWVCAA, is a member of the MWVHA Board. In addition, the organization’s leadership chair the CoC Coordinated Entry Committee and co-chair the HMIS Users Workgroup.

For decades, the City has partnered with developers and non-profit agencies to produce an approximate match surplus of \$9M. 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 publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

There are two publicly owned parcels (land or property) to be used in addressing the needs of unsheltered persons and microeconomic development efforts. The properties are located at 615 Commercial Street NE, Salem OR 97301 and 2640 Portland Road NE, Salem OR.

Discussion

The Expected Amount Available for the Remainder of ConPlan is an estimate of the funds expected to be received over the remaining three years of the Consolidated Plan. Estimates were calculated using the confirmed funding to be received during the first year of the Consolidated Plan plus expected program income.

AP-20 Annual Goals and Objectives (Program Year starting July 1, 2021)

Goals Summary Information

Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding 2021 PY Only	Goal Outcome Indicator 2021 PY Only
Homeless Prevention	2021	2022	Homeless	Salem Citywide	Homelessness	CDBG: \$250,000 HOME: \$400,000	Public service activities other than Low/Moderate Income Housing Benefit: 3,000 Persons Assisted Tenant-based rental assistance / Rapid Rehousing: Households Assisted 35
Development of New Housing / Housing Rehabilitation	2021	2022	Affordable Housing	Salem Citywide	Low-to-Moderate Income Housing	CDBG: \$130,716 HOME: \$900,000	Rental units rehabilitated: 30 Household Housing Unit Household Housing Unit New Construction: 119
CHDO Set-Aside	2021	2022	Affordable Housing	Salem Citywide	Low-to-Moderate Income Housing	HOME: \$30,000	Expand Housing: CHDO Operations

	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding 2021 PY Only	Goal Outcome Indicator 2021 PY Only
	Enhance Access to Public Facilities	2021	2022	Non-Housing Community Development	Central Salem	Public Facilities	CDBG: \$300,000	New fixtures for a new public facility
	Provide Support for Public Service Programs	2021	2022	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: \$228,734	Public service activities Low/Moderate Income Housing Benefit: 2,450 Persons Assisted
	Economic Development	2021	2022	Non-Housing Community Development	Salem Citywide	Economic Development	CDBG: \$0	Job Retention: 0
	Program Administration	2021	2022		Salem Citywide Salem/Keizer (HOME)	Homelessness Low-to-Moderate Income Housing	CDBG: \$302,320 HOME: \$93,169	Other: All Indicators and Fair Housing Activities

Table 2 – Goals Summary

Goal Descriptions

1	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. Throughout this Annual Planning period, housing restricted to households below 80% AMI will be considered; however, request for applications/proposals will prioritize projects that increase the stock of permanent supportive housing, family sized units, housing restricted to households who earn less than 50% of the area median income, and special needs groups, including housing for older adults, persons who are physically and developmentally disabled, persons who are mentally ill, victims of domestic violence, and persons with HIV/AIDS.
2	Goal Name	Expand Affordable Housing
	Goal Description	The expansion of affordable housing in Salem and Keizer 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.
3	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.
4	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.
5	Goal Name	Promote Economic Development
	Goal Description	This goal will provide households with access to a greater number of economic opportunities through job training. This goal aims to promote self-sufficiency and economic mobility for low to moderate income households in Salem.
6	Goal Name	CHDO Set-Aside
	Goal Description	This goal will account for the 15 percent set-aside for Community Housing Development Organizations (CHDO) during the FY 2021.

7	Goal Name	Program Administration
	Goal Description	Administrative costs associated with federal programs are allocated 10% (HOME) & 20% (CDBG) percent. The City reserves the right to modify the amount, based upon the April 10, 2020 waiver.

AP-35 Projects – 91.220(d)

Introduction

City of Salem Federal Programs staff reviewed eligible applications to determine which programs or projects are recommended to City Government for funding. Historically funded projects must meet the objectives, and outcomes of suitable living environment, decent housing, and the creation of economic opportunities. The City's distribution of HOME and CDBG funds are based on the type of project and how they meet the goals of addressing the needs of low to moderate income citizens.

