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AGENDA COVER MEMORANDUM

AGENDA DATE: April 14, 2004.

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 LIST PROJECTS FOR FUNDING DEVELOPMENT

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 LIST PROJECTS FOR FUNDING DEVELOPMENT

II. ISSUE OR PROBLEM: 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. 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 develop certain projects for Community Development Block Grant (CDBG) funding as funding opportunities are announced or offered through state agencies?

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; 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 A) was published April 11, 2004, as required in the CDBG guidelines. Additionally, a copy of the meeting announcement in the Currents newsletter (Attachment B, article 2, in bold type) was sent to several agencies (the Housing and Community Services Agency, Saint Vincent DePaul, and Lane County health and human services department) 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 no open CDBG projects through the state Economic and Community Development Department (OECDD). Conceptual approval of a project must be issued by OECDD before an application may be submitted. Lane County recently closed a 2000 grant of \$500,000 and is about to complete 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 Lane County housing rehabilitation program is under management by St. Vincent De Paul of Lane County, in coordination with Lane County small cities. The Regional Housing Rehabilitation Program (RHRP) is coordinated in conjunction with the cities of Cottage Grove, Oakridge, Lowell, Florence, Westfir, and Creswell.

The 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. Projects that are complete in the past year, or near completion, include: 1) Housing Rehabilitation in the Row River Valley (\$500,000) recently closed, and 2) Housing Rehabilitation in 79<sup>th</sup> Street/Marcola (\$150,000), scheduled to close in June 2004. Attachment C describes the results from the Row River Valley project, administered by St. Vincent DePaul Society of Lane County.

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 will set a deadline for receiving housing rehabilitation and housing center proposals in the next couple months. OECDDE receives proposals year-round, when they provide a project concept approval. The following are: estimated funding levels in each category, statewide.

Estimated CDBG Funding in 2004

Category	2004 Targets	2004 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	32 percent	5,160,475	750,000
Technical Assistance	1 percent	166,300	-
Micro-enterprise Economic Development	2 percent	300,000	TBD
Economic Development	10 percent	1,603,110	
Community Facilities	32 percent	5,160,475	600,000
TOTAL (Estimate)	100 percent	\$16,000,000	

Application Deadlines and Process.

Under the CDBG Guidelines, the Oregon Economic and Community Development Department (OECDDE) will receive applications any time for public works and community facilities, under the following guidelines. Projects will be developed with the OECDDE 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 OECDDE staff to request review of the project concept
- 2) OECDDE offer to apply for funding.
- 3) Draft Application Prepared and Available for Public Review and Comment.
- 4) Application Submitted to OECDDE.
- 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 project funding from OECDD when OECDD requests an application. Lane County may have up to three (3) open CDBG projects from Oregon Economic and Community Development. Lane County has one open OECDD/CDBG grant, the Public Service Building/Courthouse Americans With Disabilities improvements project, which is in the process of being closed. Projects funded through the Housing and Community Services Department for housing rehabilitation are not considered as an open 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 and individuals in unincorporated areas of the county. OECDD released 2000 Census results last year for low and moderate-income communities. As in past years, Lane County does not qualify countywide for CDBG funding. Each project must be approved for the specific population being served. In 2003, Lane County Community and Economic Development program completed an income survey that qualified Blue River (inside water district boundary) as 70 percent low- and moderate-income.

## 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. 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. As an example of a recently closed project, Attachment C describes the results of Lane County's housing rehabilitation grant for the Row River Valley. The second housing rehabilitation grant (currently in the process of completing work) is expected to have similar outcomes, proportional to the \$150,000 grant award.

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 a 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. Economic development projects is a category with 10 percent of funding targeted.

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.

In recent months, several projects were identified for possible funding, including: 1) housing rehabilitation in other unincorporated areas has been identified as a need by St. Vincent De Paul; 2) Blue River Water District is interested in funding water system improvements. 3) Mapleton Water District has identified water treatment deficiencies. Housing rehabilitation projects serve 100 percent low-and moderate-income families. Water system improvements in areas that qualify for CDBG community-wide funding, meet a public health and safety need.

#### 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) Adopt the Order directing staff to list and develop a specific project, or projects, for 2004 CDBG funding.
- 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 2004.

