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## AGENDA COVER MEMORANDUM

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AGENDA DATE: April 29, 2003

TO: LANE COUNTY BOARD OF COMMISSIONERS

FROM: Community and Economic Development Program

PRESENTED BY: Peter Thurston, Community and Economic Development 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 AND AUTHORIZE APPLICATION FOR FUNDING

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I. MOTION IT IS MOVED THAT THE ORDER BE ADOPTED 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 AUTHORIZE APPLICATION FOR FUNDING

II. ISSUE OR PROBLEM: This is a public hearing with two purposes: 1) to hear input on 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. The Board of Commissioners may take action to apply for specific CDBG funding for economic development, housing, infrastructure, and community development projects. Shall Lane County apply for Community Development Block Grant (CDBG) funding from the Oregon Housing and Community Services Department for regional housing rehabilitation from Oregon Housing and Community Services?

### III. DISCUSSION

#### A. Background

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; provide housing rehabilitation for low and moderate income families and business development sites. The small cities in Lane County have also received millions of dollars 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 A) was published, as required in the CDBG guidelines, and copies were sent to organizations and individuals known to have an interest in past, current, and prospective CDBG projects. Additionally, a copy of the notice was sent to several agencies that serve the needs of lower income families and organizations that have expressed interest or participated in CDBG programs.

Lane County currently has two open CDBG projects through the Economic and Community Development Department (OECDD): 1) Handicapped Access Improvements in the Public Service Building and 2) Relocation and Expansion of the Child Advocacy Center. The Child Advocacy Center improvements project is designed, the bids have been opened and the project is awaiting decisions about availability of operating revenues. The CDBG rules allow three open grants from OECDD. One grant may be applied for at this time. Upon closure of the handicapped access improvements grant there will be a second opportunity to apply for an infrastructure, community facility, or other CDBG project managed by OECDD. Conceptual approval of a project must be issued by OECDD before an application may be submitted.

Lane County also has a 2000 grant award of \$500,000 and a \$150,000 award in 2001 for housing rehabilitation improvements for lower income owner-occupied housing in the unincorporated areas of the county. These grants for housing projects through Oregon Housing and Community Services (OHCS) are not counted as part of the three-grant limit established by OECDD. The housing rehabilitation program is under management by St. Vincent De Paul of Lane County. The Regional Housing Rehabilitation Program (RHRP) is coordinated in conjunction with the cities of Cottage Grove, Oakridge, Lowell, Florence, Westfir, and Creswell. The 2000 housing rehabilitation grant is about to close and the 2001 grant is beginning outreach in South 79<sup>th</sup> Street (Springfield) and Marcola water quality projects.

The CDBG Guidelines require that the Board of Commissioners review CDBG projects that are recently closed or nearing completion and receive public comments about how the county is using CDBG funds. The following is a summary of these CDBG projects:

- ◆ Handicapped Access Improvements to Public Services Building (\$300,000). This project is part of the capital improvements process for the Public Services Building. Construction of restrooms for Harris Hall, access equipment throughout the Public Services Building, and improvements to public restrooms is complete. Final draw down of grant funds is in process and close out of the grant is expected in the next few months.
- ◆ Mapleton Water System Improvements (\$646,000). The grant was closed in 2002. The end product included treatment and distribution system improvements and doubling of the water system storage capacity.

♦ Regional Housing Rehabilitation Programs (\$500,000). St Vincent De Paul of Lane County is the managing agency for these funds and reported in early April that 14 homes are complete, 3 are nearing completion, 7 are in rehabilitation, and one remains to be bid. They plan to have the grant closed out by July 31, 2003.

♦ 79<sup>th</sup> Street and Marcola Housing Rehabilitation (\$150,000). St. Vincent De Paul is the administering agency for these funds and reports that the initial evaluation of eligibility of households in the South 79<sup>th</sup> Street water project is complete and public meetings are being held in Marcola to determine eligibility for rehabilitation work there.

Application Processes and Rules. There are two entirely 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. The Oregon Housing and Community Services (OHCS) Department has set May 30, 2003 as the deadline for receiving housing rehabilitation and housing center proposals. OECDDE receives proposals year-round, when they provide a project concept approval. The current rules provide for the following estimated funding levels in each category, statewide.

Estimated CDBG Funding in 2003

Category	2003 Targets	2003 Estimated Amount Available**	Maximum Grant
Housing Rehabilitation	* administered separately by OHCS	\$3,357,000	\$500,000
Housing Centers	*	450,000	TBD
Public Works - Water & Sewer Projects	42 percent	5,750,000	750,000
Technical Assistance	1 percent	166,300	-
Micro-enterprise Economic Development	2 percent	300,000	TBD
Community Facilities	40 percent	5,962,000	600,000
TOTAL (Estimate)	100 percent	\$16,000,000**	

Application Deadlines and Process.

