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Memorandum Date: September 10, 2008
Order Date: September 24, 2008

TO: Board of County Commissioners

DEPARTMENT: Community and Economic Development

PRESENTED BY: Mike McKenzie-Bahr, C&ED Coordinator

AGENDA ITEM TITLE: ORDER/IN THE MATTER OF RECEIVING COMMENTS FROM THE PUBLIC THROUGH A PUBLIC HEARING ABOUT COMMUNITY DEVELOPMENT NEEDS, PROPOSED PROJECTS TO MEET THESE NEEDS, LANE COUNTY'S PERFORMANCE OF COMMUNITY DEVELOPMENT BLOCK GRANT PO4019 AND SETTING PROJECT PRIORITIES

I. MOTION

Move that the Order be adopted closing out CDBG project PO4019 and the final project report be submitted to the State of Oregon.

Moved that the following projects be submitted for CDBG funding in 2008 (list projects).

II. AGENDA ITEM SUMMARY

This is a public hearing with two purposes: 1) to hear input on CDBG project PO4019. Mapleton water system project and how Lane County managed and implemented the project and 2) to receive public comment and suggestions for new potential CDBG grant projects that serve low and moderate income families.

Following the public hearing, the Board of Commissioners may take action to instruct staff to apply for CDBG funding for specific projects chosen by the Board.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Since the federal Community Development Block Grant (CDBG) program was established in the mid-1970s, Lane County has received millions of dollars through competitive selection of CDBG-funded projects to construct water and sewer infrastructure (for example Mapleton water and wastewater systems, London water, Blue River water, Blachly water, Marcola water; community facilities (the SAFE Center, Jasper Mountain Center and community center

improvements); handicapped accessibility improvements in public buildings; and provide housing rehabilitation for low and moderate income families. Some of the small cities (including Lowell, Oakridge, Westfir, Creswell, Cottage Grove, Florence, Veneta, Junction City, and Coburg) in Lane County have also received millions of dollars over the past couple decades for similar projects funded through the competitive CDBG program. The cities of Springfield and Eugene receive annual entitlement CDBG funding through a different CDBG program.

The attached Public Hearing Notices (attachment C) were published, as required by the CDBG guidelines, and were sent to several agencies (the Housing and Community Services Agency, Saint Vincent DePaul, and Lane County Health and Human Services Department, Lane County District Attorney's Office) that serve the needs of lower income families, organizations that have expressed interest or participated in CDBG programs, and city administrators around the county.

Lane County currently has two open CDBG grants through the state Economic and Community Development Department (OECDD) to improve the water systems in Mapleton and Blue River. The grant, CDBG PO4019 for the Mapleton water system is ready to be closed out by September 30, 2008. The close out report for the grant will be available to the Board at the closeout meeting.

CDBG guidelines require that the Board of Commissioners receive comments from the public about CDBG projects that are recently closed or nearing completion. The public may comment on any aspects of CDBG program delivery.

Application Processes and Rules. There are two separate application processes for CDBG funds from: 1) the Housing and Community Services Department for housing related projects and 2) the Oregon Economic and Community Development Department, for all other CDBG projects, including public works, community facilities, economic development, and technical assistance. approved conceptually.

The County is part of the Regional Housing Rehabilitation Program (RHRP), which includes most of the small cities in Lane County. Each year, on average, a different RHRP community submits a CDBG application on behalf of the RHRP. This year, the RHRP CDBG application was submitted by Junction City to serve the housing needs of city and county residents in the Junction City area.

Application Deadlines and Process. Under the CDBG Guidelines, the Oregon Economic and Community Development Department (OECDD) will receive applications quarterly for public works, community facilities, and economic development projects, under the following guidelines. Projects will be developed with the OECDD Regional Team staff to help identify the best potential funding source(s) to meet community development needs and assist with the application process. The application procedure will vary, but usually includes the following

steps:

- 1) Initial contact with state OECDD staff to request review of the project concept
- 2) OECDD invitation to apply for funding.
- 3) Draft Application Prepared and Available for Public Review and Comment.
- 4) Application Submitted to OECDD. Application deadlines for 2008 are March 31, June 30, September 30 and December 31. (For the past several years, all CDBG funds have been allocated by the June 30 round and no funds were available in the final two grant cycles. however, this year, funds were set aside for winter emergencies. If there are funds not expended on emergencies by December 31, those funds will be available in the December 31 cycle.)
- 5) State Review and Notice of Funding Decision.

