

**FOR COUNCIL MEETING OF:  
AGENDA ITEM NO: \_**

October 22, 2007  
7 (b)

**TO:** MAYOR AND CITY COUNCIL  
*Robert G. Wells*  
**THROUGH:** ROBERT G. WELLS, CITY MANAGER  
*Rick L. Scott*  
**FROM:** RICK L. SCOTT, DIRECTOR  
URBAN DEVELOPMENT DEPARTMENT

**SUBJECT:** PUBLIC HEARING FOR AMENDMENTS TO THE  
SALEM/KEIZER CONSORTIUM 2006/2007 AND  
2007/2008 ONE YEAR ACTION PLANS

**ISSUE:**

Public Hearing to consider amendments to the Salem/Keizer Consortium 2006-2007 and 2007-2008 One Year Action Plans that allocate Community Development Block Grant (CDBG) and HOME funds.

**RECOMMENDATION:**

Staff recommends the City Council approval of the Salem/Keizer Consortium 2006-2007 and 2007-2008 One-Year Action Plan Amendments that allocate Community Development Block Grant (CDBG) and HOME funds.

**BACKGROUND:**

Federal regulations and Salem's Citizen Participation Plan for CDBG and HOME Investment Partnership Funds require a formal process to make amendments to the Consolidated Plan and One Year Action Plans. A change in an approved federal funding source is defined as a substantial amendment to the Action Plan and substantial amendments require a public hearing and City Council approval.

Housing and Urban Development (HUD) regulations require an advertised minimum 30-day period for the public to comment on the plan amendments. The 30-day comment period ended on October 10, 2007. There were no comments received.

## **FACTS AND FINDINGS:**

### **1. 2006-07 One Year Action Plan Amendment**

The 2006-07 One Year Action Plan allocated \$150,000 in HOME contingency funds for the development of affordable housing. Catholic Community Services Foundation received the funds to purchase a single family home, to be occupied by low income foster parents of four teenage girls.

A recent HOME monitoring indicated the project did not meet the requirements of HOME funding, but would be eligible with CDBG. Cost savings in City of Salem CDBG anticipated service delivery cost, critical repair and rental lead abatement programs are available to replace the original HOME fund allocation with CDBG.

### **2. 2007-08 One Year Action Plan Amendment**

The 2007-08 One Year Action Plan allocated \$8,000 of CDBG funds to Habitat for Humanity to fund the construction of water/sewer infrastructure for a to-be-built single family residence on Wendy Street.

This activity is not eligible with CDBG funds. The identification of CDBG funds in the Plan was an error and should have been dedicated as HOME funds.

Cost savings in City of Salem HOME service delivery costs for Program Year 2006 is available for the replacement funding of this project.

3. On September 19, 2007, the Housing and Urban Development Advisory Committee (HUDAC) recommended Council approval of the 2006-07 and 2007-08 One Year Action Plan amendments presented.

Report Prepared by: Rena Peck, Federal Program Manager  
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