Projects

CDBG		
Organization	Program Name	Award Amount
Westcare	Veterans Housing Rehab III	\$130,716
Seed of Faith	Transitional Housing Rehab/Rent Assistance (Security Deposits)	\$250,000
YMCA	YMCA Track and Lift for Pool	\$300,000
Center for Hope and Safety	Prevention of Dom. Violence – Case Mgmt.	\$79,367
Marion Polk Food Share	Meals on Wheels	\$149,367

HOME		
Organization	Program Name	Award Amount
Applegate LLC	Applegate Terrace Veterans Housing (48)	\$500,000
DevNW	Affordable Housing	\$300,000
DevNW	CHDO Operating	\$30,000

CDBG & HOME Admin		Award Amount
City of Salem	HOME	\$103,798
City of Salem	CDBG	\$358,444

Table 3 – Project Information

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

The priority needs for the 2020-2024 Consolidated Plan were determined through analysis of information gathered from a variety of sources. The final priorities were included in the Notice of Funding Availability issued February 05, 2021. Interested nonprofit and for-profit entities were asked to identify which priority their program most closely related. During the evaluation phase, all applications were screened to ensure the proposed project or activity met one of the priority needs. The ConPlan was updated to include the impact of COVID-19 on the local community.

The cities also listened to the public during the Consolidated Plan consultations and citizen participation process. The availability of resources to address these needs was the basis for the projects listed in this and the recently amended 2018 and 2019 AAPs.

Project selection and funding award considers the applicant’s proposal and demonstrated financial need, the sub-recipient’s experience and capacity, performance goals, and ability to leverage other resources. The defined need includes:

- **Homelessness:** Homelessness continues to be a need throughout the City of Salem. While the City continues to support efforts that seek to end homelessness, it remains the highest priority within the City of Salem. These include homeless prevention activities, emergency shelters, permanent supportive housing, and homeless services.
 - Seed of Faith Transitional Housing Rehab/Rent Assistance (Security Deposits)
 - Center for Hope and Safety -Prevention of Domestic Violence

- **Low-to-Moderate Income Housing:** Housing for low to moderate income households continue to be a high priority so many households face cost burden and other housing barriers.
 - Westcare Veterans Housing Rehab III
 - Applegate LLC Applegate Terrace Veterans Housing (48)
 - Housing Authority of the City of Salem -Sequoia Crossings
 - DevNW -Affordable Housing

- **Special Needs Populations:** There are numerous special needs populations in the City of Salem that are in-need. These households have a variety of housing and service needs and continue to be a high priority within the City. These include the elderly, persons with substance abuse problems, persons with disabilities, and persons facing food insecurity.
 - Marion Polk Food Share -Meals on Wheels

- **Public Facilities:** Public Facilities, including infrastructure, continues to be a highly rated need in Salem. This includes community centers and childcare facilities.
 - YMCA -YMCA Track and Lift for Pool

- **Economic Development:** Findings from the City’s survey and public input suggested that there is continued need for economic development to increase access to jobs to support self sufficiency
 - No applications were received for this category

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AP-38 Project Summary

Project Summary Information

1	Project Name	Veterans Housing Rehab III WestCare Oregon
	Target Area	City of Salem
	Goals Supported	Transitional Housing
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$130,716
	Description	This project consists of rehabilitation of an existing housing complex. install insulation under floor area, upgrade the existing HVAC, replacement of rooftop compressors, replace exterior windows with energy efficient model
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	30 bed occupancy with shared bathroom and shower facilities
	Location Description	This project is located at 2933 Center St NE, Salem, Or 97301
Planned Activities	This project consists of rehabilitation of an existing housing complex- installing energy efficient windows, floor insulation, upgrade of the HVAC and replace rooftop compressors	
2	Project Name	CDBG and HOME Admin
	Target Area	N/A
	Goals Supported	All goals
	Needs Addressed	All program needs
	Funding	CDBG: \$ 358,444 HOME \$103,798
	Description	Administrative Costs
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	N/A
Planned Activities	This project will pay for CDBG and administrative costs	
3	Project Name	Transitional Housing Rehabilitation and Rent assistance Seed of Faith
	Target Area	City of Salem
	Goals Supported	Rehab of current transitional housing units, rental assistance and security deposits
	Needs Addressed	Affordable Housing rent assistance and security deposit help

