

W. J. A.

AGENDA COVER MEMORANDUM

AGENDA DATE: 6/29/05

TO: LANE COUNTY BOARD OF COMMISSIONERS

FROM: Peter Thurston, Community and Economic Development Coordinator

AGENDA ITEM: ORDER/IN THE MATTER OF APPLYING FOR FUNDING FROM OREGON HOUSING AND COMMUNITY SERVICES TO INITIATE A REGIONAL HOUSING CENTER

I. MOTION

IT IS MOVED THAT THE ORDER BE ADOPTED IN THE MATTER OF APPLYING FOR FUNDING FROM OREGON HOUSING AND COMMUNITY SERVICES TO INITIATE A REGIONAL HOUSING CENTER

II. ISSUE OR PROBLEM

Shall Lane County be the applicant for funding of a regional housing center that provides a variety of housing information, principally regarding homeownership to residents in all communities in the region, generally described by Lane County's boundary? Is Lane County interested in supporting a housing center where another municipality in Lane County is the applicant?

III. DISCUSSION

A. Background. This background statement was prepared by the Neighborhood Economic Development Corporation (NEDCO), a non-profit organization located in Eugene, that provides housing and economic development services to lower income people. Additionally, NEDCO has prepared a draft strategic plan, marketing plan, and quarterly work plan, attached as Attachment A. Several years ago, the Oregon Housing and Community Services decided it would serve the people of Oregon to have an efficient system of regional housing centers for each county or region. These "one-stop shop" regional housing centers would offer homeownership education, collect and distribute information about other homeownership programs (such as down payment assistance, first time homebuyer loans, and rehab loans for homeowners), give knowledgeable referrals, and do outreach and marketing of all relevant programs throughout the county, so that people in both rural and urban areas would have a place to obtain homeownership information.

To encourage development of these centers, the state grants multiple-year funding for each regional center, to support services, referrals, and outreach. The grant amount is \$70,000 for the first two years, declining to \$55,000 in the third year, then stabilizing at \$40,000. In order to receive the funds, either the county or a rural jurisdiction applies for the funds in concert with the non-profit organization that will provide the services. There is no commitment of funds by the county or any municipality in the county. The non-profit organization writes the grant application, is responsible for all the deliverables, and does all the reporting and coordination.

Oregon Housing and Community Services has recognized NEDCO for our commitment to homeownership education, counseling and outreach, and has partnered with us for many years in developing and piloting new programs for first time homeowners. Over a year ago, they listed NEDCO on their website as the Lane County Regional Housing Center, because they wanted the public to know where to call for information and referrals related to homeownership. (see www.oregonbond.us)

On June 6, the Intergovernmental Housing Policy Board held a public hearing and unanimously recommended NEDCO as the agency to receive the regional housing center designation. We have already received letters of support from many of the rural and urban communities, and many organizations and businesses throughout the county, supporting NEDCO to take the lead in providing Lane County residents with more homeownership information and outreach.

NEDCO currently works with about 350 households per year in homeownership education classes and one-on-one counseling. Three of NEDCO's six staff are devoted to homeownership education, information and outreach. The two full time homeownership counselors (one of whom is bilingual/bicultural) do extensive outreach and presentations, and regularly provide referrals to other programs. About 18% of new phone calls handled by the homeownership counselors are from households in rural areas. In addition, the executive director is the board president of the statewide Homebuyer Education Collaborative of Oregon, and is the chair of the Valley Individual Development Accounts (VIDA) Collaborative, which provides down payment grants to households in seven counties.

The OHCS Regional Housing Center funding will provide funding to increase the marketing of homeownership programs (for instance, the new "PAL" down payment assistance program for rural residents) throughout the county. Currently NEDCO pays for most of its homeownership education, counseling, and referral activities with private support and revenue generated by its development activities. We anticipate that the OHCS funding will enable us to leverage additional support, particularly from the private sector.

B. Analysis. NEDCO proposes that Lane County be the applicant to establish a housing center that serves Lane County residents. The application deadline for this year, set by Oregon Housing and Community Services (OHCS), is June 30. The following analysis is offered by Lane County Community and Economic Development staff as a means of evaluating the costs associated with applying for, receiving, and administering the proposed Community Development Block Grant (CDBG).

Why should Lane County consider being the applicant? Lane County and the non-metropolitan cities of Lane County, are the only eligible applicants for Small Cities CDBG funds. OHCS intends to use CDBG funds for part of the project funding, and requires that housing center applicants be eligible CDBG applicants. The city of Coburg is considering whether to be the applicant, and their decision will be made on or before June 28.

The above description of the project is very minimal when compared to other housing centers around the state. This may be expected given that Lane County has never had one agency that acts as a clearinghouse and one-stop center for weatherization, home repair, accessibility improvements, mobilehome/trailer weatherization, information on predatory lending, credit counseling, home ownership, and affordable rental housing advice. This is the need that OHCS identified as a state-side problem, and it is recognized by the Intergovernmental Housing Policy Board in Lane County as a need here.

Funding at \$70,000 in the first two years, dropping to \$40,000 in the fourth year, for a housing center is not adequate to provide needed services to Lane County residents. The underlying question is: where will the other funds come from as funding diminishes and is Lane County willing to bear the costs of being the applicant?

