



Memorandum Date: July 5, 2023

Order Date: July 18, 2023

TO: Board of County Commissioners

DEPARTMENT: Administration

PRESENTED BY: Steve Adams, Lane County Policy Director

AGENDA ITEM TITLE: ORDER: IN THE MATTER OF SETTING A PUBLIC HEARING
FOR HOUSING AND COMMUNITY NEEDS

I. MOTION

MOVE TO APPROVE THE ORDER TO SET A PUBLIC HEARING DATE OF **AUGUST 1, 2023 AT 1:30 P.M.**, TIME CERTAIN, TO HEAR FROM THE PUBLIC REGARDING PRIORITIES FOR POTENTIAL PROJECTS FUNDED WITH COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING AND REGARDING HOUSING AND COMMUNITY NEEDS.

II. AGENDA ITEM SUMMARY

Lane County is eligible to apply for a 2023 Community Development Block Grant (CDBG) from Business Oregon¹. CDBG funds come from the U.S. Department of Housing and Urban Development (HUD). Grants can be used for housing improvements and must serve households with low and moderate incomes. Approximately \$11 million is available to Oregon cities and counties not directly eligible for block grant funding from HUD. The maximum grant that the County can receive for owner-occupied housing rehabilitation is \$500,000.

Lane County staff are preparing an application for CDBG funding for the Regional Housing Rehabilitation Loan Program of Lane County, requesting \$500,000 for owner-occupied housing rehabilitation. It is estimated that that the proposed project will benefit at least 19 low- and moderate-income households.

Business Oregon, which administers the CDBG funding, requires that applicants hold a

¹ See Business Oregon Method of Distribution:
<https://www.oregon.gov/biz/Publications/CDBG/2023ProposedMOD.pdf> .

public hearing. The purpose of the hearing is for the Board of Commissioners to obtain citizen views and respond to questions and comments about community development and housing needs for low- and moderate-income households, as well as any other needs that could be funded with CDBG funds, and to hear any comments and ask any questions about the proposed project.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Lane County has received millions of dollars in Community Development Block Grant funding through various competitions via the State of Oregon since the CDBG program was established in the mid-1970s. The last time Lane County applied for CDBG funding through the State was in 2009.

B. Policy Issues

CDBG funding is an avenue to enable the Board of Commissioners to achieve many of its stated policy objectives. Lane County's Affordable Housing Action Plan highlights that Lane County has a large number of buildable lots that need infrastructure to support housing. Infrastructure is one of the approved uses of CDBG funding. We are requesting that the Board hold a public hearing to enable a grant submission this fall for housing preservation. This first step after a break in funding would enable Lane County to establish regular engagement with the CDBG program.

C. Board Goals

Lane County's *2022-2024 Strategic Plan* uses three overarching lenses to view policy issues.

Stewardship of Resources – a successful application for CDBG funds will increase resources available to low- and moderate-income households throughout Lane County by making health and safety improvements to homes.

Equity – CDBG funds are designed to benefit individuals and households with incomes below 80% of Area Median Income. If successful, the application will benefit homeowners who have low or moderate incomes.

Collective Impact – the public hearing is an opportunity for residents to provide input on housing and community development priorities that the Board of Commissioners should consider generally and related to the two applications for CDBG funding.

The applications for CDBG funding also support several Strategic Priorities contained in the *2022-2024 Strategic Plan*.

Priority #2: Funding for the Regional Housing Rehabilitation Loan Program will support the preservation of naturally occurring affordable housing for low- and moderate-income households by resolving health and safety concerns for up to 12 households.

D. Financial and/or Resource Considerations

Applying for CDBG funds consumes staff time. Successful applications would result in up to \$500,000 in funding for housing rehabilitation programs in Lane County.

E. Health Implications

Through the Regional Housing Rehabilitation Loan Program, the administrator, Saint Vincent DePaul, makes secured loans to low- and moderate-income homeowners to correct health, safety and structural deficiencies as well as accessibility modifications to help enable homeowners to remain in their homes. Loan payments are deferred and due only upon sale or transfer of the property. The proceeds from a sale or transfer are repaid to the program, enabling additional loans over time. If loans funds are not replenished through additional CDBG funds, fewer households would be served and the housing stock supporting low- and moderate-income households would degrade, negatively impacting health.