	Funding	CDBG: \$250,000
	Description	This project will assist 25 persons
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	This program will provide rehabilitated transitional housing for 25 persons, as well as support rent and deposit assistance
	Location Description	This program will provide transitional housing, rent support, and security deposit assistance in the city of Salem
	Planned Activities	This program will provide transitional housing, rent and security deposit up to 25 households
4	Project Name	DevNW CHDO Operating
	Target Area	City of Salem Location to be determined
	Goals Supported	Expand Affordable Housing
	Needs Addressed	Housing
	Funding	HOME: \$30,000
	Description	This project will provide funding for CHDO Operating to DevNW in connection with a CHDO set-aside project
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Up to 11
	Location Description	Salem, OR Location TBD
	Planned Activities	This project will provide funding for CHDO Operating to DevNW
5	Project Name	DevNW
	Target Area	City of Salem Location to be determined
	Goals Supported	Expand Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	HOME: \$300,000
	Description	This project will provide construction of new affordable housing
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	This program will provide affordable home ownership to 11 households
	Location Description	This program will provide new construction of affordable homes in the Salem area
	Planned Activities	This program will provide construction of new homes to 11 households

6	Project Name	Sequoia Crossings LLC Salem Housing Authority
	Target Area	City of Salem
	Goals Supported	Construction of New affordable housing
	Needs Addressed	Homelessness
	Funding	HOME: \$100,000
	Description	This program will provide affordable housing and supports services to 60 persons
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	This program will provide affordable housing and support services to 60 persons
	Location Description	This program will provide services to residents of the City of Salem
Planned Activities	This program will provide affordable housing and support services 60 households in the City of Salem	
7	Project Name	Applegate Terrace
	Target Area	City of Salem
	Goals Supported	Construction of new affordable housing
	Needs Addressed	Homelessness
	Funding	HOME: \$500,000
	Description	This program will provide 48-units, Veteran focused, affordable housing complex
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	This program anticipates serving 48 persons for new affordable housing
	Location Description	This program will provide assistance to residents of the City of Salem
Planned Activities	This program will provide homeless case management to 48 persons in the City of Salem	

8	Project Name	YMCA Track and Lift for Pool
	Target Area	City of Salem
	Goals Supported	Remove barriers to Wellness and Community Services
	Needs Addressed	Increase ability to serve special needs and prevent barriers to marginalized and low-income populations
	Funding	CDBG: \$300,000
	Description	This program will cover cost for fixtures in the new facility: roof top track, pool lift for persons with physical limitations, bike racks and lockers to store belongings
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	This program will provide new fixtures in a newly constructed building providing access to equipment that benefits health and wellness
	Location Description	This program will provide services to residents of the City of Salem
Planned Activities	This program will provide track, pool lift, lockers and bike racks to those utilizing the facility of the YMCA	
9	Project Name	Center for Hope and Safety
	Target Area	City of Salem
	Goals Supported	End Homelessness-Public Service
	Needs Addressed	Homelessness
	Funding	CDBG: \$79,367
	Description	This program will provide emergency shelter, case management services, and 24-hour crisis intervention. A portion of the case management will be supported by this funding.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	This program will provide trauma-informed crisis intervention, peer counseling, and safety planning to approximately 2000 persons fleeing domestic and sexual violence. Additionally, the program will provide emergency shelter, clothing, food, case management, and other basic needs to 70 adults and child victims.
	Location Description	This program will provide services to residents of the City of Salem.
Planned Activities	This program will provide case management, 24-hour crisis intervention to 2000 persons fleeing domestic and sexual violence, provide emergency shelter and case management to 70 adults and child victims in the City of Salem.	