Lane County has received millions of dollars in CDBG funding over the past three decades that it has been available. Projects are typically in the range of several hundred thousand dollars to the maximum amount in recent years of \$750,000 for public works, community facilities, housing rehabilitation, and accessibility improvements. Typically, Lane County CDBG grants have been for \$300,000 to \$750,000. The CDBG program does not provide grant administration funding to the applicant agency for developmental costs, public notices, hearings, contract processes, internal financial-payment processes, and final reporting and closeout. All of the program management and administrative procedures may be contracted to another party, such as NEDCO in this case, however, Lane County financial, legal, and community development staff will necessarily have the additional workload from this grant, estimated to be 30 to 50 hours, for a cost of \$3,000 to \$4,000. A small city, as applicant, would likely not have as high an overhead cost due to the program administrator's ability to take on these responsibilities more directly, as a part of their project administration and management.

Cost/benefit. The overhead cost for internal financial services, legal costs, and staff work for contracts is substantially the same for a small CDBG grant process as one that is for hundreds of thousands of dollars. This high cost for a very small grant amount should be given consideration, regardless of the worthiness of the project. The likely CDBG funding that will be received in the first year is around \$25,000, 1/30th of the larger CDBG grants. The housing center grant benefit is likely to drop to under \$20,000 in the 4th year of the, assuming that half of the housing center funding from OHCS comes from CDBG funds. It is the CDBG funding source that makes Lane County the logical region-wide eligible applicant. However a small city could act as the conduit for funding county-wide housing center services, and may have lower overhead costs than Lane County if administration functions are left to the program management agency.

Selection of the program management agency. Public contracting procedures require that, at a minimum, a letter of interest (LOI) process will need to be followed to select the housing center administering agency. NEDCO's proposal does not automatically qualify them as the administering agency. If more than one applicant responds to the LOI, then a longer RFP process will need to be followed and then a contract prepared and processed. Even with the model contracts from the current housing rehabilitation sub-recipient agreement and the Mapleton water system project, this is a time consuming activity that is not in the current scope of work.

An option to consider is assigning this housing center activity to the Housing and Community Services Agency. It is within the scope of the agency's responsibilities and staff of HACSA report to the Board of County Commissioners sitting as the HACSA board. The estimated internal costs, above, could be minimized by HACSA staff working directly with county staff. HACSA could contract with Lane County as the project manager/administrator and recover costs for overseeing the program. The most significant problem with this alternative is the exceedingly limited funding available from OHCS for housing center activities. Because of the short time frame of this proposal from NEDCO, no detailed discussion of this alternative has take place.

Summary and Recommendations. There really is no question as to the need for a central housing information center for Lane County residents which includes a broad spectrum of housing information and referral. This is particularly true for rural residents who do not have access to metropolitan programs. The options for implementing a regional housing center come down to where and how can the program best be developed and managed at the lowest cost, while insuring that the broadest scope of information services are provided, particularly to isolated rural areas.

C. Alternatives/Options. The Board may:

- 1) Approve the ORDER directing that: a) Lane County be the applicant for the first year of housing center funding, using public contracting procedures to secure the housing center management

- agency, b) the Interagency Housing Policy Board be requested to evaluate the results and recommend how to proceed after the first year, c) the housing center develop a work plan that strives to deliver half of the housing center services to residents in rural areas of Lane County, d) housing information services should include information and referral on all housing programs, and e) other funding will be sought by the housing center administering agency, or
- 2) Request more information about the proposed scope of services, or
 - 3) Decide not to be the applicant for housing center funding at this time.

D. Recommendations. Number 1 is recommended, to authorized the application and evaluate the best way to continue the program when an application is considered for the second year of funding.

E. Timing. June 30 is the deadline for applications for housing center funding this year.

IV. IMPLEMENTATION/FOLLOW-UP

Upon approval of the Board, the required grant documents will be signed and the proposing agency will finalize the application and deliver it to Oregon Housing and Community Services. In accordance with board direction, and upon approval of a grant for housing services through a Lane County Housing Center, a letter of interest (LOI) will be published in the usual manner to solicit interested parties to be the Sub-recipient for the housing center grant and program. If more than one response is received, a request for proposals will be published and Lane Manual processes will be followed.

ATTACHMENTS

ORDER

A – Draft Strategic, Marketing, and quarterly Work Plans

\\BCC housing ctr memo-order 6-14-05.doc

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

**ORDER NO.) IN THE MATTER OF APPLYING FOR FUNDING FROM
) OREGON HOUSING AND COMMUNITY SERVICES TO
) INITIATE A REGIONAL HOUSING CENTER**

WHEREAS, Oregon Housing and Community Services has a grant programs to initiate regional housing centers, and

WHEREAS, the Neighborhood Economic Development Corporation, a non-profit agency and the Lane County Intergovernmental Housing Policy Board recommend that Lane County be the applicant for a county-wide housing center, and

WHEREAS, the Board of County Commissioners sees the need for a housing center, including the following: a) Lane County be the applicant for the first year of housing center funding, b) the Interagency Housing Policy Board be requested to evaluate the results and recommend how to proceed after the first year, c) the housing center develop a work plan that strives to deliver half of the housing center services to residents in rural areas of Lane County, d) housing information services should include information and referral on all housing programs, and e) other funding will be sought by the housing center administering agency; NOW, THEREFORE, IT IS HEREBY

ORDERED that Lane County shall be the applicant for the first year of housing center funding.

FURTHER ORDERED that upon award of a grant, public contracting procedures shall be implemented to select an agency to administer the project.

