

\ IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY, OREGON

ORDER 97-11-5-1) In the Matter of Authorizing Comment on 1998 Community
) Development Block Grant (CDBG) Proposed Program Guidelines and
) Approving a Schedule for 1997/98 Lane County CDBG Activities

Whereas, Proposed 1998 CDBG Program Guidelines are published and comments are requested by Oregon Economic Development Department, and

Whereas, Lane County has receive notice of the London Water Master Plan Grant award by the Oregon Economic Development Department, and

Whereas, the Board of County Commissioners is interested in insuring CDBG funding opportunities for Lane County Communities and listing highest need CDBG projects, NOW, THEREFORE, IT IS HEREBY

1) ORDERED that comments on the Proposed Program Guidelines for the 1998 Community Development Block Grant shall be submitted by the Board Chair in a letter to Oregon Economic Development Department.

2) FURTHER ORDERED the 1998 Lane County CDBG Program Schedule is adopted as the list of active CDBG projects and activities in 1998.


Signed this 5 day of November, 1997.


Chair, Board of County Commissioners

FILED

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COUNTY CLERK

BY 

ATTACHMENT A

1998 CDBG Project Schedule

Month	Nov 97	Dec 97	Jan 98	Feb	Mar	Apr	May	Jun	Jly	Aug	Sep	Oct	Nov 98
Project													
Mapleton Water	C ph2	C ph2			Ph3	→	→	→	→	→	→	→	C
SAFE Center	ERR	Bid			Build	→	→	→	→	→	Open Ctr	C	C
London Water	Ph1	Plan	→	→	→	→	→	→	→	C	App Ph2	→	

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 CDBG Public Hearing 98 CDBG Competitive Deadline - March 6

Index

C = Close grant

C Ph2 = Close design phase

Ph3 = Phase 3 (Construction), dependent on award by OEDD

App Ph 2 = Application process for Phase 2 (Design)

Ph1 = Planning phase (Master Plan)

Build = Construction period

ERR = Environmental Review Record process

Open Ctr = the SAFE Center opens

OREGON ECONOMIC DEVELOPMENT DEPARTMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SUMMARY OF SIGNIFICANT CHANGES FOR 1998

COMMENTS REQUESTED

Please review the following summary and the attached proposed guidelines for the 1998 Oregon Community Development Block Grant program.

Comments on the proposed 1998 program can be submitted either orally or in writing. A public hearing has been scheduled for Tuesday, October 21, 1996, at 3:30 p.m. in the Mountain View Room of the Best Western Hood River Inn. The street address is 1108 East Marina Way, Hood River, OR. Written comments will be accepted through 5:00 p.m. on Thursday, November 6, 1997.

These proposed guidelines are also distributed in the draft for the 1998 Annual Plan under Oregon's 1996-2001 Consolidated Plan for Housing and Community Development. The annual plan is subject to public review and comment prior to adoption of 1998 program guidelines for the three U.S. Department of Housing and Urban Development programs administered by the state. In addition to the Community Development Block Grant program for non-metropolitan cities and counties, the annual plan includes the HOME Investment Partnerships (HOME) and Emergency Shelter Grant (ESG) programs operated by the Oregon Housing and Community Services Department.

All comments received by November 6, 1997, will be considered by state staff and the Community Development Block Grant Advisory Committee before a final decision is made on the program guidelines for the coming year. Staff will review all comments first and then give them to the advisory committee with a recommendation.

Please call the Oregon Economic Development Department at (503) 986-0122 if you have questions about this material or the public hearing in Hood River. Questions about the 1996-2001 Consolidated Plan and the 1998 Annual Plan should be directed to David Foster at the Oregon Housing and Community Services Department (503) 986-2112.

Summary of Proposed Community Development Block Grant Program Changes for 1998

1. Handicapped Accessibility Competitive Funding Category

This category will be deleted from the program but the activities it funded will be eligible in the Community Facilities category.

The Handicapped Accessibility category was added to the program in 1993. Its purpose was to help cities and counties bring their own buildings and facilities into compliance with Section 504 of the federal Rehabilitation Act of 1973 and the federal Americans with Disabilities Act. Examples of funded work include elevators, restroom accessibility improvements, and access ramps on sidewalks.

The reason for deleting the category is that the January 26, 1995 compliance deadline in the Americans with Disabilities Act for making local government buildings accessible is past. The deadline applied to all units of local government, regardless of size.

Cities and counties have had five opportunities, beginning in 1993, to apply for funds from the category. In three of the five years, there were fewer applications than funds available.

The department first proposed deleting the category in 1997. It was retained because a large number of small cities sent comments and requests that the category be continued based on a misunderstanding that only communities with more than 15 employees were subject to the January 26, 1995 compliance date. The deadline really applies to all units of local government, regardless of size.

