



Memorandum Date: July 18, 2023

Order Date: August 1, 2023

TO: Board of County Commissioners

DEPARTMENT: Administration

PRESENTED BY: Steve Adams, Lane County Policy Director

AGENDA ITEM TITLE: PUBLIC HEARING/ORDER: AUTHORIZING AN APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

I. MOTION

MOVE TO CONDUCT A PUBLIC HEARING ON PRIORITIES FOR POTENTIAL PROJECTS FUNDED WITH COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING THROUGH THE STATE OF OREGON AND UPON CONCLUSION AUTHORIZE STAFF TO SUBMIT AN APPLICATION FOR CDBG FUNDING FOR THE REGIONAL HOUSING REHABILITATION LOAN PROGRAM OF LANE COUNTY FOR \$500,000.

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.

If the Board approves, Lane County staff will prepare 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

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

benefit at least 19 low- and moderate-income households.

A public hearing is being held at this meeting. 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.

Lane County adopted an Affordable Housing Action Plan in 2020².

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 in 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

² See https://cdnsm5-hosted.civiclive.com/UserFiles/Servers/Server_3585797/File/Government/BCC/2020/2020_AGENDAS/121520agenda/T.14.B.pdf

Commissioners should consider generally and related to the application for CDBG funding.

The application 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 19 households.

D. Financial and/or Resource Considerations

Applying for CDBG funds consumes staff time. A successful application would result in up to \$500,000 in funding for housing rehabilitation 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 County³ based on 2021 Census data shows that 44% of households in Lane County are living below the ALICE Threshold (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

³ See

<https://static1.squarespace.com/static/5b6a0acf9d5abb96252f10af/t/64a705a13742ba1866929a4f/16886675544/2023+Lane+County+ALICE+Report.pdf>

Action Plan⁴, 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 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 3) 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 19 new households.

G. Alternatives/Options

CDBG funds can only be accessed if a public hearing is held. Not holding one would make the County ineligible to apply for CDBG funding.

IV. RECOMMENDATION

Staff recommend holding a public hearing and applying for CDBG funds for the Regional Housing Rehabilitation Loan Program. This will position the County to apply for CDBG funding for the this and future years.

V. TIMING/IMPLEMENTATION

Business Oregon opened 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

If the recommendation is approved, staff will work on submitting a notice of intent to apply for CDBG funds and a full proposal by September 30, 2023.

VII. ATTACHMENTS

1. Board Order with Exhibits

⁴ See https://cdns5-hosted.civicle.com/UserFiles/Servers/Server_3585797/File/Government/BCC/2023/2023_AGENDAS/031423agenda/T.11.B.pdf

- a. Public Hearing Notice
- b. RHRP Intergovernmental Agreement

BEFORE THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO. 23-08-01-07

In the Matter of AUTHORIZING AN APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT
FUNDS

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. Staff is authorized to apply for CDBG funding for the Regional Housing Rehabilitation Loan Program of Lane County for \$500,000.

ADOPTED this 1st day of August, 2023.

Pat Farr, Chair
Lane County Board of Commissioners