10	Project Name	Marion and Polk Food Share
	Target Area	City of Salem
	Goals Supported	Food insecurity
	Needs Addressed	Food
	Funding	CDBG: \$ 149,367
	Description	This project will assist in providing home-delivered meals to about 450 Salem seniors, help with a portion of staff costs and the purchase of food
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	450 people
	Location Description	This program will provide services to residents of the City of Salem
	Planned Activities	Home- delivered meals to qualified Seniors, staff costs associated with making and delivery of meals and the purchase of food
11	Project Name	Unallocated Reserves
	Target Area	N/A
	Goals Supported	Expand Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	HOME: \$110,310 CDBG: \$418,201
	Description	These are additional funds that will be carried over or a separate RFP will be distributed for the HOME program. It was under-subscribed during the application cycle.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	N/A
	Planned Activities	

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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 Program Year 2021-2022 the proposed HOME and CDBG projects are targeted throughout the City of 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 56.9% of the residents are low to moderate income. The term Low to Moderate Income, often referred to as low-mod, has a specific programmatic context within the Community Development Block Grant (CDBG) program. Over a 1-year period, not less than 70 percent of CDBG funds must be used for activities that benefit low- and moderate-income persons. HUD uses special tabulations of Census data to determine areas where at least 51% of households have incomes at or below 80% of the area median income (AMI).

In compliance with the Fair Housing Act, the City of Salem attempts to avoid undue concentrations of affordable housing development within areas of low income or minority concentrations. The Plan promotes housing choices throughout the City of Salem for very low and low-moderate income individuals, and families, especially near employment, shopping, and supportive services.

Rationale for the priorities for allocating investments geographically

HOME and CDBG funds are limited to the City of Salem. 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.

The City intends on using the Neighborhood Revitalization Strategy Area (NRSA) designation as a tool to leverage HUD's flexible regulations, financial resources from other partners, and a concentration of nonprofit offices located in the boundary to address housing, economic empowerment, and neighborhood revitalization issues. The City may provide increased funding limits for projects or programs within the NRSA in order to incentivize revitalization work in this area.

Geographic Distribution

Target Area	Percentage of Funds
Citywide	100% (HOME and CDBG)

Table 4 - 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, as a result of capital investments, the cities are 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 2021.

AP-55 Affordable Housing – 91.220(g)

Introduction

One Year Goals for the Number of Households to be Supported	
Homeless	256
Non-Homeless	0
Special-Needs	165
Total	421

Table 5 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	124
Rehab of Existing Units	30
Acquisition of Existing Units	0
Total	154

Table 6 - One Year Goals for Affordable Housing by Support Type

Discussion

The number for Special-Needs is not duplicated in the other categories.

AP-60 Public Housing – 91.220(h)

Introduction

The Salem Housing Authority (SHA) owns and operates 137 public housing units for families, seniors, and persons with disabilities under the HUD Public Housing Program. HUD funds annual operating subsidies for Public Housing, as well as a Capital Fund Grant for capital improvements of the housing stock and management systems.

This quasi-governmental entity also owns 535 non-federal, affordable housing units to meet needs of persons of low to moderate income. The housing authority also operates 10 conventional rental units in the community.

SHA is also adding a permanent supportive housing project in 2020. Redwood Crossings is scheduled for opening in July 2020. This project will provide 31 units of permanent supportive housing single room occupancy units and 6 transitional respite units that will be leased by Salem Health.

SHA administers several rental voucher programs. A chart of the total allocation and currently issued is provided below.

SHA is under the umbrella of the City's Urban Development Department. This is the same City Department supporting the CDBG, HOME, Opportunity Zone and Urban Renewal Area (URA) resources.

