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AGENDA COVER MEMORANDUM

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AGENDA DATE: November 10, 2004

TO: LANE COUNTY BOARD OF COMMISSIONERS

FROM: Peter Thurston, Community and Economic Development Coordinator

AGENDA ITEM TITLE: RESOLUTION and ORDER/In the Matter of Receiving Grant Funds for Mapleton Water System Improvements (\$750,000) and \$375,000 for the Regional Housing Rehabilitation Program and Increasing Appropriations in the Amount of \$1,125,000 General Expense Capital Projects within the FY04-05 General Fund

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I. MOTION It is moved that the Order be adopted in the matter of authorizing receiving grant funds for Mapleton Water System Improvements (\$750,000) and \$375,000 for the Regional Housing Rehabilitation Program and increasing appropriations in the amount of \$1,125,000 General Expense Capital Projects within the FY04-05 General Fund.

II. ISSUE OR PROBLEM Shall Lane County receive and appropriate grant funds from two Community Development Block Grants: one for \$375,000 from Oregon Housing and Community Services for continuation of the Regional Housing Rehabilitation Program (RHRP) and the second grant in the amount of \$750,000 from the Oregon Economic and Community Development Department (OECD) for design and construction of water treatment facilities for the Mapleton Water District?

III. DISCUSSION

A. Background. On April 14, 2004 the Lane County Board of Commissioners held a public hearing to consider Community Development Block Grant (CDBG) projects that Lane County may sponsor. Lane County is the only eligible applicant for unincorporated areas and communities in the county. The Board of Commissioners adopted Order 04-4-14-12 listing four projects for development and potential CDBG funding: 1) Lane County Regional Housing Rehabilitation Program, 2) Mapleton Water System Improvements, 3) Blue River Water System Improvements, and 4) projects that promote deconstruction of recyclable buildings and job creation through waste reduction. Notice was received from the Oregon Economic and Community Development Department and the Oregon Housing and Community Services Department awarding funds for projects 1 and 2. The housing rehabilitation project is funded for \$375,000 and the Mapleton project is funded for \$750,000. The grant award letter for the Mapleton project is attached as Attachment A and Attachment B includes the housing rehabilitation grant contract statement of work and special conditions of award. Copies of the complete contracts are in the Board secretary's office.

B. Analysis. These are two entirely separate grants, made by the two state agencies listed above, using the same source of funding: federal Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funds. Over the past 25 years, Lane County has received millions of dollars in CDBG funding, for projects that serve the needs of lower income citizens, principally in rural areas of the county. Examples of these grants include: Child Advocacy Center, Jasper Mountain Center, Mapleton sewerage facilities improvements, Mapleton water system improvements, and County Public Services Building handicapped access.

The Regional Housing Rehabilitation Program (RHRP) is a collaboration between Lane County and the cities of Oakridge, Westfir, Lowell, Cottage Grove, and Florence. Over the past four years, the RHRP has accumulated from past and current grants about \$3 million in the revolving loan funds that are used for more rehabilitation loans. As loans are paid back, these revolving funds continue to be used to improve housing stock in the participating communities and unincorporated areas of Lane County.

Administration of the grants. The grants will be administered and their related contracts will be managed through the Lane County Community and Economic Development Program (C&ED), in the County Administration Department. Initially, the grant agreements, intergovernmental agreement with the Mapleton Water District and the agreements with St. Vincent De Paul will be reviewed by County Counsel to insure they are acceptable. The grant form for the Mapleton grant is a form used in recent years by the Oregon Economic and Community Development Department, and should pose no surprises. The grant contract form provided by the Oregon Housing and Community Services Department for the housing rehabilitation is new, and may require some modification to meet Lane County contract requirements. Once the grants are initiated, C&ED staff will monitor progress, participate where required, and process invoices for payment for services and construction. This is estimated to take 5 to 10 hours per month over the life of the grants – about 18 to 24 months.

Service Contracts. The Mapleton water system improvements will require design and bid for the construction, most of which is related to replacing the treatment filters for the system. It is also essential that the Mapleton Water District secure professional grant administration and management services to see that all of the CDBG requirements are met, including federal labor standards monitoring and reporting, grant monitoring by Oregon Economic and Community Development Department, environmental review requirements, preparation of grant draw down forms, and close out of the grant.

The Regional Housing Rehabilitation Program intergovernmental agreement and a contract with St Vincent De Paul (SVDP) provides the basis for continuing the existing arrangement for administering and management the housing rehabilitation program. SVDP over sees the permitting for improvements to qualified lower income applicants. The RTMP Policy Committee and a separate Loan Committee, appointed in accordance with the program intergovernmental agreement, oversee the process and assist in guiding the program and development of regional housing rehabilitation revolving loan fund.