A total of 31 cities and 12 counties have received Oregon Community Development Block Grant funds for constructing access improvements to their buildings. Several others used Technical Assistance grants to plan for future projects. In order to give those communities an opportunity to obtain construction funds, the state once again will make accessibility improvements to local government buildings an eligible activity under the Community Facilities category.

2. Technical Assistance Category

This category will be deleted from the 1998 program. Using Community Development Block Grants for planning activities that are necessary before a construction project can be funded is worthwhile for Public Works activities, but has been of limited value for other types of projects, including housing rehabilitation.

The cost of administering a Technical Assistance grant of \$10,000 or less at both the local and state levels is significant. The products of these grants in recent years (preliminary plans, financial feasibility studies and needs analyses) have not made a significant difference in the ability of most communities to obtain construction funds.

Preliminary planning will continue to be an eligible cost in the Public Works category.

3. Funds Setaside

1998 program funds may be available for two types of projects outside the competitive and Public Works categories. The department proposes to set aside funds from the total amount available for the following uses:

A. Rural Industrial Investment Initiative - Job Creation/Retention

\$1,600,000 (approximately 10% of the total funds anticipated to be available in 1998) will be reserved for projects that will create or retain jobs in rural Oregon. The types of activities eligible for assistance will be determined by the Oregon Economic Development Department during the next several months.

Specific comments on the possible need for this setaside are requested. Comments will help the department determine if Community Development Block Grants are a viable source for meeting those needs.

B. Regional Housing Rehabilitation Program Demonstration

A maximum of \$500,000 for one project to demonstrate how Community Development Block Grant funds can be combined with private lender financing, assistance from other public programs and program income from prior year projects to provide a range of housing assistance to lower income households in rural areas.

More information about these proposed setasides is on pages 5 and 6 of the proposed program guidelines.

4. Funding Targets

The state proposes to award available funds to projects in the categories listed below using the percentages shown, after subtracting amounts allowed for state administration and state technical assistance and the setaside funds described above:

CATEGORY	PROPOSED 1998 TARGETS	1998 ESTIMATED AMOUNT AVAILABLE	1997 TARGETS
Public Works	39.0%	\$ 5,421,000	37.5%
a. Water & Sewer Projects	34.0%	4,726,000	32.5%
b. Public Works for New Housing	5.0%	695,000	5.0%
Community Facilities	35.0%	4,865,000	35.0%
Housing Rehabilitation	26.0%	3,614,000	24.0%
Handicapped Accessibility	0.0%	0	3.0%
Technical Assistance	0.0%	0	0.5%
TOTAL	100.0%	\$ 13,900,000	100.0%

5. Community Facilities Competitive Funding Category

Changes include:

- Adding accessibility improvements to local government buildings as an eligible project and a third priority under the rating criteria for "Need,"
- A requirement that multi-purpose community facilities serve an area in which no less than 51 percent of the residents have low and moderate incomes,
- Ranking limited clientele projects (e.g., senior centers) separately from areawide benefit projects (e.g., community centers) when assigning rating points for "Cost per Beneficiary," and

- Using a distressed area index instead of the percentage of low and moderate income persons in the city or county to measure relative need of applicants. The methodology that the Oregon Economic Development Department proposes to use for identifying economically distressed areas is included at the back of the proposed guidelines booklet.

6. Housing Rehabilitation Competitive Funding Category

Proposed changes include using a distressed area index instead of the percentage of low and moderate income persons in the city or county to measure relative need of applicants.

The department also intends to allow cities and counties to enter into agreements with nonprofit subrecipient organizations to carry out housing rehabilitation activities.

7. Public Works Year-Round Category - Water and Sewer Projects

The one significant proposed change will prohibit the use of grant funds for projects to construct water or sewer systems outside incorporated cities or unincorporated communities as defined by the Department of Land Conservation and Development. This change is consistent with state growth management policies that restrict the provision of urban services to areas within urban growth boundaries.

8. Public Works Year-Round Category - Public Works for New Housing

No significant changes are proposed.

DRAFT Letter from Lane County
Comment on 1998 CDBG Proposed Program Guidelines
November 1998

TO: Jane Jensen-Davis, Program Manager

Lane County is an active participant in the Oregon Community Development Block Grant (CDBG) Program and appreciates this funding source that serves special needs, such as assisting abused children and lower income community infrastructure improvements. The Board of County Commissioners submits the following comments and recommendations in the spirit of continuing the long and productive record of CDBG funding in Oregon.

1. CDBG Fund Set asides. The proposed guidelines set aside \$1,600,000 of CDBG funds for project that will create or retain jobs in rural Oregon and \$500,000 for one project to demonstration of how CDBG funds can be used to provide a range of housing assistance in rural areas. Lane County is very interested in both job creation and improvement of housing opportunities for lower income rural residents. Our concern relates to the practice of funds set aside in advance of a program description and the general policy question of removing funds from the CDBG competitive process.