F. Analysis

According to the latest Census Data, Lane County has over 167,000 housing units and an owner-occupied housing rate of just over 59%. More than one-third of Lane County households have low- and moderate-incomes and the median household income is approximately \$59,000. A study done by United Way of Lane County within the past 5 years shows that 44% of families are ALICE households (Asset Limited, Income Constrained, Employed—earning more than the Federal Poverty Level but less than the basic cost of living). Preservation of existing housing that is affordable to these households is critical, given the acute need for more housing, especially housing affordable to people with low and moderate incomes. As these homes age, funding for foundations, plumbing, electrical and other essential systems is critical to preserving their habitability. As discussed in the Quarterly Update to the Housing Action Plan², hundreds of units of housing are in critical need of home repairs.

The Regional Housing Rehabilitation Loan Program (RHRP) was established in 2001 by Lane County and several cities to provide a regional approach to meet housing rehabilitation needs for low and moderate-income homeowners. St. Vincent de Paul Society of Lane County (SVdP) acts as the non-profit administrator and manager for the program. SVdP is responsible for all grant

² See https://cdns5-hosted.civiclive.com/UserFiles/Servers/Server_3585797/File/Government/BCC/2023/2023_AGENDAS/031423agenda/T.11.B.pdf

activities including management of the Revolving Loan Fund. Member jurisdictions that participate in the program are Lane County and the non-metropolitan cities of Cottage Grove, Oakridge, Westfir, Lowell, Florence, Junction City, Veneta and Creswell. These member jurisdictions have entered into an Intergovernmental Agreement (IGA) (Attachment 4) for the RHRP.

Loan amounts range from \$25,000 to \$35,000, the interest rate is 3% and the loan is payable only upon sale or property transfer. As long as the borrower remains in the home, payment is not required. The current balance of funds for this program is approaching minimum levels. CDBG funding is an opportunity to replenish the Loan Fund and assist up to 13 new households.

G. Alternatives/Options

The Board of County Commissioners has the option to:

1. Approve the Order setting a date for the Public Hearing for **AUGUST 1, 2023 AT 1:30 P.M.**, time certain.
2. Deny the Order and direct staff otherwise.

IV. RECOMMENDATION

Staff recommend holding a public hearing as described on the date proposed.

V. TIMING/IMPLEMENTATION

Business Oregon will open the fall application period on July 1, 2023. Applications are due September 30, 2023. If we choose to apply, Lane County must submit a notice of intent to apply before September 1, 2023.

VI. FOLLOW-UP

Upon approval of this Order to set a Public Hearing, staff will work on publishing the notice in compliance with CDBG requirements. A Final Report will be prepared and submitted at that hearing.

VII. ATTACHMENTS

1. Order to Set Public Hearing with Exhibits:
 - a. Exhibit A: Public Hearing Notice

BEFORE THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO. 23-07-18-12

IN THE MATTER OF SETTING A PUBLIC
HEARING FOR HOUSING AND COMMUNITY
NEEDS

WHEREAS, Lane County is eligible to apply for a 2023 Community Development Block Grant (CDBG) from Business Oregon, CDBG funding originating from the federal Department of Housing and Urban Development (HUD); and

WHEREAS, Approximately \$11 million is available to Oregon cities and counties not directly eligible for block grant funding from HUD, and the maximum grant that the County can receive for owner-occupied housing rehabilitation is \$500,000; and

WHEREAS, Lane County staff are preparing an application for CDBG funding for the Regional Housing Rehabilitation Loan Program of Lane County, requesting \$500,000 for owner-occupied housing rehabilitation; and

WHEREAS, Business Oregon, which administers the CDBG funding, requires that applicants hold a public hearing to obtain citizen views and respond to questions and comments about community development and housing needs for low- and moderate-income households, as well as any other needs that could be funded with CDBG funds, and to hear any comments and ask any questions about the proposed project.