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

SHA is currently revitalizing the public housing portfolio by participating in the Rental Assistance Demonstration Program (RAD). This national competitive initiative allows Public Housing properties to convert to long-term Section 8 rental assistance contracts. RAD is a central part of HUD's rental housing preservation strategy, which works to safeguard the long-term affordability of publicly subsidized properties by promoting capital improvements and cost saving efficiencies.

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 both the SHA Commission and the Housing Advisory Committee (HAC) require at least one tenant serve on the Commission. All tenants are always welcome to attend meetings without serving on the Committee or Commission. A resident advisory board is comprised of tenants who review the Family Self-Sufficiency Program Action Plan and review any proposed changes. Tenants are sent newsletters and other 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 and HAC meetings are open to the public with meeting details included on the City of Salem's Meetings of Interest website.

SHA also provides Valley Individual Development Accounts (VIDA), a program that prepares and assists families and individuals who qualify, to plan and reach financial goals such as becoming a first-time homeowner, start/expand a small business, pursue a college degree or job training to get a better paying job. VIDA allows families to save a maximum amount of \$3000. If a family saves the maximum of \$3000 in their savings the family's savings is matched three to one. Meaning for every dollar the family saves, they get \$3 up to a total of \$12,000.

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

The Salem SHA is not a troubled PHA as reflected by its Section Eight Assessment Program (SEMAP) and Public Housing Authority (PHA) scores.

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 through the Homeless Rental Assistance Program. The program has secured housing for more than 260 individuals who were chronic homeless in the City of Salem. This program is a collaborative effort with funding support through the City of Salem and other various grants.

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

Introduction

The City prioritizes ending homelessness among social service agencies to identify and assist persons currently homeless, or at risk of becoming homelessness. This will be achieved by providing funds to organizations such as Center for Hope and Safety, Seed of Faith, Westcare, Applegate LLC, DevNW the Housing Authority of the City of Salem, and others, for housing to persons who are income-qualified, in crisis situations, persons with disabilities, and persons leaving correctional facilities, and social service programs including emergency and crisis services, subsistence payments, homeless case management, and case management for persons fleeing domestic and sexual violence.

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

The OR 505-Oregon Balance of State Continuum of Care approach to assistance to the homeless (CoC) website (www.commandcenter.pointintime.info/#home) reports that in 2020 there are approximately 873 people in Salem/Keizer experiencing homelessness. By the HUD's definition, this includes people living in shelters and on the streets. Every year, the Mid-Willamette Valley Community Action Agency (MWVCAA) organizes dozens of volunteers to count and survey the homeless residents of Marion and Polk Counties as part of the National Point in Time (PIT) Count. The Point in Time Count for Marion and Polk Counties was conducted throughout January 2021.

Local service providers, city staff and volunteers met at various sites and shelters and performed a one-day boots on the ground search and count of homeless individuals. The PIT count continued for two weeks rather than one day, as a result of HUD waivers. During these two weeks, MWVCAA staff continued the count. Team members who participated in the PIT count used the CountUS App on their phones and tablets to conduct the survey and record the responses. Some of the questions posed during the interviews of homeless persons during this event included: Are you looking for a job? Do you have any medical problems? What is the hardest part about being homeless? and What can be done to improve your current situation? Once the final report is reviewed by HUD, report data is used to determine the next year's CoC funding allocation. For non-profit agencies serving the homeless and at-risk populations of the region, Continuum of Care funding is often critical for service provision.

Addressing the emergency shelter and transitional housing needs of homeless persons

Specific projects and programs will provide emergency shelter and transitional housing to prevent low-income individuals, and families with children from becoming homeless. CDBG funds assist with emergency shelter and homeless prevention: It will be recommended that Westcare be provided funding so that they can make the necessary repairs to their facility that provides 30 beds to homeless veterans. Throughout the year, Westcare will provide shelter to approximately 116 veterans rotating

those 30 beds.

Applegate LLC, Housing Authority of the City of Salem, and DevNW will also be recommended for HOME funding to construct much needed affordable low-income housing servicing a diverse group of Salem residents.