#### 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 directs staff to develop the listed CDBG housing and community development projects. Additional project may be added to the Order if the board so directs. Project applications will be returned to the Board of Commissioners for approval when they receive approval from OECD or the opportunity to apply for funding.

E. Timing. Projects may be applied for in the coming year as OECD offers to receive an application or as Oregon Housing and Community Services Agency announces deadlines for housing rehabilitation applications.

#### IV. IMPLEMENTATION/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 the 2004.

#### ATTACHMENTS

##### ORDER

A – Public Notice

B – Announcement of Public Hearing

C – Housing rehabilitation grant closeout narrative (H00023)

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 LIST PROJECTS FOR FUNDING DEVELOPMENT**

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, 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 application(s): Blue River Water System Improvements, Lane County Regional Housing Rehabilitation Program, and Mapleton Water District System Improvements.

Signed this 14th day of April 2004.

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Bobby Green Sr., Chair  
LANE COUNTY BOARD OF COMMISSIONERS

APPROVED AS TO FORM  
Date 4/7/04 lane county  
  
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 2004. 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 14, 2004, 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: Lane County housing rehabilitation in Row River Valley (H00023) and Lane County 79<sup>th</sup> Street/Marcola housing rehabilitation program (H010004).

Written comments are also welcome and must be received by April 13, 2004 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 Zoanne Gilstrap, 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 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 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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4/11/04

←Ad to be published in Register Guard



# 2004 Currents

## Lane County Community and Economic Development Program

March 2004

**Video Lottery Economic Development Funds Target Jobs and Training.** Lane County receives economic development funds each year from video lottery proceeds generated in Lane County. The process for distributing these funds includes: 1) allocating up to half of the annual receipts to economic development projects managed by county departments (\$391,204 in FY 03-04), and 2) award of strategic investment funds through a competitive request for proposal (RFP) process, budgeted at \$337,045 in FY 03-04. In both cases, projects are selected on their ability to promote job creation through business development and expansion and by fostering workforce development. County department projects funded this past year include: Youth Services Court School, providing youth with basic employment skills; Public Safety adult corrections education/workforce program, and Lane Management review of rural commercial and industrial zoning and community planning related to the Lane County Comprehensive Land Use Plan. Additionally, from a field of 10 applicants, four projects were awarded in the 2003 request for proposal initial cycle to: increase health care career pathways (Lane Workforce Partnership), preparation of industrial site readiness reports and preparation of technology transfer strategies (Lane Council of governments); business retention, expansion, development program through direct contact and follow up with local businesses (Eugene Area Chamber of Commerce); and the students at work rural partnership development program (Lane Business Education Compact).

Over the past two years, Lane County Economic Development Standing Committee (EDSC) has rated, ranked, and recommended projects that present the best proposals for promoting job creation in the Lane County economy. Job creation is counted when a job results (or is retained) as a result of the project and remains in place for a year or more after the project is complete. There are other factors considered, such as how much jobs will pay and their career path that are also given consideration. The program also recognizes that new jobs may take more than a year to establish. Project contractors from the activities funded in 2002 are currently reporting their results. All projects are expected to show results within one year. The Economic Development Standing Committee is tracking the outcomes from each project.

The 2003 RFP process provided for an Open Proposal Cycle that is still active. A Letter of Interest process will run until April 1, 2004 before the EDSC make final recommendations to the Board of Commissioners. If the request for proposal schedule follows recent practice, it will be advertised and released in June, with applications due in July and awards in August or September. Grant amounts are typically in the range of \$40,000 to \$150,000.

**Community Development Block Grant (CDBG) Public Hearing Scheduled.** Lane County Board of Commissioners will hold a public hearing on April 14, 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 Barry Nugent, Lane County Community and Economic Development Intern at 682-3961.

**Economic Development Roundtable Scheduled.** Lane Workforce Partnership (LMP) and the Lane County Economic Development Standing Committee are planning a presentation and roundtable discussion of current opportunities for employee training. The Roundtable is an opportunity to hear from LMP staff and discuss trends in workforce training programs. The meeting is scheduled for April 1, 2 p.m. in the Bob Straub conference room, Lane County Public Service Building 125 E 8<sup>th</sup> Avenue in Eugene.