County staffing of the grant administration. A requirement of CDBG grants is that the grant be received and accounted for in the eligible applicant's budget. Administration and management of these two programs by outside agencies (The Mapleton Water District and St. Vincent De Paul, respectively) will minimize the amount of time required of county staff to oversee the proper expenditure of these funds. An intergovernmental agreement will be established with the Mapleton Water District describing their responsibility to see that all of the grant conditions are met, by retaining appropriate management services. The St Vincent De Paul subrecipient agreement will be amended to include continuation of the rehabilitation services in coordination with the cities that participate in the regional housing rehabilitation program.

C. Alternatives/Options. The Board may:

- 1) Approve the ORDER authorizing the receipt of the grants, appropriating funds, and providing authority to sign grant documents, subject to review of the grant contracts by County Counsel.
- 2) Determine not to receive one or both grants.

D. Recommendations. Number 1 is recommended, to receive the grants, appropriate funds, initiate the grant administration processes, and complete the grant contracts signature process, subject to the review by County Counsel.

E. Timing. The conditions in each grant require that Lane County receive sign the grant agreements by early December 2004, or each grant may be withdrawn. After each grant is signed, initial grant administration steps including budget, environmental review, and setting up payment processes. A specific scope of work with the subrecipients will be established by intergovernmental agreement or Subrecipient agreement.

IV. **IMPLEMENTATION/FOLLOW-UP** Upon approval of the ORDER by the Board of Commissioners, the grant contracts will be finalized and grant administration processes initiated.

## ATTACHMENTS

### ORDER

A – Mapleton grant award letter

B – RHRP grant Statement of Work (Exh. A) and Special Conditions of Award (Exh. C)

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

RESOLUTION ) In the Matter of Receiving Grant Funds for Mapleton Water System  
and ORDER ) Improvements (\$750,000) and \$375,000 for the Regional Housing  
) Rehabilitation Program and Increasing Appropriations in the Amount of  
) \$1,125,000 General Expense Capital Projects within the FY04-05  
) General Fund

Whereas, Oregon Economic and Community Development Department awarded a Community Development Block Grant to Lane County on October 18, 2004 in the amount of \$750,000 for Mapleton Water System Improvements, and

Whereas, on October 20, 2004 the Oregon Housing and Community Services Department initiated a grant contract in the amount of \$375,000 for the Lane County Housing Rehabilitation Program, and

Whereas, the Board of County Commissioners as the governing body of Lane County may, in accordance with ORS 294.326 (2), appropriate by Resolution grant revenues and expenditures, NOW, THEREFORE, IT IS HEREBY :

- 1) RESOLVED and ORDERED that an additional \$1,125,000 in revenues and expenses be appropriated in General Expense Capital Projects within the Fiscal Year 04/05 General Fund.
- 2) FURTHER ORDERED that the County Administrator is authorized to sign the grant contract documents in substantial conformity with those made available to the Board of County Commissioners for review, and
- 3) FURTHER ORDERED that the County Administrator is hereby appointed as the grant certifying officer and authorized to execute other grant documents necessary to administer these grants.

Signed this 10th day of November, 2004.

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Bobby Green, Sr., Chair, Board of County Commissioners

APPROVED AS TO FORM  
Date 11/2/04 Lane County  
[Signature]  
OFFICE OF LEGAL COUNSEL

Attachment A

OCT 20 2004

October 18, 2004



Mr. William Van Vactor, County Administrator  
Lane County Administration  
125 East 8<sup>th</sup> Ave.  
Eugene, OR 97401

RE: Oregon Community Development Block Grant Award, \$750,000, to Lane County, Project Name:  
Mapleton Water District System Improvement Project. Project Number P04019

Dear Mr. Van Vactor:

Congratulations on the county's successful application for the above-referenced project. Enclosed please find a summary showing the award amount and the terms and conditions of the award. Actual funding is subject to execution of a contract between the county and the Oregon Economic and Community Development Department. Contract documents will be sent shortly for your review and signature.

A Grant Management Handbook, explaining how to manage the project in accordance with the requirements of the Community Development Block Grant Program has been sent directly to Peter Thurston, of your staff. Your project is being administered through the Oregon Economic and Community Development Department's Capital Project Division. If you need assistance or if questions arise during the project, please contact Gary Whitney, Regional Coordinator, at 503-986-0141 or Gary.L.Whitney@state.or.us.

We encourage you to offer appropriate media opportunities to help build public awareness of the project's purposes and benefits. Please notify the Oregon Economic and Community Development Department Regional Coordinator of any event celebrating this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Laird Bryan".

