

T. G. B.

Memorandum Date: August 11, 2009
Order Date: August 25, 2009

TO: Board of County Commissioners

DEPARTMENT: CAO/ Community & Economic Development

PRESENTED BY: Mike McKenzie-Bahr, Community and Economic Development Coordinator

AGENDA ITEM TITLE: ORDER/IN THE MATTER OF ACCEPTING A \$301,701 COMMUNITY DEVELOPMENT BLOCK GRANT FUND FOR THE REGIONAL HOUSING REHABILITATION PROGRAM (RHRP) AND AUTHORIZING THE COUNTY ADMINISTRATOR TO SIGN THE GRANT AGREEMENT DOCUMENTS

I. MOTION

Move to accept the \$301,701 Community Development Block Grant and authorize the County Administrator to sign the grant agreement documents.

II. AGENDA ITEM SUMMARY

Lane County has been awarded a \$301,701 Community Development Block Grant (CDBG) from Oregon Community Housing Services for the Regional Housing Rehabilitation Program. This agenda item accepts that award.

The County along with the cities of Cottage Grove, Oakridge, Lowell, Florence and Junction City have contracted with St. Vincent DePaul Society of Lane County, Inc. to manage the Lane County Regional Housing Rehabilitation Program (RHRP) and administer grants that pay for housing rehabilitation for owner occupied low income residents. The housing rehabilitation items are limited to health and safety issues, including fixing leaking roofs, rotting floors, steps and stairs, electrical wiring and handicapped accessibility.

Each year, one of the RHRP members applies for a CDBG grant to undertake housing rehabilitation in its jurisdiction. This year it was the County's turn to apply. The County's grant application focused on providing housing rehabilitation to the rural communities along the McKenzie River area.

Though this is a grant to the County, the expenditure of the funds on homes for

rehabilitation is done as a loan that is payable back to the RHRP when the home sells. So these funds will continue to assist County residents for years to come.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Background / Analysis

On February 18, 2009, the Lane County Board of Commissioners held a public hearing to receive comments from the public about community development needs and proposed projects to meet those needs. Based on that input, the Board adopted order 09-2-18-9 and instructed Community and Economic Development to prepare CDBG projects for funding as they are qualified by Oregon Economic and Community Development Department (OECDD) and Oregon Housing and Community Service Agency (OCHS) for CDBG applications. One of those projects was for the Rural Housing Rehabilitation Program.

County staff, working with St. Vincent de Paul and the Rural Housing Rehabilitation Program members, applied in March 2009 for a \$400,000 grant. In April, we are notified by OCHS that we were being considered for an award. That award was not made however, because OECDD would not sign a waiver letter regarding the age limitation on the then open county grants.

The two County grants that were open at that time are now closed and on July 27, 2009, we were informed by OCHS that they would award us \$301,701 from unallocated CDBG funds.

As per Lane County Administrative Procedures Manual, Chapter 1. section 2a:

When an item relates to approval of a grant or any project or proposal with limited duration funding, the following questions will be addressed in the Agenda Cover Memo, under *Section B. Analysis*.

1. What is the match requirement, if any, and how is that to be covered for the duration of the grant?

There is no match requirements for this grant.

2. Will the grant require expenditures for Material and Services or capital not fully paid for by the grant?

All expenditures for this project will be paid by the grant.

3. Will the grant funds be fully expended before county funds need to be spent?

No County funds need to be spent on this project.

4. How will the administrative work of the grant be covered if the grant funds don't cover it?

The grant covers administrative work of the grant. Staff time will be compensated by the grant. Estimated County staff time costs are \$5,000 - \$10,000 for RHRP activities. The grant includes \$11,701 for administrative costs. RHRP activities are a permanent part of staff allocation in the C&ED program, so this grant will not cause any workload issues.

5. Have grant stakeholders been informed of the grant sunset policy so there is no misunderstanding when the funding ends? Describe plan for service if funding does not continue.

Yes, stakeholders have been informed of the end dates of the grant. Once this funding ends, one of the other RHRP will apply for a grant to continue the program. In addition, as homeowners sell their homes, the funds expended to rehabilitate their homes are paid back to the RHRP fund to be loaned out again.

6. What accounting, auditing and evaluation obligations are imposed by the grant conditions?

With each request for grant fund disbursement, the County submits all receipts for cost incurred by the RHRP for a home rehabilitation. Those receipts are reviewed by OCHS and then fund disbursement is made. The County must also keep a file that details all project expenditures. At the end of the grant period, those files are reviewed by OCHS for completeness. In addition, the County files an end of the grant report where we evaluate how effective we were at meeting the grant goals.

7. How will the department cover the accounting, auditing and evaluation obligations? How are the costs for these obligations covered, regardless whether they are in the department submitting the grant or a support service department? Does the department acknowledge that the county will need to cover these costs and it is an appropriate cost incurred by support service departments?

The costs to cover accounting, auditing and evaluation are appropriate costs that are included in the grant administration budget.

8. Are there any restrictions against applying the county full cost indirect charge?

No.

9. Are there unique or unusual conditions that trigger additional county work effort, or liability, i.e., maintenance of effort requirements or supplanting prohibitions or indemnity obligations?

None that staff are aware of. The County has been part of the RHRP program,

funded by OCHS grants, for almost a decade and neither the County nor the other municipal partners have incurred any liabilities.

The remainder of the Administrative Procedures Manual, Chapter 1. section 2a analysis questions deal with software purchases. There is no software being purchased with this grant.

B. Policy Issues

The Board has the following policy issues to consider:

- 1) Should the County accept Community Development Block Grant funds from the state, and allocate staff time, in order to undertake this project?