NOW, THEREFORE, the Board of Commissioners of Lane County ORDERS as follows:

1. A Public Hearing shall be held on August 1, 2023 at 1:30 p.m., time certain, to obtain citizen views and respond to questions and comments about community development and housing needs for low- and moderate-income households, as well as any other needs that could be funded with CDBG funds, and to hear any comments and ask any questions about the proposed project; and
2. Legal notice of the Public Hearing be posted or published in accordance with ORS 373.270.

ADOPTED this 18th day of July, 2023.

Pat Farr, Chair

LANE COUNTY BOARD OF COMMISSIONERS

Exhibit A: Public Notice and Notice of Public Hearing

Notice is hereby given that the Lane County Board of Commissioners will conduct a Public Hearing on **Tuesday, August 1, 2023**, on community development and housing needs and an application for funding for a housing rehabilitation loan program. The public hearing will begin at **1:30 PM**.

The meeting will be held in a **hybrid format, with in-person and remote call-in options**. The in-person meeting will be held at the Lane County Public Service Center, Harris Hall, 125 East 8th Avenue, Eugene, Oregon 97401.

Lane County is eligible to apply for a 2023 Community Development Block Grant from Business Oregon. 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 \$11 million will be awarded to Oregon non-metropolitan cities and counties in 2023. The maximum grant that a city or county can receive is **\$500,000 for owner-occupied housing rehabilitation**.

Lane County is preparing an application for a 2023 Community Development Block Grant from the Business Oregon **for the Regional Housing Rehabilitation Loan Program of Lane County**, for activities located in areas of Oakridge and Westfir Oregon for the purpose of owner-occupied housing rehabilitation. It is estimated that the proposed project will benefit at least **19** persons, of whom **100%** will be low or moderate income. 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 that is demolished or converted to another use will be replaced.

A public hearing is required to access CDBG funding. The purpose of this hearing is for the Lane County 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 noon on July 31. Both oral and written comments will be considered by the Board of Commissioners in deciding whether to apply. The staff report will be available online beginning Thursday, July 27, 2023 here: [Board of Commissioners Agendas - Lane County \(lanecountyor.gov\)](https://www.lanecountyor.gov/agendas). Copies will be available for purchase at a reasonable cost as described below.

HOW TO PARTICIPATE OR SUBMIT COMMENTS: Written comments should be directed to the staff contact listed below prior to the hearing or submitted at the public hearing on August 1, 2023. Written comments will be accepted until the close of the public hearing unless the record is held open by the Board of Commissioners. Oral statements and testimony must be given at the public hearing either in person or via calling in. For questions or additional information, please call or email the staff contact.

Staff contact: Kristen Lee, Senior Community Services Coordinator

Lane County Administration, Policy Division

125 East 8th Street, Eugene, OR 97408

541-682-3078, or kristen.lee@lanecountyor.gov

Remote Hearing Information: The online public hearing is being provided in accordance with ORS 192.670. Upon request, if you do not have access to a computer with internet access or a phone on the day of the hearing and wish to attend virtually, accommodation for teleconference access needs will be made available at the Public Service Building, 125 East 8th Avenue, Eugene, Oregon 97401. The in-person option will be wheelchair-accessible.

Persons needing special accommodation (e.g. in-person accommodation, hearing impaired, language translation, chemical sensitivity needs, and large print copies of the agenda or other application materials) are instructed to submit their request at least 48 business hours prior to the meeting by calling Kristen Lee at 541-682-3078.



Fair Housing and Public Hearing Setting

Community Development Block
Grant Funding

Fair Housing Resolution

Lane County is eligible to apply
for CDBG funding

Fair Housing Resolution is
required to receive funds

Supports Affordable Housing
Action Plan

Supports Strategic Plan Goals

CDBG Public Hearing Setting

Also required to apply for CDBG funds

Hear public views on housing and
community development

Hear about other needs that could be
funded with CDBG

Supports Strategic
Plan Goals

Collective Impact

Housing Preservation

Proposed Next Steps

Adopt Fair Housing Resolution
today

Set Public Hearing for August 1

Apply for CDBG Funds by
September 1