Laird Bryan, Infrastructure Manager  
Capital Projects Division

enclosure

c: Peter Thurston, Lane County Administration  
Ted Johnson, OECDD  
Fiscal  
file  
OECDD Contract





**EXHIBIT A  
STATEMENT OF WORK**

**Non-assignment of Ultimate Responsibility for Work**

GRANTEE shall retain ultimate responsibility for completing all services, tasks, or activities and providing all deliverables required by this Statement of Work regardless of any approvals received under this Agreement relating to Subrecipients or subcontractors.

**Statement of Work**

Each Statement of Work under a grant program is unique to the GRANTEE. It must reflect the purpose of the grant Program and the methods proposed by the GRANTEE to administer or deliver the grant program. The GRANTEE individual Project Plans and their associated Project Budgets are hereby incorporated by reference. The OHCS Program Manager shall approve and document each individual Project Plan and the documentation will become part of the records retained. GRANTEE must request prior approval for deviations to GRANTEE's approved Project Plans and their associated Project Budgets.

GRANTEE shall perform all activities, tasks, and deliverables hereunder in accordance with the terms and conditions of this Agreement, the specific program requirements, and in a manner satisfactory to OHCS.

**1. Maintenance of Programmatic Capacity**

GRANTEE shall provide for and maintain the capacity for administration of activities under programmatic requirements which must result in timely usage of funds.

Remedies for non-compliance with above tasks or for untimely usage of funds may include withholding of request for Funds or reduction and redistribution of current or future funding allocation.

If the rate of request for any expenditure category is substantially different than in approved budget submissions OHCS may reduce and redistribute any or all funds under this grant agreement. OHCS Program Manager shall, at their sole and absolute discretion, decide when a rate is to be considered "substantially different". This remedy is in addition to any other allowed under this agreement.

**2. Financial Integrity**

GRANTEE shall be responsible for financial integrity of accounting records and compliance with the following requirements in addition to those required by regulation.:

**EXHIBIT A  
STATEMENT OF WORK**

- a. GRANTEE shall, and shall cause its subrecipients to, prepare and maintain accurate financial records documenting all expenditures made from funds provided under this Agreement. These records shall include financial and audit reports for the applicable accounting period for the program, including adjustments to reconcile the accounting records.
- b. GRANTEE shall reimburse expenditures of subrecipients under this agreement only if they are:
  - 1) In payment of eligible activities or services performed under this Agreement.
  - 2) In payment of services performed or supplies delivered during the applicable program period;
  - 3) In the aggregate not in excess of 100% of the funds provided to that grant program under this Agreement; and
  - 4) Not for duplicate payment for the same activities or services under both this Agreement and any other contract or agreement with subrecipients.
- c. GRANTEE shall pay their subrecipient within thirty (30) days of the date of request for payment.
- d. GRANTEE shall maintain documentation of its monitoring of subrecipients. The documentation shall include, but not be limited to:
  - 1) An agreement that complies with the requirements of this Agreement.
  - 2) Documentation of methodology for defederalization of grant funds.
  - 3) Documentation of the non-profit status of the subrecipient; and
  - 4) Copies of all of the subrecipient's OMB Circular A-133 audits if the subrecipient is required to have such an audit.
  - 5) Documentation of other methods used by GRANTEE for monitoring subrecipient activities.
- e. GRANTEE shall maintained an Accounting System which conforms with the following requirements:
  - 1. Expenditures shall be segregated by line item category within the accounting system of GRANTEE or subrecipient, as the case may be, and reported on the required fiscal reports.



## **EXHIBIT A STATEMENT OF WORK**

2. Funds received together with any income that is attributable to funds provided thereby shall be identified and segregated for expenditures relating to the program(s) for which the original funds were provided. Any allocation methodology shall comply with any requirements applicable to that entity or program.

**OHCS may, in its sole and absolute discretion, reduce GRANTEE funding and redistribute to other GRANTEEs. Adjustments pursuant to this subsection are implemented by means of amendment to this agreement. This remedy is in addition to any other allowed under this agreement.**

### **3. Programmatic Integrity**

GRANTEE shall be responsible for programmatic integrity and compliance with the programmatic intent including but not limited to the following requirements:

- a. GRANTEE shall provide and maintain adequate resources necessary to ensure that all staff, GRANTEE and subrecipient, are adequately trained to perform under this agreement including, but not limited to the training in processing of eligibility determinations and authorizations or other programmatic requirements.
- b. GRANTEE shall comply with programmatic regulations and guidelines as listed on Exhibit D, Grant Programs and their Compliances
- c. GRANTEE shall have a written procedure for the handling of client appeal of determinations and disputes with their construction contractors.