C. Board Goals

The accepting of the CDBG funds and undertaking housing rehabilitation projects will meet the following Board goals:

- 1) Develop Lane County's economic engine
- 2) Provide outstanding customer/constituent service
- 3) Build public trust through intensive communication and engagement

D. Financial and/or Resource Considerations

All costs of this project will be paid by the grant.

The grant budget is allocated for spending by category as follows:

Rehabilitation Activity: \$240,000

Program Management Activity: \$50,000 (paid to St. Vincent de Paul)

Grant Administration Activity: \$11,701 (Lane County and St. Vincent de Paul)

There is no match required by the grant. County staff participation from the C&ED program supports the application process, contract procedures, facilitating environmental approvals for each loan as prepared by St. Vincent de Paul, authorizing grant draw downs and progress payments, and monitoring the project to grant closeout.

E. Analysis

The need for rehabilitation of housing in small cities and the unincorporated areas of Lane County is substantial. As part of applying for the grant, a survey

was conducted in the communities along the McKenzie River to find low income home owners interested in signing up to have RHRP work done to their homes.

With an average cost of \$20,000 per rehabilitation, this grant will fund 12 home repairs. During the survey period, twice as many home owners signed up as we will be able to accommodate with these funds.

Though this grant will not fund all of the work needed in the region, it will dramatically improve the lives of the persons in the homes that are rehabilitated.

F. Alternatives/Options

The Board may:

- 1) Approve the ORDER accepting the grant funds;
- 2) Delay approving the Order if the Board needs additional information that could not be provided at the Board meeting;
- 3) Do not approve the ORDER and do not accept the grant.

IV. TIMING/IMPLEMENTATION

Upon Board approval of the ORDER, grant contracts will be sent through County Counsel review process and prepared for signing by the County Administrator. Upon signing of the contracts, the project will begin.

V. RECOMMENDATION

The Lane County Community & Economic Development Coordinator recommends the Board of Commissioners approve the motion to accept the grant so we can continue the Rural Housing Rehabilitation Program.

VI. FOLLOW-UP

Staff will keep the BCC updated on the project. Any issues needing Board attention will be brought to the Board in a timely manner.

VII. ATTACHMENTS

- 1: Board Order
- 2: OCHS Award letter

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER NO.) **IN THE MATTER OF ACCEPTING A \$301,701 COMMUNITY
) DEVELOPMENT BLOCK GRANT FUND FOR THE REGIONAL
) HOUSING REHABILITATION PROGRAM (RHRP) AND
) AUTHORIZING THE COUNTY ADMINISTRATOR TO SIGN
) THE GRANT AGREEMENT DOCUMENTS
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WHEREAS, Lane County entered into an Intergovernmental Agreement (IGA) with the cities of Cottage Grove, Oakridge, Lowell, Westfir, Florence and Junction City to facilitate a Regional Housing Rehabilitation Program (RHRP), and

WHEREAS, the RHRP members have chosen St. Vincent de Paul of Lane County to be the subrecipient agency to manage the Rural Housing Rehabilitation Program program, and

WHEREAS, on July 27, 2009 the Oregon Housing and Community Services Department awarded a grant to Lane County in the amount of \$301,701 for the Rural Housing Rehabilitation Program, and

Whereas, the Board of County Commissioners as the governing body of Lane County may appropriate by Resolution grant revenues and expenditures as per ORS 294.326(3), NOW, THEREFORE, IT IS HEREBY :


ORDERED that, subject to review of contract documents by Lane County Legal Counsel, the Regional Housing Rehabilitation Program Grant (#HR909) is hereby accepted and the necessary grant start up actions will be taken; and

FURTHER ORDERED that the County Administrator is hereby appointed as the grant certifying officer and delegated authority and authorized to sign grant agreement HR909 with OCHS and related grant documents necessary to complete the grant work and rehabilitation projects as they are received; and

Further ORDERED that \$301,701 in revenues and expenses be appropriated in FY2009-2010 in General Fund Dept ID 5770080, General Expense.

Signed this 25thth day of August 2009.

Pete Sorenson, Chair
Board of County Commissioners

APPROVED AS TO FORM
Date 8-12-09 lane county


OFFICE OF LEGAL COUNSEL



Oregon

Theodore R. Kulongoski, Governor

Housing and Community Services

North Mall Office Building
725 Summer St NE, Suite B
Salem, OR 97301-1266
(503) 986-2000

FAX (503) 986-2020
TTY (503) 986-2100



www.ohcs.oregon.gov



July 27, 2009

Jeff Spartz
County Administrator
Lane County
125 East Eighth Avenue
Eugene, OR 97401

RE: Oregon Community Development Block Grant Award, Project HR 909
Housing Rehabilitation application in the Amount of \$301,701

Dear Jeff Spartz:

We are pleased to make the official announcement that your jurisdiction has been awarded a grant of \$301,701 from the Oregon Community Development Block Grant Program. This award will assist the McKenzie River Water Safety Project.

Additional funding has become available and attached to it was a waiver for the situation which previously caused the County to be ineligible for CDBG funding.

Actual funding is subject to meeting any conditions of award and execution of a contract between your jurisdiction and Oregon Housing and Community Services. The use of these funds shall also be subject to the approved Project budget in Exhibit D and the Special Conditions of Award for Housing Rehabilitation Grant Contracts in Exhibit A.

If you have any questions, please contact Ernie Kirchner our CDBG Program Manager by phone number 503-986-2136 or by email at ernie.kirchner@hcs.state.or.us.

The Department appreciates your commitment to work in partnership with us to promote housing rehabilitation to low income homeowners in your regional program.

Sincerely,

Victor Merced,
Director

cc: SVDP