Center for Hope and Safety will also be recommended to receive funds for survivors of domestic violence. Center for Hope and safety provides case management and shelter for survivors of domestic violence while they rebuild their lives.

Seed of Faith will also be recommended for funding their program that provides rental assistance, utilities, and security deposits, and will also be making needed repairs and rehab to their facility for continued service.

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

Center for Hope and Safety will be recommended to receive CDBG funding to provide case management to victims of Domestic Violence. Westcare will be recommended for CDBG funding for their program that provides emergency shelter and transition services for homeless veterans.

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

Seed of Faith will be recommended to receive CDBG funding for one-time crisis rental assistance (subsistence payments) for one-time crisis utility assistance, and security deposits. This program provides assistance during crisis situations, reducing the possibility of the families becoming homeless. Marion Polk Food Share will also be recommended for CDBG funding. Their program will provide meal delivery as well as on-site meals as things open. These are healthy meals provided for free for seniors,

and individuals with disabilities.

Discussion

As described above, the City anticipates a continued effort to prevent and eliminate homelessness. The issue of homelessness will be addressed through multiple programs with a focus on ending and preventing homelessness.

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

Introduction

The 2019 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).

Table NA-40.1 Providing Decent Housing Salem-Keizer 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

A summary of identified Impediments and recommendations are discussed below:¹

Impediment: Fees and Charges

In the City of Salem’s Organizational/Business Survey, 75% of respondents stated that the primary barrier to their clients accessing affordable housing were fees and charges. Some of the reasons that this is a barrier for their clients include the inability to qualify for jobs with adequate salaries (full-time, permanent), lack of income, increase in rental application fees, and coming up with move-in costs (i.e. deposit and first month’s rent). This is consistent with the overwhelming response to the Organizational/Business Survey, the Housing and Community Needs Survey, and documentation from other reports such as the Housing Needs Assessment (Mid-Willamette Valley Council of Governments, City of Salem) stating that the highest priority for the next five years is funding of job training programs and job creation projects so that persons are able to pay the fees associated with housing.

¹ City of Salem/Keizer Home Consortium, Analysis of Impediments to Fair Housing, September 2014.

Impediment: Limitations

In the City of Salem’s Organizational/Business Survey, 50% of respondents indicated that the primary barriers to their clients accessing affordable housing were a criminal record, negative rental history, and alcohol and drug issues. Additionally, through this analysis, it appears there is a significant limitation for persons with disabilities. As indicated in the fair housing complaints, this population reports violations of fair housing more frequently. Disabilities may also limit the number of units that the person can live in due to accessibility requirements and the costs associated to make reasonable accommodations. Other limitations listed included: limited English proficiency, lack of culturally appropriate services, gender status (transgendered), out of reach rent levels, cycle of abuse and poverty, and mental illness.

Impediment: Limited Availability

In responses to the City of Salem’s Organizational/Business Survey, Limited Availability was the third most frequently reported barrier for their clients accessing affordable housing. The reasons listed for limited availability included the following: lack of affordable units for persons with disabilities, limited funding, lack of affordable housing in desirable areas, long wait lists, and policies affecting return on residential investment. The need for additional affordable housing was also indicated in the Housing Needs Analysis (Mid-Willamette Valley Council of Governments and the City of Salem). The overwhelming need by unit type indicated through these analyses and national housing analyses are “aging in place” units. “Aging in place” units would meet the needs of all populations including the elderly and the disabled and ensure lower vacancy rates.

Other Impediments

The 2014 Impediments analysis identified numerous barriers to fair housing in Salem. Several barriers to affordable housing were also identified in the Consolidated Plan to be problems intensifying the lack of access and availability to fair housing choices. Some of the barriers to affordable housing include job training and higher education, job creation, lack of aging in place units, a lack of 1-2-bedroom units, and a lack of coordinated housing integrated self-sufficiency programs.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

In the development of the City’s Analysis of Impediments, the City formed a set of goals to address fair housing issues. These goals will also serve to remove barriers to affordable housing in Salem. The outcome from this study is included in the table

Fair Housing Issues/ Impediments	Contributing Factors	Recommended Action to be Taken
Segregation	Moderate levels of segregation	Review zoning and Comprehensive Plan for potential barriers to affordable housing options, including density maximums and lot size requirements; continue recommending appropriate amendments each year, over the next five (5) years.
Disparities in Access to Opportunity	Access to proficient schools	Review opportunities annually to increase funding sources for additional low-income housing in high opportunity areas.