FURTHER ORDERED that the Lane County Intergovernmental Housing Policy Board is requested to evaluate the results from the first year of housing center activity and recommend how to proceed to accomplish the above objectives when a second-year application is being prepared.

FURTHER ORDERED that the County Administrator is authorized to sign the housing center application.

Signed this 29th day of June, 2005.

Anna Morrison, Chair
LANE COUNTY BOARD OF COMMISSIONERS

APPROVED AS TO FORM
Date: 6/29/05 Lane County
Terena J. Huber
OFFICE OF LEGAL COUNSEL

DRAFT

Strategic plan 1 year goals (October 2005 - September 2006)

- Create a full-fledged Homeownership Center, serving all of Lane County with homeownership education and counseling, outreach, and referrals and information on all aspects of homeownership, including pre-purchase, post-purchase, and home repair and rehabilitation.(from NEDCO's 2005 Strategic Plan).
- Increase overall consumer contacts for information, class, counseling, and referrals related to homeownership by 50%.
- Increase consumer contacts from non-entitlement areas by 90%.
- Increase Hispanic consumer contacts by 20%.
- Increase private-sector funding for the Homeownership Center.
- Increase media coverage of homeownership programs.
- Develop an enhanced Homeownership Center website.
- Hold 12 outreach/information events, with a minimum of eight in rural areas.
- Hold a Hispanic Homeownership Fair.
- Assist 80 households to become first time homebuyers.
- Develop policies and procedures for delivery of Homeownership Center services.

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Marketing Plan

Marketing efforts will be aimed at low and moderate income families and individuals who would benefit from homeownership information, including information for first time homebuyers, and information on rehabilitation and weatherization programs through Lane County. The focus of marketing will be to identify the regional housing center (called the Homeownership Center) as a one-stop shop for people to contact about services and information.

We intend to do some marketing in all the major towns/cities in Lane County, including Coburg, Creswell, Cottage Grove, Eugene, Florence, Junction City, Lowell, Oakridge, Springfield, and Veneta/Elmira. The purpose of this broad approach to marketing is to get some information to most areas of Lane County, so that we can analyze the needs and best approaches for future targeted marketing.

Marketing will include:

- Brochures and posters (in English and Spanish) placed in strategic spots such as city halls, libraries, schools, community bulletin boards, community centers, community gathering places, and businesses such as financial institutions and real estate offices.
- Working with Chambers of Commerce, local governments, and other civic organizations to get the word out.
- Radio spots in both English and Spanish (including LaX, the new Spanish radio station).
- Public speaker engagements throughout the county.
- Cross referrals with partner organizations to build upon one another's efforts and outreach.
- A Hispanic Homeownership Fair.
- "House parties," an information dissemination system of neighbors and friends who attend dedications and house warming parties for families who have benefited from NEDCO's and partner agencies' programs. These will enhance word-of-mouth advertising for the Homeownership Center.
- Newspaper articles in local newspapers in Lane County. Of particular note is the fact that the Register Guard, the major Lane County newspaper which is circulated throughout the County, is just developing a "housing beat." The reporter assigned to the beat, Scott Maben, has contacted NEDCO several times since June 15 to discuss potential article topics and to ask for referrals and information.

Many of these marketing approaches are based on the research results of the "Integrated Marketing Communications Plan" completed by NEDCO and Corvallis Neighborhood Housing Services (CNHS) in December 2004, with

funding from the Enterprise Foundation. NEDCO and CNHS approached that work jointly because of the common nature of our work, because we are strong collaborators, and because we knew that collaborating would result in an efficient use of funds. The marketing plan was focused specifically on reaching homebuyers early in the process, and recommends targeted radio advertising, Nickel Ads, developing media relationships, and developing a Homeownership Center website, with keywords which will result in higher placement of the website in Google and Yahoo search engines. We intend to mplement this marketing plan in the first year of the regional housing center.

In the first year, we expect a 30% increase in contacts and referrals from Eugene and Springfield, and a 90% increase in contacts and referrals from rural areas.

EXPECTED BY QUARTER	ACTIVITY	SERVICE OUTCOME	ADMINISTRATIVE OUTCOME
1st quarter Oct. -Dec. 2005	<ul style="list-style-type: none"> Develop advisory committee 		<ul style="list-style-type: none"> 10 members 1 year meeting schedule set
	<ul style="list-style-type: none"> Hold meeting of all partners 		<ul style="list-style-type: none"> Discuss referral protocol, communication/collaboration methods Appoint working group to develop data collection form and protocol Discuss outreach strategy
	<ul style="list-style-type: none"> Complete Homeownership Center brochure, begin brochure distribution 	<ul style="list-style-type: none"> Increased phone calls/contacts 	
	<ul style="list-style-type: none"> Seek additional private sector funding 		<ul style="list-style-type: none"> Increase visibility for the Homeownership Center among potential funders
	<ul style="list-style-type: none"> Radio spots in Spanish and English 	<ul style="list-style-type: none"> Increased phone calls/contacts 	
	<ul style="list-style-type: none"> Establish toll free phone number 	<ul style="list-style-type: none"> Increased phone calls/contacts 	
	<ul style="list-style-type: none"> Teach ABC's of Homebuying classes monthly 	<ul style="list-style-type: none"> 3 Eugene/Springfield area classes 1 Cottage Grove area class (October 15) 40 households complete classes 10 rural households complete classes 70% below 80% mfi 	
	<ul style="list-style-type: none"> Hold graduation ceremony for Threshold program classes (intensive 5 month, 10 class homeownership education and counseling program) 	<ul style="list-style-type: none"> 25 households, all below 80% mfi 4 rural households 5 hispanic households 	
	<ul style="list-style-type: none"> Newspaper coverage: 1 urban area newspaper article and 1 rural area newspaper article 	<ul style="list-style-type: none"> Increased phone calls/contacts 	

