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Memorandum Date: April 18, 2007

Order Date: May 2, 2007

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 ACTION TO APPLY FOR A COMMUNITY DEVELOPMENT BLOCK GRANT FOR A REGIONAL HOUSING CENTER

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 application for CDBG for a regional housing center.

II. AGENDA ITEM SUMMARY

Lane County is eligible to apply for a 2007 Community Development Block Grant from the Oregon the Housing and Community Services Department. Currently the County is eligible for two types of CDBG funding: Regional Housing Rehabilitation and/or Regional Housing Centers, primarily for persons with low and moderate incomes.

Every applicant and recipient of state of Oregon Community Development Block Grant (CDBG) funds must comply with the citizen participation requirements provided in federal law and described in the 2007 CDBG Program Guidelines.

One of those requirements is for County Board of Commissioners to hold a public hearing 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 Community Development Block Grant project; and, the proposed project.

The public hearing, scheduled for May 2 at 9:30 a.m. in the Board of Commissioners Conference Room, will 1) provide the opportunity for public comment and 2) allow the Board of Commissioners to decide if it wishes for the County to apply for Regional Housing Center funding.

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.

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 Economic and Community Development Department limits communities to having a maximum of three open grants, as long as each grant has met the spend-down requirements for each year it is open. Lane County currently has two open CDBG projects, neither of which has met the spend-down requirement. Therefore the County is not eligible to apply for a third CDBG grant from OECD in the current funding round, which ends June 30, 2007. The County may be eligible to apply for a third grant in either the funding round that ends September 30, 2007 or the one that ends in December 31, 2007. However, for the past two years, Oregon Economic and Community Development Department CDBG funds have run out by June 30 and the expectation of OECD staff is that will also be the case this year.

The Housing and Community Services Department does not currently limit the number of grants a community can have open. Currently the County has one open grant for housing rehabilitation, so we are eligible to apply for grant in the current funding cycle. The deadline for the submission of grant applications in this round is June 4, 2007.

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 OECD's calculations for identified low and moderate-income communities. Each project must be approved for the specific population being served

With regards to a regional housing center program, the Community Development Block Grant program requires city and county grant recipients to sub-grant with an eligible nonprofit organization meeting the requirements of the Housing and Community Development Act section 105(a)(15) to carryout the Regional Housing Center program.

The city or county grant recipient retains ultimate responsibility for ensuring that all CDBG program requirements are met. The sub-granted program management services include the daily operation of the center including but not limited to the development and implementation of Work and Marketing Plans to assist with housing and homeownership issues within the region.

The County has previously signed a sub-grant agreement with the Neighborhood Economic Development Corporation to manage a previous housing center grant.

The Neighborhood Economic Development Corporation has requested the County apply for a new regional housing center grant. A Regional Housing Center program enables low-income families to discover housing options and obtain the best type of housing for their individual circumstances. The centers will focus on providing clients new or expanded education, counseling and referral services to housing opportunities and affordable housing service providers in the region. Successful homeownership for low-income families is a key goal of the activity. The center may provide referral or direct service to clients. Home buyer education, rental assistance, credit counseling, housing referral and information are eligible center activities. The center may provide referral or direct service to clients.

Process for Public Hearing. The attached Public Hearing Notice (Attachment A) was published, as required in the CDBG guidelines, and was sent to several agencies that serve the needs of lower income families, organizations that have expressed interest or participated in CDBG programs.

The purpose of this hearing is 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 Community Development Block Grant project; and, the proposed project: NEDCO Regional Housing Center.

Written comments are also welcome and must be received by 5 pm. May 1, 2007 at Community & Economic Development, Land County Administration, 125 East Eighth Avenue, Eugene. Both oral and written comments will be considered by the Board of Commissioners in deciding whether to apply.

Prioritizing Projects. At the conclusion of the public hearing, the Board can choose to have the County submit an application to the Housing and Community Services Department for a housing related project.

The Board can also choose to decide the highest priority CDBG projects that should be developed in the coming year. The last list of projects adopted by the Board included three projects: 1) Housing Rehabilitation and 2) the Layng Creek (Row River) water project and Lane County Sheriff's Office Adult Learning Center project

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 is to decide whether the County should make a CDBG application to the Housing and Community Services Department for a housing related project. The third policy issue is to decide the highest priority CDBG projects that should be developed in the coming year.

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

As explained above, the only CDBG funding the County currently qualifies to apply for is housing related. With the deadline for grant applications for those funds fast approaching it makes sense to apply for a housing grant.

In case the County does become eligible to apply for additional funding, the County should also prepare a list of CDBG funding priorities.

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.

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 2007 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 2007.

IV. TIMING/IMPLEMENTATION

The deadline to apply for a grant for a regional housing center is June 4, 2007.

The earliest the County may be eligible for applying for non-related CDBG projects is September 30, 2007.

V. RECOMMENDATION

It is recommended that the Board hear from the public on the required subjects: 1) community development needs and 2) specific projects that meet community development needs. 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 OECD 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 2007.

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**

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) Regional Housing Center (2) planning, designing, and construction funding for the Row River Water Project, and (3) Child Advocacy Center of Lane County

Signed this 2nd day of May, 2007.

Faye Stewart, Chair
LANE COUNTY BOARD OF COMMISSIONERS

APPROVED AS TO FORM
Date 4/20/07 Lane
County
Heidman
OFFICE OF LEGAL COUNSEL

LANE COUNTY

PUBLIC SERVICE BUILDING, 125 EAST 8TH AVENUE, EUGENE, OR 97401/(541)682-4118/FAX (541)682-4616

Published April 18, 2007 and April 25

PUBLIC NOTICE AND NOTICE OF PUBLIC HEARING

Lane County is eligible to apply for a 2007 Community Development Block Grant from the Oregon Economic and Community Development Department. Community Development Block Grant funds come from the U.S. Department of Housing and Urban Development. The grants can be used for public facilities and housing improvements, primarily for persons with low and moderate incomes.

Approximately \$14 million will be awarded to Oregon non-metropolitan cities and counties in 2007. The maximum grant that a city or county can receive is \$1,000,000. Lane County is preparing an application for a 2007 Community Development Block Grant from the Oregon Economic and Community Development Department for the Regional Housing Center in Lane County. It is estimated that the proposed project will benefit at least 1300 persons, of whom 80% will be low or moderate income.

A public hearing will be held by the Lane County Board of Commissioners at 9:30 a.m. on May 2, 2007 at the Lane County Board of Commissioners Conference Room, Lane County Public Services Building, 125 East Eighth Avenue, Eugene.

The purpose of this hearing is 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 Community Development Block Grant project; and, the proposed project.

Written comments are also welcome and must be received by 5 pm. May 1, 2007 at Community & Economic Development, Lane County Administration, 125 East Eighth Avenue, Eugene. 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 Community Development Block Grants, the proposed project, and records about Lane County's past use of Community Development Block Grant funds is available for public review at 125 East Eighth Avenue, Eugene during regular office hours. Advance notice is requested. If special accommodations are needed, please notify Mike McKenzie-Bahr at (541) 682-4118 so that appropriate assistance can be provided. Permanent involuntary displacement of persons or businesses is not anticipated as a result from the proposed project. 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.