

SUBSTANTIAL AMENDMENT TO THE 2015-2019 CONSOLIDATED PLAN

Background

The 2015-2019 Housing and Community Development Consolidated Plan (Consolidated Plan) identifies needs and formulates a five-year strategic plan with objectives and outcomes that address the needs for housing, community and economic development, and human services within the cities of Salem and Keizer.

As an entitlement community, the City of Salem (City) is eligible to receive funds from the U.S. Department of Housing and Urban Development (HUD) under two formula grants: Community Development Block Grant (CDBG) and the HOME Investment Partnerships Program (HOME). The creation of the Consolidated Plan is a federal requirement from HUD for the City to receive funds from these programs.

Desired outcomes of the 2015-2019 Consolidated Plan are geared towards making the cities of Salem and Keizer decent, safe and affordable places to live, and encouraging a vibrant, livable community.

With available funds, the City administers housing and community development loan and grant programs to projects and programs in Salem and Keizer. The allocation of these funds is determined through an application and Annual Action Plan process, determining which projects and/or programs fit most closely with the Consolidated Plan. Projects are allocated funds based on annual resources provided through these two funding sources.

As the lead agency between Salem and Keizer overseeing the development and implementation of the Consolidated Plan, the City of Salem Urban Development Department collaborates with other City departments and organizations to identify community needs. Once these needs are determined, priorities for the implementation of the Consolidated Plan are used to direct activities and expenditures of CDBG and HOME funds.

The Citizen Participation Plan describes the efforts that the City will take to encourage the community to participate in plan development. It also describes the process for amending the Consolidated Plan and/or Annual Action Plan when necessary.

Proposed Consolidated Plan Substantial Amendment

The Strategic Plan describes the yearlong process involving citizens and elected officials. As with other West Coast cities, Salem and Keizer have extremely low residential vacancy rates and many vulnerable men, women and children living on the streets, in vehicles and other places not intended for housing. Salem lacks affordable housing, shelter beds, permanent supportive housing, coordinated social services, and funding to address these issues effectively. More than half of Salem's households are paying more than 30 percent of their income toward housing costs. Minimum wage isn't enough to afford an average Salem apartment, and rents are increasing at more than 10 percent annually.

In addition to inadequate housing and services, there is also a lack of coordination, strategic funding, and enough data to fully understand the challenges. Additionally, cost associated with emergency services, maintaining public spaces, parks and parking garages creates fiscal challenges for the City and businesses.

The City's Strategic Plan is outcome driven. The desired outcome in the priority area **Affordable Housing, Social Services, Homelessness** is to increase affordable housing options, coordinate and centralize social services and funding, and reduce the number of chronically homeless in the community.

Goals and Actions related to this priority include:

Housing: Implement a Housing First strategy to provide housing security for Salem residents.

Services: Accessible health and social services for Salem residents.

- Create a sustainable, substantive funding stream for development of affordable housing (through City, Salem Housing Authority, and Urban Renewal Agency sources, the possibility of tax exemptions, new fees, fee waivers, etc.)
- Enhance neighborhood livability and resident engagement through thoughtful site selection and design for new affordable housing: prioritize access to transit, proximity to services, and the creation of a sense of community.
- Maximize resources for and coordination of local social services and align Salem's existing social service funding with strategic initiatives. Continue funding a program for rental assistance for homeless people.
- Partner to establish a sobering and recovery center.

This amendment changes are summarized below:

1. The amount of CDBG funds allocated to promote economic development is reduced to the amount used to date and allocated in the 2018 Annual Action Plan.
2. The funding priorities are reprioritized as follows:

Amendment for Year 5 of the Con Plan	Con Plan Years 2014-2018
1. End Homelessness	1. Promote Economic Development
2. Expand Affordable Housing	2. End Homelessness
3. Neighborhood Revitalization	3. Expand Affordable Housing
4. Promote Economic Development	4. Neighborhood Revitalization

3. HUDAC shall be replaced with Community Services and Housing Commission (CSHC)
4. Salem Interfaith Hospitality Network changed to Mid-Willamette Valley Family Promise. The agency name will be updated throughout the amended Consolidated Plan.
5. Consolidated Plan contact information has been updated.

Analysis

This proposal qualifies as a substantial amendment because it meets the criteria within the Citizen Participation Plan:

"A substantial amendment to the Consolidated Plan means an amendment that changes the intent of the plan by modifying adopted priority needs, and implementation strategies. Substantial amendments require a public hearing and City Council approval. CSHC and City staff shall review substantial amendments. Either CSHC or City staff may provide recommendations to the City Council. Written notices of City Council consideration of substantial amendment shall be published in a newspaper of general circulation to provide a period, not less than thirty days, to receive comments on the substantial amendment before implementation."