	<p>Access to low poverty areas</p> <p>Labor market engagement</p>	<p>Explore opportunities annually for redevelopment or rehabilitation of residential properties in high opportunity areas.</p>
Disproportionate Housing Needs	<p>Hispanic households tend to have higher rates of cost burdens</p>	<p>Encourage the development of future affordable housing sites in high opportunity areas annually.</p>
	<p>Insufficient affordable housing in a range of unit sizes</p> <p>Discriminatory patterns in lending</p>	<p>Review zoning and Comprehensive Plan for potential barriers to affordable housing options, including density maximums and lot size requirements; continue recommending appropriate amendments each year, over the next five (5) years.</p> <p>Continue investing Community Planning and Development (CPD) funds geographically in areas of central Salem to increase access to affordable housing. Rehabilitate 3-5 owner occupied and 15 renter occupied units annually.</p>
	<p>Insufficient affordable housing in a range of unit sizes</p>	<p>Locate any future publicly supported housing units in high opportunity areas. Review annually over the next five (5) years.</p> <p>Research opportunities for increased funding options annually.</p>
Disability and Access	<p>Insufficient accessible affordable housing</p> <p>Failure to make reasonable accommodations</p>	<p>Review development standards for accessible housing and inclusionary policies for accessible housing units; continue recommending appropriate amendments each year, over the next five (5) years.</p>
Fair Housing Enforcement and Outreach	<p>Insufficient fair housing education</p>	<p>Promote fair housing education through annual or biannual workshops.</p>
	<p>Discriminatory patterns in lending</p>	<p>Promote outreach and education related to credit for prospective homebuyers annually.</p>

AP-85 Other Actions – 91.220(k)

Introduction:

This section will outline other actions the City has planned to address the needs of underserved populations, fostering and maintaining affordable housing, reduction of lead-based paint hazards, reduction in the number of poverty-level families, development of institutional structure, and coordinated efforts.

Actions planned to address obstacles to meeting underserved needs

For PY 2021-22, federal resources will provide funds to 8 external agencies and one Urban Development Department to conduct activities in this Annual Action Plan. By awarding a variety of agencies and multiple activities, the City is attempting to address obstacles to meeting the underserved needs of the community.

The programs are completed within program guidelines and address one or more goals identified in the Consolidated Plan. Coordination between public and private housing and social services agencies is an extremely important activity.

The City funds and participates in the CoC Collaborative, which is comprised of various housing and social service agencies. The collaboration of many local stakeholders provides better service to the underserved through many different projects and programs. Partnering with these institutions is vital to overcoming any gaps in institutional structure and will continue in the next plan year.

The City has committed to provide fifteen percent (15%) of its total allocation of CDBG funds to organizations that oversee public service activities for individuals and families. This aligns with the waivers established to address the impact of COVID-19. Some of these services will be provided by Center for Hope and Safety, and Marion-Polk Food Share. These programs will provide emergency services for low income families. These programs help to alleviate the obstacles many of these families face due to their current public health and economic circumstances.

Actions planned to foster and maintain affordable housing

As outlined in the 2020-2024 Consolidated Plan, one of the priorities is to Expand Affordable Housing. During the 2021-2022 plan year, funds have been allocated to the following housing related projects to assist the housing needs of low- and moderate-income persons:

Westcare, Applegate LLC, Salem Housing Authority, DevNW, and Seed of Faith.

CDBG funds will be used to rehab existing shelter for homeless veterans (Westcare) and support the infrastructure for new construction (Salem Housing Authority, Applegate LLC, DevNW).

