

W.I.a.

Memorandum Date: February 4, 2009

Order Date: February 18, 2009

TO: Board of County Commissioners

DEPARTMENT: Community and Economic Development

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

AGENDA ITEM TITLE: PUBLIC HEARING AND ORDER/IN THE MATTER OF RECEIVING COMMENTS FROM THE PUBLIC ABOUT COMMUNITY DEVELOPMENT NEEDS, PROPOSED PROJECTS TO MEET THESE NEEDS, AND LANE COUNTY'S PERFORMANCE OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECTS

I. MOTION

Move that the Order be adopted in the matter of receiving comments from the public about community development needs, proposed projects to meet those needs and that the following projects be submitted for Community Development Block Grant funding:

[LIST PROJECTS]

In addition, direct staff to request that Oregon Economic and Community Development Department waive their closeout rule regarding submitting of new grant applications.

II. AGENDA ITEM SUMMARY

The Oregon Economic and Community Development Department (OECD) announced on January 2, 2009, that they are now accepting applications for 2009 Community Development Block Grant (CDBG) funding. The OECD has announced that \$14 million is available this calendar year. The deadline for the first application is March 2, 2009 for housing and March 31, 2009 for all other funding programs. The first step in the application process is for the applicant, in this case Lane County, to hold a public hearing.

This is a public hearing with two purposes: 1) to hear input on any past CDBG projects and how Lane County has managed them, and 2) to receive public comment and suggestions on projects that may become new CDBG projects that serve low and moderate income families. Following the public hearing, the Board of Commissioners may take action to direct staff to apply for CDBG funding for housing, community infrastructure and economic development projects that benefit low and moderate income residents of Lane County.

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 (for example the Child Advocacy Center, 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 Notice (Attachment B) was published, as required by the CDBG guidelines, and was sent to several agencies (the Housing and Community Services Agency, Saint Vincent DePaul, Lane County Health and Human Services Department, and Lane Council of Government) that serve the needs of lower income families, organizations that have expressed interest or participated in CDBG programs, and city administrators around the county.

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 and economic development.

Application Deadlines and Process: Under the CDBG Guidelines, OECDD will accept 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 offer to applicant apply for funding;
- 3) Draft Application Prepared and Available for Public Review and Comment;

- 4) Application Submitted to OECDD by the last day of the quarter;
- 5) State Review and Notice of Funding Decision.

Eligible Project Categories: The State of Oregon has established the following priorities for CDBG funding: Development of viable (livable) urban communities by expanding economic opportunities, providing decent housing and a suitable living environment principally for persons of low and moderate income. To meet those priorities, CDBG funds will be made available in the following categories:

- Economic Development - Revolving Loan Funds
- Microenterprise Assistance - Public Services
- Public Works - Water and Wastewater Projects and Downtown Revitalization Projects
- Public Works - Brownfield Redevelopment
- Publicly Owned Off - Site Infrastructure
- Public/Community Facilities
- Regional Housing Rehabilitation
- Regional Housing Centers

Project Selection: OECDD awards 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 and Age of Projects.

Lane County may have up to three (3) open CDBG projects from OECDD at any one time, plus one (1) open housing project from OHCS.

Lane County has two open OECDD/CDBG grants, the Mapleton water system improvement project and the Blue River water system improvement project. In addition, Lane County submitted an application for CDBG funding in the final round of 2008 for the Row River water system. C&ED staff should be able to report the status of that application to you at your February 18 meeting.

Lane County has completed the Mapleton and Blue River water system projects. We have filed the paperwork with OECDD to administratively close out these grants and are waiting for OECDD to do so. However, OECDD rules limit further applications from Lane County until these grants are closed out, because of the age of the projects.

We anticipate that the grants will be closed out by OECDD by the March 31 application deadline; but, we are not sure they will be closed by the March 2, housing application deadline. If the Board chooses to submit for housing funds, we should also include a request to OECDD to waive the limit on the number of grants we can apply for based on the age of our open grants.

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. Under this rule, 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 based on census data that shows that local median household income is above the state average, according to OECDD's calculations. Therefore each project application must be approved by OECDD that the specific population being served by the project meets state low and moderate income targets. Such targets are met by either limiting projects to serving a specific clientele or conducting a survey of potential users to prove that the project serves a majority of low and moderate income persons.

B. Policy Issues

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

The second policy issue is to decide the highest priority CDBG projects that should be developed in the coming year.

C. Board Goals

This public hearing and the submitting of project funding applications meet the following Board goals:

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

D. Financial and/or Resource Considerations

Projects that are applied for and funded by CDBG will in most cases cover the costs to complete the projects' scope of work. C&ED staff time to develop project applications and administer funded projects varies based on needs of the project.