	<ul style="list-style-type: none"> • Provide one-on-one homeownership counseling 	<ul style="list-style-type: none"> • 35 low income households 	
	<ul style="list-style-type: none"> • Provide phone information regarding homeownership questions 	<ul style="list-style-type: none"> • 170 new inquiries • 35 (20%) from rural areas 	
	<ul style="list-style-type: none"> • Hold homeownership information/outreach events in two rural communities 	<ul style="list-style-type: none"> • Increased phone calls/contacts 	
2nd quarter Jan. - March 2006	<ul style="list-style-type: none"> • Distribute working group report on shared data collection and protocol 		<ul style="list-style-type: none"> • Review and input forms basis of policies and procedures for delivery of services
	<ul style="list-style-type: none"> • Continue working group activity on developing policies and procedures for delivery of services 		<ul style="list-style-type: none"> • Progress made on policies/procedures
	<ul style="list-style-type: none"> • Start new Threshold for Threshold homeownership education and counseling groups 	<ul style="list-style-type: none"> • 25 households • All below 80% mfi • 8 Latino households • 8 rural households • 1 Spanish group • 1 English group 	
	<ul style="list-style-type: none"> • Teach ABC's of Homebuying classes monthly 	<ul style="list-style-type: none"> • 3 Eugene/Springfield area classes • 40 households complete classes • 10 rural households complete classes • 70% below 80% mfi 	
	<ul style="list-style-type: none"> • Newspaper coverage: 1 urban area newspaper article and 1 rural area newspaper article 	<ul style="list-style-type: none"> • Increased phone calls/contacts 	
	<ul style="list-style-type: none"> • Provide one-on-one homeownership counseling 	<ul style="list-style-type: none"> • 35 low income households 	
	<ul style="list-style-type: none"> • Provide phone information regarding homeownership questions 	<ul style="list-style-type: none"> • 190 new inquiries • 40 (25%) from rural areas 	

	<ul style="list-style-type: none"> • Hold homeownership information/outreach events in two rural communities 	<ul style="list-style-type: none"> • Increased phone calls/contacts 	
	<ul style="list-style-type: none"> • Develop and distribute poster 	<ul style="list-style-type: none"> • Increased phone calls/contacts 	
	<ul style="list-style-type: none"> • Radio spots in English and Spanish 	<ul style="list-style-type: none"> • Increased phone calls/contacts 	
	<ul style="list-style-type: none"> • Establish Hispanic Homeownership Fair working committee 	<ul style="list-style-type: none"> • Increased outreach to Latino community 	<ul style="list-style-type: none"> • Guidelines for publicity, format, location, vendor applications for fair
	<ul style="list-style-type: none"> • Seek additional private sector funding 		<ul style="list-style-type: none"> • Increase visibility and funding for Homeownership Center
3rd quarter April - June 2006	<ul style="list-style-type: none"> • Continue working group activity on developing policies and procedures for delivery of services 		<ul style="list-style-type: none"> • Produce draft policies and procedures for delivery of services
	<ul style="list-style-type: none"> • Hold Hispanic Homeownership Fair 	<ul style="list-style-type: none"> • Increased contacts with Hispanic households 	
	<ul style="list-style-type: none"> • Hold graduation ceremony for Threshold homeownership education and counseling groups 	<ul style="list-style-type: none"> • 25 households • All below 80% mfi 	
	<ul style="list-style-type: none"> • Teach ABC's of Homebuying classes monthly 	<ul style="list-style-type: none"> • 3 Eugene/Springfield area classes • 40 households complete classes • 10 rural households complete classes • 70% below 80% mfi 	
	<ul style="list-style-type: none"> • Newspaper coverage: 1 urban newspaper article and 1 rural area newspaper article 	<ul style="list-style-type: none"> • Increased phone calls/contacts 	
	<ul style="list-style-type: none"> • Provide one-on-one homeownership counseling 	<ul style="list-style-type: none"> • 35 low income households 	
	<ul style="list-style-type: none"> • Provide phone information regarding homeownership questions 	<ul style="list-style-type: none"> • 200 new inquiries • 50 (25%) from rural areas 	
	<ul style="list-style-type: none"> • Hold homeownership information/outreach events in two rural communities 	<ul style="list-style-type: none"> • Increased phone calls/contacts 	