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

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;
- Supporting permanent supportive housing for chronically homeless;
- Allocating at least 15 percent of CDBG entitlement funds for public services;
- Funding case management services for homeless individuals / families and those at risk of becoming homeless; and
- Collaborating with various City Departments, businesses, and Salem Keizer School District to support ongoing academic achievement for low-to moderate-income students.

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 2021-2022.

Discussion:

For several years, the City of Salem's Urban Renewal Agency (Agency) identified opportunities for developing a new mixed use, mixed income neighborhood in the City's downtown core and along the Portland Road corridor. Progress is being made in both areas.

In 2021, Agency staff will continue to monitor development opportunities in the area, changes in the market, outreach to the development community to identify potential opportunities and partnerships.

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PROGRAM SPECIFIC REQUIREMENTS

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

Introduction:

This second year of the 2020-2024 Consolidated Plan will see 8 external agencies and an Urban Development department conducting activities totaling \$2,413,935 in CDBG and HOME grant funding. Compliance with program regulations will ensure the funds are expended to meet the identified community needs. More resources will be needed to address the continued impact of COVID-19 on vulnerable populations.

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 |
| 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 | |

Other CDBG Requirements

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 it will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. 0
3. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. 75.00%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.220(l)(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 not carrying out homebuyer assistance with the 2021 allocation.

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 twenty (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 that are being refinanced with HOME funding scheduled for this 2021-2022 plan year.

Discussion:

In addition, to ensure that proper legal documentation is maintained, monitoring of the funding provided is conducted by Federal Programs as required by the funding source and as included in Federal Programs Policies and Procedures.

Sub recipient Monitoring

Monitoring and technical assistance are vital to ensure a successful partnership with the subrecipient and City to help guarantee short and/or long-term compliance. The level and type of annual monitoring depends on the length of time a subrecipient has been receiving CDBG funds, and their performance. All first year subrecipients have onsite monitoring to ensure they are meeting the program requirements. Pay requests for all projects and programs are processed only after all required documents are received. When construction or rehabilitation projects are closed out, documentation of client eligibility is obtained. Projects funded in past years are monitored annually to ensure the original intended use has not changed during the period. For all construction or rehabilitation projects, ongoing physical inspections occur throughout the project to ensure local codes are met. For projects triggering Davis Bacon, staff provides extensive training with the subrecipient to ensure all federal requirements are met. This includes mandatory contractor and payroll staff meetings, review of certified payroll, and additional training depending on the level of sub recipient expertise.

HOME monitoring is undertaken to ensure recipients are managing projects in compliance with funded activities. HOME assisted rental projects must meet the low-income occupancy and rent level requirements at initial occupancy and throughout the period of affordability. Property inspections must meet the requirement of state and local codes, and rehabilitation standards for projects within the City of Salem. The City continues to monitor HOME funded projects in accordance with HOME monitoring requirements of at least every three years. If determined a “high-risk” property, the project will be monitored more frequently. Additionally, HOME Annual Reports are required to be submitted for all projects in the affordability period in January of each year. Through this annual monitoring, the City can provide technical assistance and to address any issues of compliance if noted. Replacement reserve reports are required quarterly on the HOME-assisted properties still in the affordability period.

Due to the shift in the economy, the Homebuyer Program was eliminated July 1, 2010. Homebuyers who were funded in the past are reviewed annually, for a minimum of five years after project close out, to ensure they are still residing at the residence funded. This same process is used for homebuyers in the Habitat for Humanity program. The City is a participant in the streamlining effort coordinated by OHCS. The goal of streamlining is to reduce staff time and tenant interruptions throughout the year. Every recipient and subrecipient, with programs or projects that are not closed out, must submit Quarterly Status Reports (QSR) that clearly define the progress made for the quarter, anticipated progress, and any challenges or barriers that may have occurred. These reports help ensure timeliness of expenditures, project status, and provide an indication of when onsite inspections are required.