**Telecommunications Project Lights Broadband System to Oakridge.** Competitive high-speed Internet access has come to the City of Oakridge. This is a first step in a process that began in 2003 to assist small communities throughout Lane County in economic development efforts by providing high-speed broadband access. Enabling this service deployment was an economic development grant made available to Fiber South and the Regional Fiber Consortia by the Lane County Board of Commissioners. The grant funds have been used to complete the consortia's build out of fiber optic connections in Eugene and Oakridge.

The consortium is a public/private partnership that began in 2001, with the objective of making broadband services available to member communities in Lane, Klamath, Lincoln, and Douglas counties. The consortia's new high-speed broadband services will eventually extend to the Oregon Coast. "In order for our rural communities to create jobs and provide essential health, safety and public services, we must have competitively priced broadband services," said Don Hampton, East Lane County Commissioner.

The private partner, Preferred Connections, Inc. NW (PCINW), currently operates over 60 miles of network from Depoe Bay to Florence on a route known as CoastNet. With the connection to Oakridge, and soon to Florence and Reedsport, the company will have close to 200 miles of its proposed 600-plus-mile fiber optic broadband network in service. The Lane County Community and Economic Development Program can help communities in the process of building connections for public agencies and help identify service providers for business development

**Rural Tourism Marketing Plan Contracts Signed.** Each year Lane County distributes room tax funds to rural communities to help promote over-night stays and improve tourism throughout the county. Each of Lane County's ten small cities receive funding based on the amount of room tax that is collected in the hotels and motels in their regions. In 2004 the total amount distributed is \$152,000. Florence, with its Oregon coast attractions, is the largest single recipient of funds for advertising, tourist services and information. Cottage Grove, the McKenzie River area, and Oakridge are mid-sized recipients of funding. Each rural city receives a minimum of \$5,000 to \$6,000 to complete tourism promotion activities each year. Most of the projects in these jurisdictions are carried out in conjunction with the local chambers of commerce.

**For More Information.** Check the Lane County Community and Economic Development Web site at: [http://www.lanecounty.org/CAO\\_EconDev/default.htm](http://www.lanecounty.org/CAO_EconDev/default.htm) Or, contact Peter Thurston (541-682-4062), Lane County Community and Economic Development Coordinator, for details on these and other Current community and economic development projects.

**PART A - NARRATIVE**

Attach a brief narrative which describes the project, including what problem or need originally existed and the severity of the situation; why Oregon Community Development Block Grant (OCDBG) assistance was necessary; how this project eliminated or resolved the problem or need; and what benefits have been realized as a result of the project. Also summarize public comments, if any, received about the project.

**Lane County Grant H00023:**

This grant was the first Owner Occupied Housing rehabilitation Grant targeting the unincorporated areas of Lane County. A target area of southern Lane County was selected for focus. The grant administrator found many health and safety issues in all homes receiving funds. 13 of the 22 households served had major well and septic system issues, posing a substantial health risk for the homeowners. These health and safety issues would have remained unresolved without the availability of CDBG funding. One quarter of the households served were headed by persons over the age of 60. For these households, their homes represented most or all of their assets. CDBG rehabilitation loans have protected and enhanced these assets and allowed these homeowners to remain safely in their homes. A total of 67 individuals were assisted with these funds.

Of the 22 units rehabilitated, 2 households have incomes less than 30% of the area median income, 12 households have incomes 50% or less than area median income, and 8 households have incomes 51-80% of area median income.

All units rehabbed under this grant had weatherization work done in conjunction with CDBG rehabilitation activities. The weatherization partnership with Lane County Housing Authority brought an average \$1,500 additional dollars to each project. USDA Rural Development contributed one \$7,500 grant, and two additional rehabilitation loans to the program. A total of \$55,500 in USDA and weatherization funds was leveraged in addition to the \$400,000 in CDBG funding.

All rehabilitation activities have been completed. All funds have been expended, with the final \$3,946 assigned to Lane County Grant H010007, for the Rehabilitation loan for the Curry family of seven. This final household is unique. The Curry family has chosen to adopt several special needs children. CDBG funding has enabled the family to include accessibility features needed for the care of these children.

All satisfaction surveys returned by loan recipients have been very positive. Many recipients comment about how nice it is to hear rain on the roof, and not in the house!