



Memorandum Date: October 23, 2024

Meeting Date: November 5, 2024

TO: Board of County Commissioners

DEPARTMENT: County Administration, Policy Division

PRESENTED BY: Matt McRae, Disaster Recovery Manager

AGENDA ITEM TITLE: ACTION: Letter to Oregon Housing and Community Services re: Lane County Feedback on ReOregon Substantial Action Plan Amendment

I. MOTION

Approve formal statement of feedback to Oregon Housing and Community Services regarding the ReOregon draft Substantial Action Plan Amendment.

II. AGENDA ITEM SUMMARY

The Board is asked to review and approve a statement providing formal Lane County feedback on the Oregon Housing & Community Services (OHCS) Community Development Block Grant – Disaster Recovery (CDBG-DR) ReOregon Substantial Action Plan Amendment (SAPA).

The Action Plan explains how OHCS will use \$422,286,000 to support recovery from the 2020 Labor Day wildfires across multiple jurisdictions in Oregon. The Action Plan Amendment revises the previous Action Plan adjusting statewide and local funding allocations, programs, and policies.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The Board has been extensively engaged in Holiday Farm Fire recovery efforts since the events of early September 2020. The recovery process in the McKenzie Valley has been facilitated by a wide range of funding sources, including federal and state appropriations, private insurers, and local allocations, among many others.

In September 2022, Housing and Urban Development (HUD) approved the ReOregon Action Plan. OHCS has made minor adjustments to the program since it was approved, but this is the first Substantial Action Plan Amendment requiring HUD approval. The amendment process includes a formal opportunity to provide the agency with feedback.

Since 2021, the Board has received regular updates from staff on Holiday Farm Fire recovery, including number of permits issued, updates on grants, planning, projects, and partnerships.

As of January 2022, Recovery updates have been scheduled quarterly. The last quarterly update to the Board of County Commissioners was October 22, 2024.

B. Policy Issues

No County administrative policy or objective exists associated with this item.

The changes in state policy resulting from this amendment do have implications for the speed, scale, and effectiveness of Holiday Farm Fire recovery. The draft letter (attached) highlights the most significant policy and funding implications.

Providing formal feedback on the SAPA will enable Lane County to advocate for the best outcome for Holiday Farm Fire survivors.

C. Board Goals

Strategic Priority #1: Safe, Healthy County

Strategic Priority #2: Vibrant Communities

Strategic Priority #3: Robust Infrastructure.

D. Financial and/or Resource Considerations

Allocations of these congressionally appropriated disaster recovery funds directly impact the speed, scale, and effectiveness of Holiday Farm Fire recovery efforts being implemented by state agencies, Lane County, and non-profit recovery partners.

OHCS has indicated their intent to grant Lane County \$17.5 million in federal CDBG-DR funds to support the development of affordable housing to serve renters displaced by the Holiday Farm Fire. The funds can be used to build affordable rental housing and affordable home ownership opportunities, among other uses.

E. Health Implications

Health Determinant	Directly affected by Community Development Block Grant – Disaster Recovery (CDBG-DR) allocations
Employment and livelihood	Directly affected by CDBG-DR allocations
Family and Community Structure	Directly affected by CDBG-DR allocations
Goods and Services	Directly affected by CDBG-DR allocations

Housing	Directly affected by CDBG-DR allocations
Land Use	Directly affected by, and will affect, CDBG-DR allocations, state grant funds, and to what degree local recovery can occur.
Parks and Natural Space	Directly affected by CDBG-DR allocations
Transportation	Directly affected by CDBG-DR allocations

F. Analysis

Staff have reviewed the ReOregon SAPA. The attached statement of feedback describes the anticipated impacts to Holiday Farm Fire recovery stemming from the proposed Action Plan Amendment.

G. Alternatives/Options.

1. Chair signature to convey staff comments and recommendations on the ReOregon Substantial Action Plan Amendment for Community Development Block Grant – Disaster Recovery prepared by OHCS staff for submittal to the U.S. Department of Housing & Urban Development.
2. Direct staff to amend draft statement of feedback.
3. Do not direct staff to submit feedback from the Lane County Board of Commissioners to OHCS at this time.

III. RECOMMENDATION

Option 1 above.