	<ul style="list-style-type: none"> • Write RHC “subsequent” proposal for submission to applicant jurisdiction and OHCS. Develop and distribute poster 		<ul style="list-style-type: none"> • Submit proposal
	<ul style="list-style-type: none"> • Radio spots in English and Spanish 	<ul style="list-style-type: none"> • Increased phone calls/contacts 	
	<ul style="list-style-type: none"> • Hold National Homeownership Month event 	<ul style="list-style-type: none"> • Increased phone calls/contacts 	
	<ul style="list-style-type: none"> • Seek additional private sector funding 		<ul style="list-style-type: none"> • Additional funding secured
4th quarter July – Sept. 2006	<ul style="list-style-type: none"> • Complete policies and procedures for delivery of services 		<ul style="list-style-type: none"> • Meet OHCS grant requirement
	<ul style="list-style-type: none"> • Start new Threshold homeownership education and counseling groups 	<ul style="list-style-type: none"> • 1 Spanish group • 1 English group • 25 households • 8 Latino households • 8 rural households • All below 80% mfi 	<ul style="list-style-type: none"> •
	<ul style="list-style-type: none"> • Teach ABC’s of Homebuying classes monthly 	<ul style="list-style-type: none"> • 3 Eugene/Springfield area classes • 40 households complete classes • 10 rural households complete classes • 70% below 80% mfi 	
	<ul style="list-style-type: none"> • Newspaper coverage: 1 urban area newspaper article and 1 rural area newspaper article 	<ul style="list-style-type: none"> • Increased phone calls/contacts 	
	<ul style="list-style-type: none"> • Provide one-on-one homeownership counseling 	<ul style="list-style-type: none"> • 35 low income households 	
	<ul style="list-style-type: none"> • Provide phone information regarding homeownership questions 	<ul style="list-style-type: none"> • 200 new inquiries • 60 (30%) from rural areas 	
	<ul style="list-style-type: none"> • Hold homeownership information/outreach events in two rural communities 	<ul style="list-style-type: none"> • Increased phone calls/contacts 	
	<ul style="list-style-type: none"> • Seek additional funding 		<ul style="list-style-type: none"> • Receive additional funding for Homeownership Center
	<ul style="list-style-type: none"> • Radio spots in English and Spanish 	<ul style="list-style-type: none"> • Increased phone calls/contacts 	

W.G.B.

AGENDA COVER MEMO

AGENDA DATE: June 29, 2005
Memorandum Date: June 21, 2005

TO: LANE COUNTY BOARD OF COMMISSIONERS
DEPARTMENT: LANE COUNTY OFFICE OF LEGAL COUNSEL
PRESENTED BY: Teresa J. Wilson, County Counsel



AGENDA ITEM TITLE: In the Matter of Establishing Interim Local Criteria Applicable in the Proposed West Eugene Enterprise Zone and Adopting a Public Benefit Scoring System

I. MOTION I MOVE TO AUTHORIZE THE INTERIM LOCAL CRITERIA FOR THE PROPOSED WEST EUGENE ENTERPRISE ZONE.

II. AGENDA ITEM SUMMARY

The Board is being asked to approve the same interim local public benefit criteria as is being presented to the City of Eugene, to be applicable to the West Eugene Enterprise Zone, if a designation is made, until the two entities refine the criteria.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

On February 11, the City of Eugene staff informed the Finance and Audit of the potential of a joint application with the City of Eugene for an enterprise zone in the West Eugene area. The Board considered the matter on April 6, 2005, after additional refinement had occurred at the Eugene City Council. On April 20, 2005, the Board authorized the joint application to the State of Oregon. To date, the State has not indicated whether it will award this designation; however, if one is to be awarded, it would occur by July 1.

The proposed Interim Criteria were initially developed in 1997, for application to the Enterprise Zone that was then ending. Additional history is available in the Agenda Item Summary presented by staff to the Eugene City Council for its deliberations on June 27, 2005, and in the previous April 20 Board agenda packet. If the City makes any changes at its meeting, that will be presented to the Board at the time this comes up for discussion.

B. Policy Issues

The policy issue presented here is whether to have local conditions to the enterprise zone tax exemption, and if so, whether these are the ones desired. Given the uncertainty of zone designation, adoption of past criteria for the interim is a prudent step, with the understanding that new standards can be developed if the application is successful.

C. Board Goals

“Work[ing] for a strong regional economy to expand the number of family-wage jobs available in Lane County” and “contribut[ing] to appropriate community development in the areas of transportation and telecommunications infrastructure, housing, grown

management and land development" are two of the County's overall goals as stated in the Strategic Plan. The purpose of Enterprise Zone is to encourage such development, and encouragement of these goals is the focus of the Interim Benefit Criteria.

D. Financial and/or Resource Considerations

The concept of the Enterprise Zone is one of tax exemption, which has an obvious effect in the short term on the County's revenues. The impact for the County would be partially offset by the public benefit contribution, if the applicant does not meet the identified criteria. The additional resource implication here is that of staff resource and Commissioner time in the development of revisions to the public benefit criteria.

E. Analysis

See the Eugene Agenda Item Summary. The proposed criteria are those from 1997, with a couple of modifications, so they are in place by July 1. If the designation is received, additional refinements can be made. In any event, if there are criteria, the joint sponsors must adopt the same ones.

F. Alternatives/Options

1. Adopt the Interim Criteria as presented. These would then be in place if a zone is designated, until new standards can be fully processed and adopted.
2. Adopt alternative Interim Criteria. This would necessitate working with the City of Eugene in the very short time before July 1 to adopt the same criteria, or they would not go into effect.
3. Do not adopt the Interim Criteria (or be unable to achieve agreement with the City of Eugene). Only conditions that are in place at the time a business firm applies can be applied. If a firm were to apply for an exemption between the time the zone goes into effect and before criteria is adopted, it would receive the full tax benefit under the statutes applicable to enterprise zones, without any local standards or conditions.