Under the CDBG Guidelines, the Oregon Economic and Community Development

Department (OECDD) will receive applications any time for public works and community facilities, 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 Regional Team staff to request review of the project concept
- 2) Application Concept Acceptability Determination by OECDD.
- 3) Draft Application Prepared and Available for Public Review and Comment.
- 4) Application Submitted to OECDD.
- 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 grants.

Number of Projects. Lane County may apply for one project from OECDD at a time. More than one project may be under development with OECDD Regional Team staff. Lane County may have up to three (3) open CDBG projects from Oregon Economic and Community Development. Projects funded through the Housing and Community Services Department are not considered as one of the three open projects. Lane County currently has two open grants through OECDD: the ADA grant for improvements to the Public Services Building and the Child Advocacy Center project.

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. OECDD recently released 2000 Census results for low and moderate income communities. As in past years, Lane County has not qualified countywide. Each project must be approved for the specific population being served. As shown on the Attachment C, there are only two Lane County communities (Oakridge and Westfir) that meet the 51% low and moderate income requirement for CDBG community-wide eligibility. Four other cities (Cottage Grove, Creswell, Florence, and Lowell) are close enough to consider completing an income survey to become qualified. During the past decade (1993-2003), seven Lane County cities were eligible for CDBG community-wide funding.

## B. Analysis

The *Oregon Community Development Block Grant - Small Cities Program* is funded with federal funds and has about \$16 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.

Eligible Project Categories and Funding Levels. The state of Oregon has established the following priorities for CDBG funding: community and public facilities, public works, regional housing rehabilitation, public works infrastructure for new housing, emergency projects, Section 108 loan guarantees, grants for float loans for interim financing, and technical assistance grants. Community Facility project rules provide for project funding at two levels: 1) important services for low and moderated income persons, and 2) higher funding of projects that serve people with urgent or life-threatening situations. Housing Rehabilitation guidelines are administered by OHCS and remain substantially the same as last year. Technical Assistance may be provided by OECDD to improve local government capacity. Public Works planning, design, and construction rules are substantially the same as in the past. Emergency, Section 108 (Brownfields) and other specialized categories are very narrowly defined and will require careful evaluation of eligibility. The following are specific funding targets for CDBG funds:

Opportunities for Funding. The purpose of the public hearing is to hear comments on project needs from all communities in Lane County. The best chance of funding is for projects that focus primarily on benefit to low and moderate families in the unincorporated areas of the county.

In 2002 several projects were identified for possible funding, including: 1) Cascades Foothills Library is planning an income survey to qualify for CDBG funding in the Lowell and Pleasant Hill school district areas; 2) housing rehabilitation in other unincorporated areas has been identified as a need by St. Vincent De Paul; 3) Blue River Water District is working with Blue River Community Development Corporation to complete an income survey to qualify for CDBG funding.

Additional project that may develop this year include: 1) Rural Micro-enterprise programs may present a proposal for funding through the new micro-enterprise CDBG category, listed above and 2) Mapleton Water District is evaluating facility improvement needs.

Housing Center proposal. The opportunity to apply for start up funding for a regional housing center will be available again in 2003. The application submitted last year was not funded. The rules and processes for forming, and continued funding, of a housing center have not been clarified further. When these processes are clearly established by OHCS, a proposal may be returned for board consideration.

### C. Alternatives/Options

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) Direct staff to develop and submit a specific project, or projects, for 2003 CDBG funding. The Order provides a structure for approving a housing rehabilitation

application. Other authority or direction may be added to the Order at the direction of the board.

- 2) Direct staff to explore or develop more than one project 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 2003.

#### D. Recommendations

It is recommended that: the Board hear from the public on the required subjects: 1) community development needs, 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.

The ORDER is set up for direction to apply for funding of 2003 Regional Housing Rehabilitation Program. If one of the CDBG project proposals presented at the public hearing appears ready for application, then it may be added to the Order by including the following statement to the Order: "FURTHER ORDERED that the [name of project] project be submitted for funding." Other projects will be brought back to the board of commissioners for funding consideration when they are ready.

E. Timing. The housing rehabilitation and housing center projects are on a deadline of May 30, and must be delivered in Salem on or before this date to be eligible. Other projects may be applied for in the coming year as OECD offers to receive an application.

#### IV. IMPLEMENTATION/FOLLOW-UP

Upon approval of the Board, the application for housing rehabilitation will be completed and submitted in May. Other projects will be returned to the Board for consideration as they become eligible for funding.