Project Selection. OECDD commits the state's CDBG funds for public works, community facilities and other activities that support the agency's mission to assist Oregon business and governments to create economic opportunities and build quality communities throughout the state and that principally benefit low and moderate income persons. Oregon Housing and Community Services Department follows a separate process for awarding housing rehabilitation and housing center grants.

Number of Projects. Lane County may apply for project funding from OECDD anytime during the year.

Lane County may have up to three (3) open CDBG projects from Oregon Economic and Community Development at any one time. (Housing grants are not counted as part of the three grants). Lane County has two open OECDD/CDBG grants, the Mapleton water system improvement project and the Blue River water system improvement project. OECDD rules in the 2008 Method of Distribution limit further applications until 100 percent of Mapleton and Blue River grant funds are spent. As noted above, the Mapleton project is ready to be closed out. Blue River is scheduled to be closed out by November 23, 2008.

If both of the grants are closed out as anticipated, Lane County will be eligible to apply for public works and community facilities grants by December 31, 2008.

However, if the Blue River grant is not closed out by that time, the County may apply for a waiver from the open grant rule in order to apply for CDBG grants by December 31, 2008.

Eligible Applicants. Only CDBG non-entitlement cities and counties are eligible to apply for funding. This rule is a federal grant requirement and remains the same as past years. Lane County is the eligible applicant for all projects that serve unincorporated communities and individuals in unincorporated areas of the county. Lane County may cooperate with other eligible city applicants through an intergovernmental agreement. Lane County does not qualify countywide for CDBG funding, according to OECDD's calculations for identified low and

moderate-income communities. Each project must be approved for the specific population being served.

B. Policy Issues

The first policy issue for the Board's consideration is whether to take public comment and recommendations from community members at a public hearing.

The second policy issue is to consider whether to close out grant PO4019.

The third policy issue is to decide the highest priority projects that should be developed for potential CDBG funding.

The fourth policy issue, if needed, is to decide whether the County should apply for a waiver from the open grant rule in order to apply for CDBG grants by December 31, 2008.

C. Board Goals

The first objective of this public hearing process is to hear the comments from the public, as is represented in the strategic plan to "provide opportunities for citizen participation in decision-making, voting, volunteerism and civic and community involvement." After hearing the needs of the community, the related strategic goal is to "contribute to appropriate community development in the areas of transportation and telecommunications infrastructure, housing, growth management, and land development," by identifying projects that could assist accomplishing those goals.

D. Financial and/or Resource Considerations

There is no financial cost to the County for applying for CDBG funding other than staff time, unless a chosen project needs matching funds from the County general fund.

Both the proposed Row River project and the Child Advocacy Center have already secured their necessary match funds.

E. Analysis

CDBG PO4019

The close out report for CDBG PO4019 will show that the project met the state goals at the time the funds were applied for. At least 320 persons were assisted through the upgrade of a new water system for Mapleton, meeting the project goal.

New Projects

The *Oregon Community Development Block Grant - Small Cities Program* is funded with federal funds and has approximately \$13 million to spend this year state-wide on projects that meet one of the federal Housing and Urban Development (HUD) national objectives to serve low and moderate income people, eliminate slums and blight, and that are determined consistent with CDBG guidelines. The public hearing is to receive comments on community development needs, specific project that may meet these needs, and comments on Lane County's performance of CDBG programs.

Eligible Project Categories and Funding Levels. The state of Oregon has established the following priorities for CDBG funding: Sustained quality jobs for all Oregonians at least cost and to principally benefit low and moderate income persons, with the highest priority to promoting job development by:

1. Assisting businesses, both large and small, to create, retain and expand jobs;
2. Improving the state's business climate;
3. Marketing Oregon;
4. Providing market-ready industrial sites;
5. Providing public infrastructure on a timely basis;
6. Providing local communities with economic development tools and resources;
7. Promoting development of industry clusters, and,
8. Promoting collaboration of business and education to encourage entrepreneurship.