IV. TIMING/IMPLEMENTATION The effort here is to have the local benefit criteria jointly adopted by the zone sponsors before a zone goes into effect.

V. RECOMMENDATION I recommend the Order be adopted.

VI. FOLLOW-UP If the designation is received, staff will return with a process for the development of refined criteria.

VII. ATTACHMENTS

Board Order with Exhibit A
Eugene City Council Agenda Item Summary for June 27 meeting
Proposed Eugene Resolution

IN THE BOARD OF COUNTY COMMISSIONERS
OF LANE COUNTY, OREGON

RESOLUTION AND ORDER NO. 05-6-28-) IN THE MATTER OF ESTABLISHING
) INTERIM LOCAL CRITERIA
) APPLICABLE IN THE PROPOSED
) WEST EUGENE ENTERPRISE ZONE
) AND ADOPTING A PUBLIC BENEFIT
) SCORING SYSTEM

WHEREAS, on April 20, 2005, the Board of Commissioners of Lane County adopted Order No. 05-4-20-9 authorizing the County Administrator to delegate authority to the Eugene City Manager to make application to the State of Oregon for designation of a West Eugene Enterprise Zone, and

WHEREAS, at the time Order No. 05-4-20-9 was approved, the Board indicated its intent to adopt, prior to July 1, 2005, interim local criteria consistent with the Public Benefit Criteria adopted in 1997. It was the understanding that new job quality standards would be adopted as soon as practical following notification of a successful designation application, with the intent that 25 percent of the tax exemption benefit for qualified enterprise zone investments would be subject to the job quality standards, and

WHEREAS, notification has not been received from the State of Oregon regarding the selection of zone designations for this year's application round. The selection is expected to occur prior to July 1, with the zone becoming active as of July 1, 2005, and

WHEREAS, the Interim Local Public Benefit Criteria set forth herein consists of the 1997 Public Benefit Criteria, with the public benefit contribution of 15 percent modified to 25 percent, as directed by the Eugene City Council. The City Council also requested that a cap be placed on the tax exemption, and staff has recommended a cap of \$30,000 per new full-time job created, and

WHEREAS, the Public Benefit Criteria attached as Exhibit A hereto reflects the scoring system adopted by Order No. 97-12-1-1 on December 1, 1997 with the formula for calculating the public benefit contribution adjusted to reflect the City Council's desire to condition 25 percent (formerly 15 percent) of the tax exemption on the public benefit criteria,

NOW, THEREFORE IT IS HEREBY RESOLVED AND ORDERED that the Lane County Board of Commissioners adopts as its findings the recitals stated above, and it is further

ORDERED that, based on the above findings, the Board hereby establishes the following Interim Local Criteria for the proposed West Eugene Enterprise Zone:

1. Qualifying companies shall be required to make a public benefit contribution based on the following criteria:

a. The extent to which the company hires from local training/referral agencies:

b. The extent to which the company hires persons with barriers to employment;

c. The extent to which the average compensation of new jobs is equal to or greater than the average county wage;

d. The extent to which the company dedicates funds for non-mandated training and benefits;

e. Whether the company is utilizing a previously developed site, including expansion of an existing site, or redevelopment of an industrial or brownfield site;

f. The extent to which the assessed value of new investment exceeds \$500,000 per acre;

g. Whether the company is a small and/or local business or small and/or local start-up company.

2. Except as provided in Section 3 below, in no event shall the amount of the contribution exceed 25% of the tax exemption.

3. Notwithstanding the provisions of Sections 1 and 2 above, the three-year tax exemption benefit shall be limited to a maximum of \$30,000 per new full-time job created, and it is further

ORDERED that the Board of Commissioners adopts the Public Benefit Criteria Scoring System contained in Exhibit A attached hereto and incorporated herein, to implement the Interim Local Criteria set forth above, for determining exemptions for future investments made by companies participating in the proposed West Eugene Enterprise Zone, and it is further

ORDERED that this Order shall become effective immediately upon adoption by the Board and adoption of a substantially similar resolution by the Eugene City Council.

DATED this 28th day of June, 2005.

Chair, Lane County Board of
Commissioners

APPROVED AS TO FORM

Date 6/21/05 Lane County


OFFICE OF LEGAL COUNSEL

PUBLIC BENEFIT CRITERIA (2005)

1.	The extent to which the average wage of new jobs is equal to or greater than the average county wage.								
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6. Will the company be utilizing a previously developed site, including expansion of an existing site (i.e., the investment will take place at the same physical location as the existing facility) or redevelopment of an industrial or brownfield site.

	<u>Points</u>
Expansion at existing site	1
Redevelop preexisting industrial site or brownfield site	2

7. The extent to which the assessed value of new investment is at least \$500,000 per acre.

	<u>Points</u>
Investment \geq \$500,000 per acre	1

CRITERIA NOTES:

* **Examples of qualified local training or referral agencies:**

- Lane Workforce Partnership
- Oregon Employment Department
- Lane Community College
- Adult/Family Services
- Vocational Rehabilitation
- Private Rehabilitation Agencies
- Goodwill Industries
- Catholic Community Services
- St. Vincent de Paul
- Salvation Army

** **Examples of persons with employment barriers:**

- Low/moderate income
- Disabled
- Injured
- Veteran
- Welfare recipient
- Displaced worker
- Teens/youth
- Ex-felon
- Older workers
- Short-term jobs history
- Displaced homemaker
- Drug/alcohol abuse history
- Protected classes (Female head of household, Hispanic, Black, Asian or Pacific Islander, American Indian or Alaskan Native)