Staff anticipates that no additional County funding is needed for either working with project applicants to prepare applications or administering projects if funded

E. Analysis

The Oregon Community Development Block Grant is funded with federal funds and has approximately \$14 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 and that are determined consistent with CDBG guidelines. The public hearing is to receive comments on community development needs and specific project that may meet these needs.

In addition to general community development needs, specific project proposals will be presented in the public hearing. The Board should consider choosing to submit CDBG applications for projects that meet local needs.

F. Alternatives/Options

First of all, this is a public hearing for the Board to 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 2009 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 2009.

IV. TIMING/IMPLEMENTATION

In order to ensure that funding is still available, project applications should be submitted for in either of the first two funding rounds of 2009 for OECDDB CDBG funding, the first ending March 31, and the second on June 30. The Oregon Housing and Community Services Agency funding should be applied for in the first round of funding that ends March 2, 2009.

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 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 and or a survey of users to be served.

V. RECOMMENDATION

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

Following the public hearing the Board may discuss the comments and recommendations and provide staff with general directions, or specific project development priorities, as appropriate and include such direction in the Board ORDER.

VI. FOLLOW-UP

The list of projects approved by the Board, based on testimony at the public hearing, will provide guidance in developing applications for CDBG funding in 2009.

VII. ATTACHMENTS

- A. Board ORDER
- B. Public Notice

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

**ORDER NO.) IN THE MATTER OF RECEIVING COMMENTS FROM THE
) PUBLIC ABOUT COMMUNITY DEVELOPMENT NEEDS,
) PROPOSED PROJECTS TO MEET THESE NEEDS, AND
) LANE COUNTY'S PERFORMANCE OF COMMUNITY
) DEVELOPMENT BLOCK GRANT (CDBG) PROJECTS
 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 (OECD) and Oregon Community Services Agency (OHCS) annually invite project proposals from eligible applicants, and

WHEREAS, Lane County CDBG projects will have the greatest opportunity for funding in the coming year if they are included in a listing of county CDBG projects for development, NOW, THEREFORE, IT IS HEREBY:

ORDERED that the 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)
- (2)
- (3)

IT IS FURTHER ORDERED, that Community and Economic Development staff may submit a request for a waiver from CDBG rules that all current grants must be administratively closed before the County is eligible to apply for additional funds from OECD or OHCS, and

IT IS FURTHER ORDERED, that the County Administrator be designated to be the Certifying Officer and to sign all grant documents related to the CDBG application process, including but not limited to any applications and grant attachments.

Signed this 18th day of February, 2009.

Pete Sorenson, Chair
LANE COUNTY BOARD OF COMMISSIONERS

APPROVED AS TO FORM

Date 2-5-09

Lane County
OFFICE OF LEGAL COUNSEL

Public Notice and Notice of Public Hearing

Lane County is an eligible applicant for Community Development Block Grant (CDBG) funds from the Oregon Economic and Community Development Department (OECD) and Oregon Housing and Community Services (OHCS). CDBG funds come from the U.S. Department of Housing and Urban Development (HUD). The grants can be used for community/public facilities, public works, economic development, housing rehabilitation, and regional housing centers, primarily for the benefit of persons with low and moderate incomes. Approximately \$14 million will be awarded to Oregon non-metropolitan cities and counties in 2009. The maximum grant that a city or county can receive is \$1,000,000. The county is considering an application for CDBG funding from the state of Oregon for eligible community facility, public works, or housing projects that principally serve low- and moderate-income people.

A public hearing will be held by the Lane County Board of Commissioners at 1:30 p.m. February 18, 2009, in the Board of Commissioners Conference Room, 125 E 8th Avenue in Eugene. The purpose of this hearing is twofold: 1) 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 CDBG project, and 2) for the board of commissioners to obtain citizen views about the project(s) that were recently completed or are in the process of being completed, and to take comments about the local government's performance, including: Blue River Water System Project (Grant # P05027); and the Mapleton Water System project (P04019).

Written comments are also welcome and must be received by 5pm on February 17, 2009 at the County Administration Office, 125 E. 8th Avenue, Eugene, OR 97401. 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 CDBG and records about the county's past uses of CDBG funds are available for public review at the County Administration Office during regular office hours. Advance notice is requested. If special accommodations are needed, please notify Mike McKenzie-Bahr at 541-682-4118 so the appropriate assistance can be provided.

Permanent involuntary displacement of persons or businesses is not anticipated as a result from prospective CDBG projects. 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.

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CITY OF OAKRIDGE

Water Department

48318 East 1st, City Hall
(541) 782-2258

Date _____ Time _____

Past due water bill, please contact City

Hall prior to 10:00 a.m. _____ or

your water will need to be shut off.

Thank You.

Serviceman _____

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48318 East 1st, City Hall
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