Opportunities for Funding. In addition to general community development needs, specific project proposals may be presented in the public hearing. The Board may choose to list such projects for development. Projects have the best chance of funding if they are listed as a county priority and focus primarily on benefit to low and moderate families in the unincorporated areas of the county.

Both in 2007 and early 2008, the BBC identified the following projects for possible CDBG funding: (1) Row River Water System improvements to solve drinking water problems through a public water system (2) Child Advocacy Center to replace the current center that has been sold. Those two projects are listed in attached Board Order 08-9-24-xx

Both the Row River project and the Child Advocacy Center are listed on the most recent Lane County Needs and Issues list as submitted to the state by the RIB (attachment D: Lane County Infrastructure Inventory), which is a requirement of the CDBG program.

F. Alternatives/Options

First of all, this is a public hearing for the Board to a) take comment on and close out CDBG PO4019 and b) consider community development needs and potential proposals that will principally serve lower income people in Lane County.

Following the hearing, the Board may:

- 1) Adopt the Order directing staff to develop a specific project, or projects, for 2008 CDBG funding.
- 2) Direct staff to explore or develop other project(s) and schedule a work session for the Board to make a final selection of CDBG application(s).
- 3) Determine not to apply for CDBG funding in 2008.

IV. TIMING/IMPLEMENTATION

To seek 2008 funds, projects should be applied for by December 31, 2008.

To qualify for CDBG funding, at least 51% of the persons served by the project must be of low or moderate income (LMI). Table 1 shows the current LMI limits for Lane County.

Table 1: 2007-2008 Low and Moderate Income Limits (Lane County, Oregon)

Income Level	Family size: 1	2	3	4	5	6	7	8
Low	\$19,150	\$21,900	\$24,600	\$27,350	\$29,550	\$31,750	\$33,900	\$36,100
Moderate	\$30,650	\$35,000	\$39,400	\$43,750	\$47,250	\$50,750	\$54,250	\$57,750

For public infrastructure projects, the project's LMI threshold is based on the census tract in which the project is located. The area covered by the Row River Valley Water system is part of much larger census tract. That census tract does not meet the CDBG eligibility.

In order to prove that the threshold will be met for the Row River project, an income survey was conducted for users and potential users of the system. The survey showed they met the CDBG LMI threshold. The results of the survey have been approved by OECD.

The Child Advocacy Center automatically meets the low and moderate income threshold just by the nature of the project.

V. RECOMMENDATION

It is recommended that the Board hear from the public on the required subjects: 1) Lane County's performance on CDBG PO4019 2) community development needs and 3) specific projects that meet community development needs.

Following the public hearing, the Board should discuss the comments and recommendations and provide staff with general directions, or specific project development priorities, as appropriate.

Attached are two Board Orders. The first Board Order, 08-9-24-x closes out HR

PO4019. The second Board Order, 08-9-24-xx directs staff to apply for a waiver from the CDBG spend down rules, and develop a CDBG infrastructure project – the Row River Valley Water System Improvement Project and a community development project – the Child Advocacy Center. These two projects were identified as Board priorities in January 2007 and again in January 2008. funding.

Additional projects may be added to the Order if the board so directs.

Community and Economic Development staff recommends the Board approve both Board Orders.

VI. FOLLOW-UP

Project applications will be returned to the Board of Commissioners for approval when they receive approval from OECDD to apply for funding.

VII. ATTACHMENTS

- A. Board ORDER 08-9-24-x
- B. Board Order 08-9-24-xx
- C. Public Notices
- D. Lane County Infrastructure Inventory

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER NO.) IN THE MATTER OF RECEIVING COMMENTS FROM THE
08-9-24-x) PUBLIC THROUGH A PUBLIC HEARING ABOUT LANE
) COUNTY'S PERFORMANCE OF COMMUNITY
) DEVELOPMENT BLOCK GRANT PO4019
)

WHEREAS, Lane County received Oregon Community Development Block Grant (CDBG) PO4019 for improvements to the Mapleton Water system to meet the needs of low and moderate income county residents, and

WHEREAS, the water system improvements are now completed benefiting at least 320 local residents of which at least 60% were of low and moderate income, and

WHEREAS, the Board of County Commissioners has held the required final public hearing to receive public comment on Lane County's performance using CDBG funds for PO4019, NOW, THEREFORE, IT IS HEREBY:

ORDERED that the Lane County Community and Economic Development staff submit the final grant close out report to the Oregon Economic and Community Development Department and

FURTHER ORDERED that the Chair of the Board of Commissioners is authorized to sign the close out report as required by CDBG regulations.