***** Qualifying non-government mandated benefits include: health/life/disability insurance, retirement, profit-sharing, paid vacation/holiday, child care, transportation, sick leave, tuition assistance, career development/training.**

Based on the number of public benefit contribution points earned in each Enterprise Zone tax exempt year, each community shall make a public benefit contribution which shall be a percentage of the total assessment in any given year, based on the following:

<u>Points Earned</u>	<u>Public Benefit Contribution %</u>
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80+	0% contribution
-----	-----------------

0-79	Apply formula: Contribution due = a percentage equal to
------	---

$$[25 \text{ minus } ((\text{point total}) - 30) \times .25]$$

Example: If point total is 40

$$[25 \text{ minus } ((40) - 30) \times .25] = \text{contribution of } 2.5\%$$

Example: If point total is 10

$$[25 \text{ minus } ((10) - 30) \times .25] = \text{contribution of } 24.375\%$$

DISTRIBUTION OF PUBLIC BENEFIT CONTRIBUTION

Public benefit contribution will be paid annually, distributed as follows:

- 40% to Lane County;
- 40% to City of Eugene;
- 20% to programs sponsored by educational institutions, including Section 501(c)(3) tax exempt education foundations. The Enterprise Zone Committee will reconvene in any year in which there is at least \$10,000 in this category to distribute. A competitive Request for Proposal process will be conducted by the Enterprise Zone Committee to allocate the available funds.

The Enterprise Zone Committee will consist of two City Councilors appointed by the Eugene City Council, two County Commissioners appointed by the County Board of Commissioners, and two at-large members appointed by the four Councilors/Commissioners.

Administrative costs of the distribution process may be taken from the funds available.

EUGENE CITY COUNCIL AGENDA ITEM SUMMARY



Resolution Establishing Interim Local Criteria in the Proposed West Eugene Enterprise Zone

Meeting Date: June 27, 2005
Department: Planning & Development
www.ci.eugene.or.us

Agenda Item Number: ___
Staff Contact: Denny Braud
Contact Telephone Number: 682-5536

ISSUE STATEMENT

Consistent with the action taken at the June 20, 2005 work session, Council is being asked to approve a Resolution establishing interim local criteria that would apply to tax exemptions granted in the proposed West Eugene Enterprise Zone. Permanent local criteria would be adopted as soon as practical following a public involvement process.

BACKGROUND

On April 20, 2005, Council took the following actions:

- 1. Approved a Resolution authorizing the City Manager to make application to the State of Oregon for designation of a West Eugene Enterprise Zone.*
- 2. Supported a provision that no investment within the proposed West Eugene Enterprise Zone will receive a tax exemption greater than an amount per new job created, with numbers to be determined prior to the zone's implementation.*
- 3. Directed the City Manager, in the event that Eugene's enterprise zone application is approved by the State of Oregon this year, to bring back a resolution prior to July 1, 2005, for adoption of interim local criteria consistent with the Public Benefit Criteria adopted in 1997, with the understanding that new job quality standards would be adopted as soon as practical following notification of a successful designation application, in accordance with a public involvement process approved by Council, with the intent that 25 percent of the tax exemption benefit for qualified enterprise zone investments would be subject to the job quality standards.*

The State of Oregon has not yet provided notification regarding selection of zone designations for this year's application round. Selection is expected to occur prior to July 1, with the zone becoming active as of July 1, 2005.

The proposed Resolution is consistent with the Council direction provided on April 20, 2005. The 1997 "Public Benefit Criteria" is being proposed as the interim criteria. The formula for calculating the "public benefit contribution" has been adjusted to reflect the desire to condition 25 percent (formerly 15 percent) of the tax exemption on the public benefit criteria. Additionally, a cap on the tax exemption has been added in response to Council direction. Staff recommends a cap of \$30,000, which would limit the

three-year tax exemption benefit to a maximum of \$30,000 per new full-time job created.

In the event that the proposed West Eugene Enterprise Zone is designated, staff will propose a public involvement process for establishment of job quality standards that would replace the interim criteria. It is anticipated that the final job quality standards would be adopted by Council in the Fall of this year.

RELATED CITY POLICIES

The enterprise zone tax exemption addresses the following related City policies:

Sustainable Community Development. Council's Sustainable Community Development goal addresses high quality of life and a healthy economy. The availability of quality jobs is a basic quality of life issue. With a local unemployment rate that exceeds the national average, and local income levels below state and national averages, the creation of new production sector jobs is fundamental to the health of the local labor market. The creation of an enterprise zone will also provide an incentive for redevelopment, infill development, and brownfield redevelopment, which are primary sustainability goals.

Growth Management. The enterprise zone advances the City's Growth Management goals by encouraging more intensive industrial development in a defined area that has been zoned accordingly, and where existing public infrastructure investments have already occurred.

Fair, Stable, and Adequate Financial Resources. The long term property tax revenues that result from new investments that are encouraged by the short-term tax exemption address Council's goal for financial resources adequate to maintain and deliver municipal services.

COUNCIL OPTIONS

Regarding the establishment of job quality standards, the following two options have been identified:

1. Adopt interim criteria prior to July 1, 2005, that would be in place until new standards can be fully processed and adopted.
2. Do not adopt interim criteria prior to July 1, 2005, and fully process and adopt standards as soon practical.