IV. TIMING/IMPLEMENTATION

Not applicable

V. FOLLOW-UP

Not applicable

VI. ATTACHMENTS

Statement of Feedback to Oregon Housing and Community Services



LANE COUNTY BOARD OF COMMISSIONERS

Heather Buch
Ryan Ceniga
Pat Farr
David Loveall
Laurie Trieger

November 4, 2024

Andrea Bell
Oregon Housing and Community Services
North Mall Office Building
725 Summer Street NE, Suite B
Salem OR 97301-1266

Dear Executive Director Bell,

We, the Lane County Board of Commissioners, are grateful for the opportunity to provide feedback on the October 2024 Substantial Action Plan Amendment to the ReOregon Action Plan. We are grateful for the continued partnership with Oregon Housing and Community Services as we work together to support survivors of the 2020 Holiday Farm Fire.

We are excited to highlight several valuable improvements included within this Action Plan Amendment:

- 1) We appreciate the plan to award Affordable Housing Development funds directly to counties to invest and distribute. This is an important opportunity to leverage our local expertise and capacity to support the construction of affordable homes in the McKenzie River Valley.
- 2) We applaud the plan amendment to expand options for renters who were displaced by the Holiday Farm Fire. The initial Action Plan allocated funds to construct home ownership opportunities for displaced renters. This amendment includes a pathway to construct affordable rental housing – an important change that will increase the diversity of affordable housing options in the fire-affected area.
- 3) We are pleased to see a pathway to reimburse reconstruction and recovery costs for eligible households who have already begun or completed rebuilding.
- 4) We appreciate the language explicitly including as eligible those residents who resided in non-traditional homes including RVs.
- 5) We believe the inclusion of Accessory Dwelling Units (ADU) in the reconfigured Affordable Housing Development (AHD – formerly HOP) program is particularly beneficial for the recovery of rental housing stock in the McKenzie Valley. We hope that OHCS would support a legislative effort to remove the two-acre minimum for ADU placement on parcels zoned for rural residential dwellings.

We also respectfully request refinements before the final Action Plan Amendment is submitted to HUD for approval:

- 1) As one of five Guiding Principles, the 2018 Oregon Disaster Recovery Plan states:

Recovery will be a locally driven process. The state does not seek to direct communities through the recovery process. Rather, the state's role is to provide guidance, technical assistance, and resources to local entities in support of their community recovery goals.

It is within this spirit that Lane County has consistently advocated for locally directed flexibility when allocating funds among different ReOregon programs like PIER, HOP, and HARP. The communities affected by the 2020 Labor Day fires have very different circumstances; some are urban and some are rural. Some need relatively more funding for infrastructure while others require comparatively more funding for housing. We respectfully request OHCS include within this amendment a provision allowing counties to determine the amount of funding allocated within each of the ReOregon programs in future budget adjustments among the approved programs.

- 2) OHCS signals a shift in priority from a state-managed reconstruction program to a homeowner-managed reconstruction program. While we value the options this provides for some residents, we have concerns that some residents may be challenged to effectively manage their own home reconstruction process.
 - a. Home construction is a complicated and intensive process that can be challenging, particularly for those who are unstably housed, those with untreated trauma, seniors, and those with limited computer proficiency.
 - b. A homeowner-managed program will result in homeowners contracting directly with designers and builders. This requires homeowners to vet and select contractors – a process that can be difficult and time consuming. This also exposes homeowners to the risk of hiring unscrupulous or fraudulent contractors.
 - c. Homeowners will be required to procure design and construction services in compliance with a variety of very complex federal procurement requirements.

We respectfully request OHCS clearly detail the supports that will be made available to help residents who are managing their own reconstruction process. In our experience, local trusted partners can provide navigation services for survivors that can make rebuilding easier, faster, and more efficient.

- 3) We support the proposal by OHCS to operate a statewide Down Payment Assistance Program. We request OHCS make county-by-county allocations for DPA - with any substantial remainder repurposed within the designated county rather than being used for DPA in other counties or otherwise reallocated.

- 4) We request OHCS develop and publish county by county targets for the use of HARP funds. This will allow local partners to better understand and anticipate the likely spending in their area. We similarly request OHCS develop a plan to adjust spending if the use of HARP funds is significantly missing the established spending targets.
- 5) We request OHCS take this opportunity to revise the methodology used to allocate PIER funds. The current methodology relies on the number of dwellings destroyed as a primary factor to calculate the relative portion of PIER funds allocated to each county. This creates a bias that benefits more densely populated communities and disadvantages the more rural communities that typically have a greater relative need for infrastructure. When calculating the allocations by county, we request OHCS remove the *number of dwellings destroyed* as a factor.

We note the experience of multiple other states that have administered CDBG-DR funds, making it clear that multiple adjustments will be needed as needs on the ground change. OHCS could do much now to set the stage for future budget adjustments within the Action Plan and we encourage the agency to take full advantage of this open window.

Thank you for incorporating our feedback.

Respectfully,

Laurie Trieger
Chair, Lane County Board of Commissioners