### **4. Deliverables – Exhibit B, Required Reports**

- a. GRANTEE shall, and shall cause its subrecipients to submit the required reports so that they are **received by OHCS on or before the due dates specified** in Exhibit B, Required Reports Table of this agreement, as outlined in the individual grant program project plan, or as newly required by any provider of funding under this agreement. GRANTEE shall require its subrecipients to submit the required reports to GRANTEE in sufficient time to allow GRANTEE to fulfill its obligations under this Section.
- b. The reports shall be **complete and accurate and in the format required** by OHCS.
- c. The reports must **agree with the accounting records** maintained by GRANTEE and/or its subrecipients **and be certified by the chief executive officer** of GRANTEE or its subrecipients, as the case may be.

**EXHIBIT A  
STATEMENT OF WORK**

**If GRANTEE fails to produce or produces and submits incomplete, inaccurate, or untimely reports, OHCS may withhold any or all requests for funds of GRANTEE under this Agreement or any other contract or agreement in effect between OHCS and GRANTEE to the extent allowed by Law. OHCS may also use any of the above as basis for reduction and redistribution, suspension, or termination of funding of any or all funds under this Agreement.**

**EXHIBIT C**  
**SPECIAL CONDITIONS OF AWARD**  
**HOUSING REHABILITATION GRANT**

Special conditions pertinent to this grant are set forth below.

1. All funds designated as rehabilitation funds in the Project budget must be contractually committed in loan contracts by GRANTEE to eligible property owners by ninety (90) days prior to the Project Completion Date. Any rehabilitation funds not so committed shall be recaptured by OHCS.
2. All matching funds must be secured in writing before grant funds can be obligated, or the Grant Contract may be terminated. No CDBG funds may be drawn down unless all Project matching funds are secured.
3. All Project-related contracts must be received by OHCS ten (10) days before they are signed. This includes all Project-related contracts between GRANTEE and any person or entity who will be administering the grant or performing services under a personal services contract. This condition does not apply to contracts between GRANTEE and individual homeowners or owners of rental property.
4. Prior to the approval of the first drawdown of grant funds for this Project, GRANTEE shall provide the following to OHCS:
  - a. Copy of an adopted Fair Housing resolution and evidence that this resolution has been published within six (6) months prior to the grant drawdown.
  - b. Copy of a completed self-evaluation checklist required by Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 (1994) or the Americans with Disabilities Act of 1990, 42 U.S.C. §§12111-12213 (1994).
  - c. GRANTEE must inform OHCS of a specific local certifying official who will be responsible for monitoring the housing rehabilitation program to ensure that necessary permits are obtained for construction work done with program funds and that required inspections take place before grant funds are requested from OHCS for the completed work. GRANTEE is responsible for notifying OHCS when a new individual is assigned the task of the certifying official.
5. No costs will be charged to this grant which were incurred prior to execution. OHCS will review all cash requests prior to payment authorization from HUD. GRANTEE will factor payment processing timelines into disbursement schedules with subgrantees and contractors. OHCS will require that draws be a minimum of \$5,000 unless specific processing arrangements are made in advance of cash request submission.
6. Any local funds remaining in an approved non-construction budget line item when that line item activity is completed shall be transferred to the rehabilitation activity line item.
7. If GRANTEE displays a sign in front of houses being repaired with CDBG funds, the sign shall contain a reference to the CDBG program.

**EXHIBIT C**  
**SPECIAL CONDITIONS OF AWARD**  
**HOUSING REHABILITATION GRANT**

8. Any grant GRANTEE which has had prior CDBG grants or which is the recipient of more than one CDBG award must undertake at least one activity, in addition to adopting and publishing a Fair Housing resolution, to promote fair housing opportunities in its community.
9. If GRANTEE intends to retain program income to continue the housing rehabilitation program, OHCS will require GRANTEE to sign a grant Closeout Agreement at the time it submits the Project Completion Report. In the Closeout Agreement, the GRANTEE will agree to manage the program income in compliance with requirements of the Act.

If GRANTEE does not intend to retain program income to continue the housing rehabilitation program, GRANTEE will make arrangements to return all program income to OHCS.

10. GRANTEE must complete the following Environmental Review steps for Housing Rehabilitation projects:
  - a) Submission of a Finding of Exemption from Part 58 for grant administration and program management;
  - b) Completion of a Categorical Checklist showing a Consultation Action Taken to Achieve Compliance for Historic Properties; and any other applicable regulation;
  - c) File a Notice of Intent to Request a Release of Funds along with an affidavit of publication from a newspaper of general circulation in the project area, and a Request for Release of Funds. No rehabilitation funds will be approved prior to a Release of Funds being issued by OHCS.

The Community Development in Oregon, Grant Management Handbook will be the source for these steps.

11. Each housing rehabilitation project home will have at least one photo taken prior to construction activities and at least one photo taken after final inspection. Photos will be kept in client CDBG files and released to the OHCS or HUD upon request.