Signed this 24th day of September, 2008.

Faye Stewart, Chair
LANE COUNTY BOARD OF COMMISSIONERS

APPROVED AS TO FORM
Date 9/16/08 Lane
County
ZLR
OFFICE OF LEGAL COUNSEL

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

**ORDER NO. 08-9-24-xx) IN THE MATTER OF RECEIVING COMMENTS FROM THE
PUBLIC THROUGH A PUBLIC HEARING ABOUT COMMUNITY
DEVELOPMENT NEEDS, PROPOSED PROJECTS TO MEET
THESE NEEDS, LANE COUNTY'S PERFORMANCE OF
COMMUNITY DEVELOPMENT BLOCK GRANTS AND
SETTING PROJECT PRIORITIES**

WHEREAS, Lane County is an eligible applicant for the Oregon Community Development Block Grant (CDBG) program, and

WHEREAS, the Board of County Commissioners has held the required public hearing to receive input on community development needs, specific projects that will meet these needs, and Lane County's performance using CDBG funds, and

WHEREAS, the Oregon Economic and Community Development Department and Oregon Housing and Community Services Agency annually invite project proposals from eligible applicants, and

WHEREAS, the Row River Valley Water District has requested Lane County assistance to secure Community Development Block Grant funding to help lower income families pay for needed water system improvements, and

WHEREAS, Lane County recognizes the need for a Child Advocacy Center designed to help children who are sexual and physical abuse victims feel safe, comfortable, and supported as they go through the judicial process. NOW, THEREFORE, IT IS HEREBY:

ORDERED that the Lane County Community and Economic Development staff shall develop the following CDBG projects for funding as they are qualified by Oregon Economic and Community Development Department and Oregon Housing and Community Service Agency for CDBG applications: (1) planning, designing, and construction funding for the Row River Valley Water System Improvement Project and 2) planning, designing, and construction funding for the Lane County Child Advocacy Center.

FURTHER ORDERED that the Community and Economic Development staff may submit a request for a waiver from the spend down rules from the Oregon Economic and Community Development Department in order to apply for CDBG funding in 2008.

Signed this 24th day of September, 2008.

Faye Stewart, Chair
LANE COUNTY BOARD OF COMMISSIONERS

APPROVED AS TO FORM
Date 9/16/08 Lane
County
ZIL
OFFICE OF LEGAL COUNSEL



LANE COUNTY

PUBLIC SERVICE BUILDING, 125 EAST 8TH AVENUE, EUGENE, OR 97401/ (541) 682-4203/FAX (541) 682-4616

Published September 17, 2008 and September 21, 2008

Public Hearing Notice

Lane County is completing a public works project funded with Community Development Block Grant funds from the Oregon Economic and Community Development Department. The location of the project is: Mapleton. It is estimated that the project has benefited at least 320 persons of whom 60% are low or moderate income.

A public hearing will be held by the Lane County Board of Commissioners at 1:30 p.m. on September 24, 2008 at the Lane County Board of Commissioners Conference Room, Lane County Public Services Building, 125 East Eighth Avenue, Eugene.

The purpose of this meeting is for the County Board of Commissioners to obtain citizens views about the project and to take comments about the local government's performance. Written comments are also welcome and must be received by 5 p.m. September 23, 2008 at Community & Economic Development, Lane County Administration, 125 East Eighth Avenue, Eugene. Both oral and written comments will be reviewed by the Lane County Board of Commissioners.

The location of the hearing is accessible to persons with disabilities. Please let the Human Resources Office at (541) 682-3665 know if you will need any special accommodations to attend or participate in the hearing.

More information about the Oregon Community Development Block Grant program and the project is available for public review at 125 East Eighth Avenue, Eugene during regular office hours. Advance notice is requested.