CITY MANAGER'S RECOMMENDATION

The City Manager approves the recommendation that Council adopt the proposed Resolution establishing interim local criteria. In the event that Eugene's application is successful, new job quality standards would be created in a timely manner thereafter, in accordance with a public involvement process approved by Council.

SUGGESTED MOTION

Move to approve Resolution No. _____ .

ATTACHMENTS

A. Resolution No. _____

FOR MORE INFORMATION

Staff Contact: Denny Braud

Telephone: 682-5536

Staff E-Mail: denny.braud@ci.eugene.or.us

RESOLUTION NO. _____

A RESOLUTION ESTABLISHING INTERIM LOCAL CRITERIA APPLICABLE IN THE PROPOSED WEST EUGENE ENTERPRISE ZONE AND ADOPTING A PUBLIC BENEFIT SCORING SYSTEM.

The City Council of the City of Eugene finds that:

A. On April 20, 2005 the City Council adopted Resolution No. 4832 authorizing the City Manager to make application to the State of Oregon for designation of a West Eugene Enterprise Zone.

B. At the time Resolution 4832 was approved the Council directed the City Manager to bring back to the Council, prior to July 1, 2005, a resolution adopting interim local criteria consistent with the Public Benefit Criteria adopted in 1997. It was the understanding that new job quality standards would be adopted as soon as practical following notification of a successful designation application, with the intent that 25 percent of the tax exemption benefit for qualified enterprise zone investments would be subject to the job quality standards.

C. Notification has not been received from the State of Oregon regarding the selection of zone designations for this year's application round. The selection is expected to occur prior to July 1, with the zone becoming active as of July 1, 2005.

D. The Interim Local Public Benefit Criteria set forth herein consists of the 1997 Public Benefit Criteria, with the public benefit contribution of 15 percent modified to 25 percent, as directed by the Council. The Council also requested that a cap be placed on the tax exemption, and staff has recommended a cap of \$30,000 per new full-time job created.

E. The Public Benefit Criteria attached as Exhibit A hereto reflects the scoring system adopted by Resolution No. 4548 on December 1, 1997 with the formula for calculating the public benefit contribution adjusted to reflect the Council's desire to condition 25 percent (formerly 15 percent) of the tax exemption on the public benefit criteria.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EUGENE, a Municipal Corporation of the State of Oregon, as follows:

Section 1. Based on the above findings, which are hereby adopted, the City Council hereby establishes the following Interim Local Criteria for the proposed West Eugene Enterprise Zone:

(a) Qualifying companies shall be required to make a public benefit contribution based on the following criteria:

1. The extent to which the company hires from local training/referral agencies;
2. The extent to which the company hires persons with barriers to employment;
3. The extent to which the average compensation of new jobs is equal to or greater than the average county wage;
4. The extent to which the company dedicates funds for non-mandated training and benefits;
5. Whether the company is utilizing a previously developed site, including expansion of an existing site, or redevelopment of an industrial or brownfield site;
6. The extent to which the assessed value of new investment exceeds \$500,000 per acre;
7. Whether the company is a small and/or local business or small and/or local start-up company.

(b) Except as provided in subsection (c), in no event shall the amount of the contribution exceed 25% of the tax exemption.

(c) Notwithstanding the provisions of subsections (a) and (b), the three-year tax exemption benefit shall be limited to a maximum of \$30,000 per new full-time job created.

Section 2. The City Council adopts the Public Benefit Criteria Scoring System contained in Exhibit A attached hereto and incorporated herein, to implement the Interim Local Criteria set forth in Section 1 of this Resolution, for determining exemptions for future investments made by companies participating in the proposed West Eugene Enterprise Zone.

Section 3. This Resolution shall become effective immediately upon adoption by the Council and adoption of a substantially similar resolution by the Lane County Board of County Commissioners.

The foregoing Resolution adopted the ____ day of June, 2005.

City Recorder

PUBLIC BENEFIT CRITERIA (2005)

1. The extent to which the average wage of new jobs is equal to or greater than the average county wage.

The average wage for all new jobs is:

	<u>Points</u>
≥100% and ≤110% of average county wage	25
> 110% and ≤115% of average county wage	35
> 115% of average county wage	40

2. The extent to which the company hires from local training/referral agencies.

	<u>Points</u>
≥10% - ≤35% of all new jobs	5
> 35% - ≤50% of all new jobs	15
> 50% of all new jobs	25

3. The extent to which the company hires persons with barriers to employment. **

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≥5% - ≤10% of all new jobs	5
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	<u>Points</u>
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5. Whether the company is a small business.

≤50 employees at time of precertification	<u>Points</u> 10
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6. Whether the company is utilizing a previously developed site, including expansion at an existing site (i.e., the investment will take place at the same physical location as the existing facility), or redevelopment of an industrial or brownfield site.

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CRITERIA NOTES:

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80+	0% contribution
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0-79	Apply formula: Contribution due = a percentage equal to
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$$25 \text{ minus } [(\text{point total}) - 80] \times 25$$

Example: If point total is 40

$$25 \text{ minus } [40 - 80] \times 25 = \text{contribution of } 12.5\%$$

Example: If point total is 10

$$25 \text{ minus } [10 - 80] \times 25 = \text{contribution of } 21.875\%$$

DISTRIBUTION OF PUBLIC BENEFIT CONTRIBUTION

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