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Memorandum Date: April 19, 2006  
Order Date: May 3, 2006

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**TO:** Board of County Commissioners

**DEPARTMENT:** Community and Economic Development

**PRESENTED BY:** Peter Thurston, 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

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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.

**II. AGENDA ITEM SUMMARY**

This is first of all 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 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. 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 A) was published, as required in the CDBG guidelines, and 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 two open CDBG projects through the state Economic and Community Development Department (OECDD) to improve water systems and two grants through the Oregon Housing and Community Services Department. 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.

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. 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. OECDD receives proposals year-round, after a project is approved conceptually.

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 offer to apply for funding.
- 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 and housing center 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 two open OECDD/CDBG grants, the Mapleton water system improvement project and the Blue River water system improvement project. OECDD rules in the 2006 Method of Distribution limits further applications until 75 percent of Mapleton grant funds are spent. Projects funded through the Housing and Community Services Department for housing rehabilitation are not considered as an open project by OECDD.

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 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. The Order suggests projects that may be prioritized.

#### **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."

#### **D. Financial and/or Resource Considerations**

The projects listed in the Order were identified by staff based on documented community needs. The BCC may add to this list or change it. Projects that are applied for and funded by CDBG will in most cases cover the costs to complete its scope of work. C&ED staff time to develop projects varies based on needs of the project.

## **E. Analysis**

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.

In recent months, the following projects have been identified for possible CDBG funding: (1) the Oakridge Warm Homes, Clean Air Project has been identified as a project for possible housing rehabilitation funding, (2) there is a need for housing rehabilitation funding around Lane County, especially in west lane County, near Florence, (3) individuals in the Layng Creek area may benefit from CDBG funding to solve drinking water problems through a public water system or private wells.

## **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 2006 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 2006.

#### **IV. TIMING/IMPLEMENTATION**

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

#### **V. RECOMMENDATION**

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 certain CDBG housing and community development projects. Additional projects 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 OECDD or the opportunity to apply for funding.

#### **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 2006.

#### **VII. ATTACHMENTS**

- ORDER
- A. 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**

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

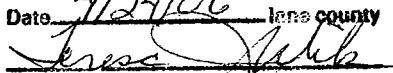
WHEREAS, the Oregon Economic and Community Development Department and Oregon Housing and Community Services Agency annually invite project proposals from eligible applicants, and

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 applications: (1) housing rehabilitation through the Regional Housing Rehabilitation Program and (2) planning, designing, and construction funding for the Layng Creek Water Project.

Signed this 3rd day of May, 2006.

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Bill Dwyer, Chair  
LANE COUNTY BOARD OF COMMISSIONERS

APPROVED AS TO FORM  
Date 4/24/06 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 \$13 million will be awarded to Oregon non-metropolitan cities and counties in 2006. 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. May 3, 2006, 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 regional housing rehabilitation program (Grant number HR 410); Regional Housing Center Project (Grant # RHC 509); Blue River Water System Project (Grant # P05027); and the Mapleton Water System project (P04019).

Written comments are also welcome and must be received by May 3, 2006 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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