LANE COUNTY

PUBLIC SERVICE BUILDING, 125 EAST 8TH AVENUE, EUGENE, OR 97401/ (541)682-4118/FAX (541)682-4616

Published September 17, 2008 and September 21, 2008

PUBLIC NOTICE AND NOTICE OF PUBLIC HEARING

Lane County is eligible to apply for a 2008 Community Development Block Grant from the Oregon Economic and Community Development Department. Community Development Block Grant funds come from the U.S. Department of Housing and Urban Development. The grants can be used for public facilities and housing improvements, primarily for persons with low and moderate incomes.

Approximately \$14 million will be awarded to Oregon non-metropolitan cities and counties in Fiscal Year 2008-2009. The maximum grant that a city or county can receive is \$1,000,000. Lane County is preparing two applications for 2008 Community Development Block Grants from the Oregon Economic and Community Development Department. One for the Row River Community Water District and one for the Lane County Child Advocacy Center. It is estimated that the proposed project will benefit at least 1300 persons, of whom 80% will be low or moderate income.

A public hearing will be held by the Lane County Board of Commissioners at 1:30 p.m. on September 24, 2008 at the Lane County Board of Commissioners Conference Room, Lane County Public Services Building, 125 East Eighth Avenue, Eugene.

The purpose of this hearing is for the Board of Commissioners to obtain citizen views and to respond to questions and comments about: Community development and housing needs, especially the needs of low and moderate income persons, as well as other needs in the community that might be assisted with a Community Development Block Grant project; and, the proposed projects.

Written comments are also welcome and must be received by 5 p.m. September 23, 2008 at Community & Economic Development, Lane County Administration, 125 East Eighth Avenue, Eugene. Both oral and written comments will be considered by the Board of Commissioners in deciding whether to apply.

The location of the hearing is accessible to persons with disabilities. Please let Human Resources Office at (541) 682-3665 know if you will need any special accommodations to attend or participate in the meeting. More information about Oregon Community Development Block Grants, the proposed projects, and records about Lane County's past use of Community Development Block Grant funds is available for public review at 125 East Eighth Avenue, Eugene during regular office hours. Advance notice is requested. If special accommodations are needed, please notify Mike McKenzie-Bahr at (541) 682-4118 so that appropriate assistance can be provided. Permanent involuntary displacement of persons or businesses is not anticipated as a result from the proposed project. If displacement becomes necessary, alternatives will be examined to minimize the displacement and provide required/reasonable benefits to those displaced. Any low and moderate-income housing which is demolished or converted to another use will be replaced.

2007 Infrastructure Inventory Projects
 Local Ranking for Lane County
 November 19, 2007

Project	ID#	Organization	State System Priority	Prior N&I Ranking	Economic Impact	Community Impact	Request OECD Funding?	Overall County Impact
Wastewater Treatment System	2885	City of Coburg	High	1	Yes	High	Yes	
Fiber Optics System	3078	City of Cottage Grove	High	Unranked	Yes	Medium	Yes	
Harvey Road Extension	3168	City of Creswell	High	New	Yes	Medium	Yes	
Royal Avenue Drainage System	2512	City of Eugene	High	New	Yes	Medium	Yes	
Rhododendron Force Main Replacement	2318	City of Florence	High	New	Yes	High	Yes	
Telecommunications Improvements in Eugene	3129	LCOG	High	New	Yes	Medium	Yes	
Row River Valley Water System Improvements	2691	Lane County	Medium	New	Yes	High	Yes	
Water Treatment Facility Upgrade, Phase 1	707	City of Lowell	High	7	Yes	High	Yes	
Citywide WiFi	156	City of Oakridge	Low	Unranked	Yes	Medium	No	
Old Town Wharf Rehabilitation	1715	Port of Siuslaw	High	11	Yes	Medium	Yes	
Franklin Blvd Urban Standards	2905	City of Springfield	High	New	Yes	Medium	Yes	
University of Oregon Research Park	337	University of Oregon	High	1 (CF)	Yes	Medium	No	
City Well 13	3042	City of Veneta	High	New	Yes	High	Yes	
New Fire Station	2879	City of Westfir	Medium	New	Yes	High	Yes	
Wastewater Upgrade	NA	City of Junction City	Unknown	New	Yes	High	Yes	