#### ATTACHMENTS

##### ORDER

- A – Public Hearing Notice
- B – C&ED *CURRENTS* newsletter
- C – 2000 Census Lane County and cities CDBG eligibility listing
- D – Letters or other public comment

BCC CDBG PH 4-03.doc

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

**ORDER NO.**                                ) **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**  
  ) **AND AUTHORIZE APPLICATION FOR FUNDING**

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 Board of County Commissioners has determined that continued funding of housing rehabilitation projects through the Regional Housing Rehabilitation Program is a high priority for lower income residents of Lane County, and

Whereas, there is an opportunity for funding of one or two other CDBG projects through the Oregon Economic and Community Development Department (OECDD) in the coming year, NOW, THEREFORE,

IT IS HEREBY ORDERED that the County Administrator is authorized to apply for CDBG funding of the Lane County 2003 Regional Housing Rehabilitation Program project.

FURTHER ORDERED, the County Administrator is authorized to sign grant application documents necessary to submit the above application(s).

Signed this 29th day of April 2003.

\_\_\_\_\_  
Peter Sorenson, Chair  
BOARD OF COUNTY COMMISSIONERS

APPROVED AS TO FORM  
Date 4/18/03 lane county  
*Jerome S. [Signature]*  
OFFICE OF LEGAL COUNSEL

## Public Notice and Notice of Public Hearing

Lane County is eligible to apply for Community Development Block Grant (CDBG) funds from the Oregon Economic and Community Development Department (OECDD) 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 \$16 million will be awarded to Oregon non-metropolitan cities and counties in 2003. The maximum grant that a city or county can receive is \$750,000. 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 board of commissioners at 1:30 p.m. April 29, 2003, 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: Mapleton Water System Improvements, located in Mapleton - it is estimated that the Mapleton project benefited 508 people, of whom 61 percent are low or moderate income; Handicapped Access for the Lane County Public Services Building [in Eugene] (328,000 people benefited, 37 percent of whom are low or moderate income); and Regional Housing Rehabilitation Program projects located in southern Lane County (60 people benefited, of whom 100 percent are low or moderate income).

Written comments are also welcome and must be received by April 28, 2003 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 Arlene Marshall in the County Administration Office (541-682-4203) 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 is available for public review at the County Administration Office during regular office hours. Advance notice is requested. If special accommodations are needed, please notify Peter Thurston at 541-682-4062 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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04/25/03

←Ad published in Register Guard



## 2003 Currents

### Lane County Community and Economic Development Program

April 2003

Community Development Block Grant (CDBG) public hearing scheduled. Lane County Board of Commissioners will hold a public hearing on April 29, 1:30 p.m. in the Board Conference Room, 125 E 8<sup>th</sup> Avenue in Eugene. The purpose of the 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.

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 for CDBG funding 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; provide housing rehabilitation and business development sites.

Based on the 2000 Census, only two of Lane County's small cities are qualified for community-wide CDBG projects: Oakridge and Westfir. In the past decade seven of Lane County's ten small cities were eligible for community-wide CDBG projects. All small cities and the unincorporated areas of Lane County are eligible for funding for targeted projects, such as housing rehabilitation. The Lane County Board of Commissioners hearing is directed to hearing about all needs, in all communities, particularly those that affect low and moderate income families. Low and moderate income is defined as 80 percent of median household income for the county as a whole. A family of four in Lane County, with an income about \$33,000 per year is considered low or moderate income under CDBG rules.

For more information about the public hearing, past Lane County grants, potential grant programs, or other aspects of qualifying for CDBG funding to benefit low and moderate income families, please contact Peter Thurston, Lane County Community and Economic Development Coordinator at 682-4062.

Lane County Community and Economic Development Program manages a variety of projects and programs directed to the improvement of public facilities, infrastructure, job and business opportunities, and the capacity of community organizations to deliver similar services. Call Peter Thurston, C&ED Coordinator for more information (541-682-4062) or e-mail him at: [peter.thurston@co.lane.or.us](mailto:peter.thurston@co.lane.or.us).

