



MARION COUNTY BOARD OF COMMISSIONERS

Work Session Summary Minutes

O R E G O N

Annual Community Development Block Grant (CDBG)/ HOME Program Administration Funding

November 6, 2025. 1:30 PM

Courthouse Square, 555 Court St. NE, Salem
5th Floor, Suite 5232, Commissioners Board Room

ATTENDANCE:

Commissioners: Danielle Bethell, Colm Willis, and Kevin Cameron.

Board's Office: Alvin Klausen, Chris Eppley, Trevor Lane, Toni Whitler, Heather Inyama, and Matt Laywer.

Legal Counsel: Steve Elzinga,

Community Services: May Udani, Sheila Roberts, Kelli Weese, and Steve Dickey.

Commissioner Danielle Bethell called the meeting to order at 1:35 p.m.

Subject Presentation

- County has status as a US Housing and Urban Development (HUD) entitlement area since 2021:
 - Over this period, 21 projects were funded for program expansions.
 - Additional projects supported through a total of about \$5.8 million,:
 - Plus \$600,000 from other sources.
- Some funded initiatives include:
 - Purchasing homes for Soaring Heights.
 - Operations for the Safe Sleep Salem shelter.
 - Support the Center for Hope & Safety.
 - Homeowner rehab.
 - Homebuyer assistance programs.
- The primary purpose:
 - Address funding gap for administrative costs:
 - Increasing due to inflation.
 - Expanding material/service needs:
 - Travel, printing, trainings, etc.
 - Unpredictable county administrative charges.
- Available annual funding:
 - About \$1.4 million from CDBG.
 - \$475,000 from HOME.
 - HOME American Rescue Plan Act (ARPA) allocation used over 10-years.
 - Each has capped administrative allowances:
 - 20% for CDBG.
 - 10% for HOME.
 - 15% for HOME ARPA.

Discussion

- Administrative caps:
 - Unspent caps do not roll over in terms of administrative usage.
 - Can be redirected to projects rather than being lost.
- Financial documents and attachments referenced:
 - Clarifies resources and requirements for administrative funding.
 - Discrepancies between projected and actual administrative draws:
 - Fiscal Year 2023:
 - Projected administrative draws based on maximum allowable cap.
 - Some years' administrative caps were not fully used.
 - Higher administrative cap in early entitlement years not fully drawn.
 - Unspent administrative capacity rolled into project funding instead.
 - Some projected administrative funds preserved to fill gaps in future projects.
 - Fiscal Year 2024:
 - Unspent administrative from earlier years covered project shortfalls.
 - Some amounts for administrative redirected into project budgets, reflecting lower-than-expected draws for administrative.
 - Fiscal Year 2025:
 - Projected administrative amounts indicate sufficient funds:
 - Not all administrative funds were used.
 - Some withheld for future years' needs.
 - Significant increase in administrative expenditures:
 - Operating expenditures.
 - Led to actual administrative costs being higher than anticipated.
 - Some administrative costs could not be fully funded even with allowed caps.
- Allocation and calculation of administrative costs:
 - Personnel:
 - Salaries and wages for those managing CDBG and HOME programs.
 - 2.5 dedicated Full-Time Equivalents (FTEs), covered by grant administrative:
 - Responsible for oversight, compliance, and reporting.
 - Additional departmental staff contributions may exceed limited caps:
 - Ms. Weese's position or IT support.
 - Partially or not at all covered by the grants.
 - Materials and services:
 - Operational expenses direct to CDBG/HOME program administration.
 - Printing, travel, and training associated with program management.
 - Other materials and services necessary:
 - Office supplies or contracted services
 - Expenditures increase with expansion or years when more project dollars are moving.

- Specific investments (like Safe Sleep Shelter or Soaring Heights) result in increased or unusual costs.
- Fluctuating county administrative charges:
 - Charges assessed by county administration for financial, legal, or operational support of programs.
 - Calculated at fund level and allocated proportionally to programs:
 - CDBG, HOME, wildfire, etc.
 - Fluctuations attributed to:
 - Changes in program/project volume funding being processed.
 - Large, one-time contracts.
 - Formulas based on prior year expenditures:
 - Can magnify costs following years of increased activity.
 - Shifts in how expenses are allocated between county funds and interdepartmental transfers.
 - Historical administrative charges have regularly exceeded initial budget expectations:
 - Ongoing gaps and annual re-evaluation of how much can be covered by available administrative caps.
- Reallocation between departments and if it led to double-counting or misallocation.
- Structure for allocating central service administrative charges around county funds:
 - Process inconsistencies and different understandings between departments.
- Burden of high administrative costs:
 - Appropriateness of covering with lottery or general funds.
 - Impact of different fund sources on program sustainability.
- How other counties supplement administrative caps:
 - Most use general fund to cover costs that exceed federal grant limitations.
 - Some use local levies dedicated to housing or related services.
 - Some use general fund and program income due to maturity and size of their housing programs.
 - Most do not rely solely on federal caps:
 - Recognize insufficiency to cover administrative and operational expenses.
 - Supplementing with local revenue sources is common to ensure sustainability and compliance.

Next Steps

- Follow up with Jan Fritz:
 - How central service administrative charges should be allocated to various funds.
 - Address any procedural inconsistencies or misunderstandings.
- Board staff remind commissioners about impact of administrative charge allocations when making decisions on project funding sources.
- Investigate possibility of using health-related funding sources to support program:
 - Opioid settlement funds.
 - Behavioral Health Resource Network dollars.
- Document and formalize policies governing administrative cost allocation across departments and funds:
 - Transparency, compliance, and fiscal responsibility.

- Decide if general fund, lottery fund, or other sources are appropriate for administrative costs:
 - Prioritize human services and economic development programs being sustainable.
- Maintain accurate and detailed record-keeping for HUD and internal requirements:
 - Administrative expense processes and allocations withstand outside review.
- Explore other jurisdictions supplemental funds and long-term managing strategies.

Adjourned – time: 2:20 p.m.

Minutes by: Mary Vityukova

Reviewed by: Gary L. White