Lane County recommends that the specifics of the proposed set aside programs be determined over the course of the next year while OEDD completes the "New Directions" process. The proposed set aside for 1998 should be deferred to 1999 when the specifics of the program are known and have been determined to be of higher priority than infrastructure and competitive housing and community facility projects.

2. Regional Housing Rehabilitation. Lane County has housing rehabilitation for unincorporated areas of the county as a high priority in its Community Development Plan.

- ⊗ The proposed use of a distressed communities index that excludes unincorporated communities from priority ranking is a move in the wrong direction.
- ⊗ The distressed area index for a county area should not determine the needs of low income areas of the county.
- ⊗ The proposed flexibility to allow counties to contract with nonprofit sub-recipients offers the opportunity to innovate the delivery of housing service delivery.
- ⊗ The program guidelines need to allow counties to compete effectively to fund housing activities in unincorporated areas.

3. 1998 Funding Targets. The targets for funding of CDBG program areas is balanced. The issues of impact from Set asides is of concern, as noted above.

4. Eligibility for funding and Project Ranking. The proposed guidelines do not change the method by which communities are determined eligible for CDBG funding. The introduction of the "distressed area index" does emphasize and focus resources on communities listed high in the index. By piggy-backing some unincorporated areas on neighboring high index cities there is a devaluing of the needs of these unincorporated communities, even if the need to solve health, safety, and housing problems. Of greater concern is the fact that several of Lane County's unincorporated communities may fall off the index entirely because they are not immediately adjacent to a high index city. These communities need to receive the same opportunity other eligible CDBG communities and cities working to recovery from changes in the timber economy.

5. Public Works for Unincorporated Communities. The proposed 1998 CDBG Program Guideline would "prohibit the use of grant funds for projects to construct water or sewer system outside incorporated cities or unincorporated communities as defined by" ...DLCD. It is not clear in this proposal which unincorporated communities of Lane County would be prohibited from using CDBG funds. On the face of it this seems unfair to eligible low income communities that may require repair or improvement of water and sewerage facilities to meet federal and state standards. Lane County takes exception with the proposal that DLCD determines the priorities for public works. Counties should be consulted relative to their comprehensive plans before any prohibition on funding is considered further.

Generally, Lane County encourages OEDD to proceed carefully when adopting changes to the CDBG program guidelines. CDBG is a success as currently established. Changes should be made to enhance the current program.

Sincerely,

Cindy Weeldreyer, Chair
Board of County Commissioners

IN THE BOARD OF COUNTY COMMISSIONERS, LANE COUNTY OREGON

BOOK 159 PAGE 1811

ORDER 96-12-18-24) In the Matter of Selecting Priority CDBG Projects for 1997 Applications

Whereas, Lane County is an eligible applicant for funding of Community Development Block Grant (CDBG) projects from the state of Oregon Community Development Program, and

Whereas, Lane County has followed a citizen participation plan aimed at informing and involving people and agencies serving low income citizens of Lane County, and

Whereas, the Lane County Board of Commissioners has held the required public hearings to determine needs and select projects that serve lower income and eligible populations, and

Whereas, the Board of Commissioners has reviewed the options for projects presented by the public and identified by County staff, NOW, THEREFORE, IT IS HEREBY:

(1) ORDERED that Lane County's Short-Range Community Development Plan project list for 1997 Community Development Block Grant priority shall be:

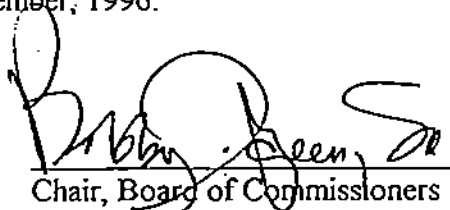
- (a) Mapleton Water District Improvements Design and Construction
- (b) SAFE Center Facility Improvements
- (c) London Water Co-op Facilities Improvement - Planning, Design, and Construction
- (d) South Lane County Housing Rehabilitation Project
- (e) Facilities to Serve Youth In Rural Areas
- (f) Projects that Support Rural Family-Wage Job Opportunities
- (g) Heceta Water District Improvements

(2) FURTHER ORDERED that the SAFE Center Community Facility project shall be submitted by the March 7 deadline for applications and that the Mapleton and London Public Works project applications shall be submitted for CDBG funding as they are ready,

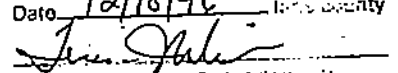
3) FURTHER ORDERED that the County Administrator is authorized to sign CDBG application documents for the three (3) highest ranked projects listed above, and

4) FURTHER ORDERED that staff is directed to develop the South Lane Housing Rehabilitation Project for priority ranking in the 1998 CDBG round of funding.

Signed this 18 day of December, 1996.



 Chair, Board of Commissioners

APPROVED AS TO FORM
 Date 12/18/96 Lane County

 OFFICE OF LEGAL COUNSEL