Attachment  
C

<b>HARNEY</b>	37.9%	44.0%	7,600	\$30,957	
Burns	37.9%	51.2%	3,030	\$26,658	
Hines	39.2%	28.4%	1,730	\$40,917	
<b>HOOD RIVER</b>	35.7%	37.3%	20,450	\$38,326	
Cascade Locks	47.9%	37.5%	1,140	\$35,284	
Hood River	38.3%	47.7%	6,210	\$31,580	
<b>JACKSON</b>	37.5%	38.9%	187,600	\$36,461	
Butte Falls	63.3%	72.3%	440	\$23,750	
Central Point	28.4%	33.0%	14,120	\$40,622	
Eagle Point	46.7%	44.7%	5,950	\$37,557	
Gold Hill	51.0%	44.3%	1,070	\$32,500	
Jacksonville	31.5%	29.8%	2,370	\$41,250	
Phoenix	42.3%	42.8%	4,420	\$31,701	
Rogue River	56.0%	54.4%	1,850	\$23,419	
Shady Cove	56.0%	42.3%	2,450	\$33,429	
Talent	44.4%	51.4%	5,520	\$29,063	
<b>JEFFERSON</b>	41.9%	39.6%	19,850	\$35,853	
Culver	51.6%	48.4%	840	\$31,667	
Madras	51.9%	51.2%	5,290	\$29,103	
Metolius	44.0%	44.6%	770	\$32,375	
<b>JOSEPHINE</b>	43.2%	43.3%	77,650	\$31,229	
Cave Junction	66.6%	72.5%	1,390	\$17,161	
Grants Pass	40.7%	45.9%	23,870	\$29,197	
<b>KLAMATH</b>	39.2%	44.7%	64,550	\$31,537	
Bonanza	68.9%	45.1%	420	\$31,944	
Chiloquin	60.0%	73.1%	720	\$20,687	
Klamath Falls	46.0%	48.4%	19,680	\$28,498	
Mallin	62.7%	59.5%	640	\$29,750	
Merrill	51.6%	60.4%	910	\$23,304	
<b>LAKE</b>	36.9%	45.8%	7,450	\$29,506	
Lakeview	50.5%	43.2%	2,480	\$30,960	
Paisley	34.1%	50.7%	250	\$28,214	
<b>LANE</b>	39.0%	36.9%	328,150	\$36,942	
Coburg	43.2%	33.9%	990	\$47,500	
Cottage Grove	→ 59.5%	50.6%	8,730	\$30,442	Survey
Craswell	→ 67.9%	47.2%	3,840	\$34,053	Survey
Dunes City	33.6%	36.4%	1,290	\$39,100	
Florence	→ 52.2%	48.2%	7,600	\$30,505	Survey
Junction City	42.8%	41.5%	4,790	\$35,347	
Lowell	→ 60.2%	46.7%	860	\$35,536	Survey?
* Oakridge	→ 53.9%	55.3%	3,150	\$26,622	
* Veneta	→ 51.5%	41.2%	2,840	\$37,326	
* Westfir	→ 67.6%	57.6%	310	\$32,031	
<b>LINCOLN</b>	38.3%	40.7%	44,700	\$32,769	
Depoe Bay	41.4%	32.8%	1,200	\$35,417	
Lincoln City	44.9%	54.6%	7,420	\$24,959	

→ seven eligible cities  
≈ 1993 to 2003, plus  
Mapleton Water District,  
from 1990 Census and  
Survey.

↑  
1990  
% L/M

↑  
2000  
% Low/  
moderate  
Income

↑  
Pop

↑  
median  
income

\* 2000 CDBG eligible communities  
in Lane County (by census results)

**Dexter Sanitary District**

P.O. Box 90 • Dexter, Oregon • 97431 • 541-937-3612

APR 09 2003

April 9, 2003

Board of County Commissioners  
**Lane County**  
Court House  
125 E. 8th Avenue  
Eugene, OR 97401

Re: Public comment for CDBG hearing on 4/29/03, regarding Dexter Sanitary District

To the Board:

In conversations with Peter Thurston, we have been advised to make you aware that we are likely to require CDBG or other assistance through Lane County.


The Dexter sewer receives considerable infiltration and inflow of ground water, which has resulted in our getting two Notices of Noncompliance from the DEQ. Winter flows range as high as 250,000 gallons per day while the maximum flow allowed by our permit is 62,000 gpd. We have examined the situation, and a report by Wallis Engineering addresses the issue, titled "*Infiltration and Inflow to the Dexter Sanitary System*", February 2003. The report has been approved by DEQ, and approval by the Oregon Economic and Community Development Department is pending.

Costs to remedy the I&I have been estimated at \$781,000, which exceeds the financial capabilities of the District. Loans and grants are expected, from CDBG and other funds. To qualify, Dexter may have to be formally sponsored by Lane County, and may have to be included in the top ten of the County Needs and Issues List. We will update Lane County as we take action to improve the system and to identify our funding needs.

Please accept this letter as notice of our needs, and include it as public comment in the CDBG public hearing scheduled for April 29, 2003.

Thank you.

Very truly,



Maryanne Peaslee,  
Board President

c/

Lane County - Peter Thurston  
DEQ - Randall Trox  
OECDD - Stephanie Schulz  
Wallis Engineering - Bill Bowne