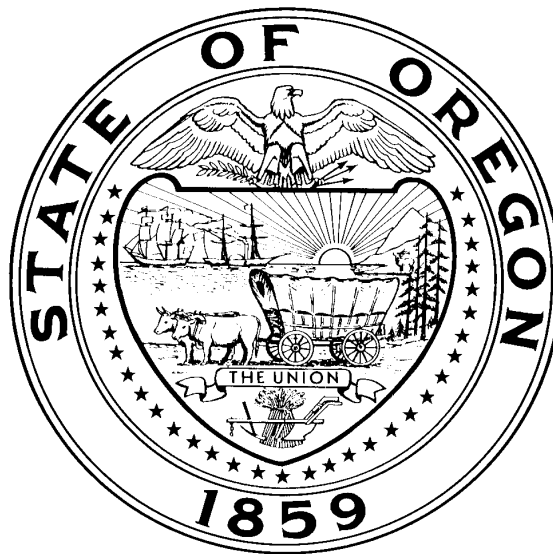


Community Development Block Grant Amended 2008 Method of Distribution

**(This Method of Distribution is adopted as part of Oregon
Administrative Rule (OAR) 123-080-0030 (3) by reference.)**



**Submitted to U.S. Department of Housing and Urban Development
February 14, 2008**

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INTRODUCTION

Administration of State of Oregon CDBG Program

The Oregon Economic and Community Development Department (OECD) administers the State of Oregon's annual federal allocation of Community Development Block Grant (CDBG) funds for non-metropolitan cities and counties. Urban cities and counties are not included in the State's program because they receive CDBG funds directly from the U.S. Department of Housing and Urban Development (HUD). Refer to Chapter 2 for more information regarding eligible applicants.

Primary Objective

The primary objective of the CDBG program is the development of viable (livable) urban communities by expanding economic opportunities, providing decent housing and a suitable living environment principally for persons of low and moderate income.

National Objective

Projects must meet one of three national objectives: benefiting low and moderate income persons; prevention or elimination of slums or blight; or meeting other community development needs having particular urgency that pose a serious and immediate threat to the health or welfare of the community.

Low and Moderate Income

"Low income" means income equal to or less than 50% of the area median (adjusted by family size). "Moderate income" means income equal to or less than 80% of the area median (adjusted by family size). Applicable income limits are determined by HUD on an annual basis for all Oregon counties and metropolitan statistical areas by HUD.

Agency's Mission

The Department invests the State's CDBG fund for projects that help support the Department's mission to "To Advance Oregon's Economy" by:

- Promoting a favorable investment climate to strengthen businesses, create jobs and raise real wages;
 - Invest and engage in training a skilled workforce;
 - Retain and expand existing companies and recruit new investment;

- Capitalize on competitive advantages and strategically invest resources to offset disadvantages;
- Assist Oregon communities to build capacity to retain, expand and attract businesses; and,
 - Support the development of industrial and commercial lands;
 - Advance ports' efforts to promote economic development activities;
 - Promote capacity building, emphasizing rural and distressed areas;
 - Build capacity in Oregon's arts and cultural organizations, creative businesses and individual artists;
- Improve national and global competitiveness of Oregon companies.
 - Support innovation and research
 - Assist industry clusters to succeed;
 - Market Oregon's advantages;
 - Promote international trade and attract foreign direct investment.

Quality Development Objectives

Signed into Executive Order in December 1997, Use of State Resources to Encourage the Development of Quality Communities articulates seven principles known as the Quality Development Objectives that express the State's interest in maintaining and increasing Oregon's livability. These objectives serve to guide and coordinate state agency actions and investments in community development for efficient use of public resources.

Healthy Communities

A healthy community contains at least four key systems that provide the foundation for all other community activities. These are: an economic base, infrastructure, community facilities, and housing. In addition to these systems, a community needs a healthy environment.

Oregon CDBG objectives support healthy and livable communities by providing financial and technical assistance to communities to help balance the four key physical systems.

Specific objectives for rural Oregon include:

- Supporting projects that will lead to increased business and employment opportunities;
- Improving the availability and adequacy of public infrastructure and facilities; and,
- Conserving the existing housing supply by improving housing conditions to low and moderate-income persons – particularly those with the lowest income.

Method of Distribution

To achieve these objectives, Oregon's 2008 CDBG program will be offered to eligible cities and counties for a wide range of activities as authorized under Section 105(a) of the Housing and

Community Development Act (HCDA) of 1974, as amended. The eligible activities for the 2008 program year are as described within this 2008 Method of Distribution, beginning January 1, 2008.

The State expects to have approximately \$11 million in new federal funds available for grants to non-entitlement cities and counties for eligible projects during 2008.

The CDBG funds covered by this Method of Distribution include: new 2008 funds; unobligated 2007 program year funds; program income; and, grant funds recaptured from projects funded in prior grant years.

In accordance with Oregon Administrative Rule (OAR) 123-080-030(3), the Department will manage the competitive award and funding process for eligible projects under this 2008 Method of Distribution. The Department will sub-grant a portion of the State's grant to Oregon Housing and Community Services Department to manage a competitive award and funding process for activities covered under the Regional Housing Rehabilitation and Public Services-Regional Housing Centers project funding categories.

Instructions on How to Use the Method of Distribution

No single chapter is a standalone chapter. The entire book must be read and used in its entirety to obtain the necessary program information and requirements.

Oregon Administrative Rule

This Method of Distribution is not a guidebook. It is adopted as part of Oregon Administrative Rule (OAR) 123-080-0030 (3) by reference.

Contact the Department

Contact OECDD for more information at 503-986-0123.

CDBG Technical Assistance

At the October 2007 Technical Advisory Group (TAG) meeting, OECDD presented the proposed CDBG Technical Assistance program, comments received on the program and recent information about HUD's concern that the State is not closing grants between HUD and the State, and expending funds from the federal treasury, in a timely manner. The State cannot close a grant between HUD and the State until all projects funded under that grant are completed and administratively closed. TAG recommended that OECDD implement the proposed CDBG Technical Assistance (CDBG TA) program to provide assistance to grant recipients in proceeding with project completion and administrative closeout. Some of the benefits of a CDBG TA to a grant recipient, would include but are not limited to:

- Assist in the completion of the project, so the benefit from the project can be realized;
- Project completion could include disbursement of funds from the State that have not been disbursed to the recipient under the grant; and,
- If the grant prohibited the city or county from applying for additional grants, project completion and administrative closeout of the existing grant may make them eligible for another grant under the program.

Provision of technical assistance is allowable under Community Planning and Development (CPD) notice 99-09 pertaining to the use of CDBG 1% Set-aside for Technical Assistance. After discussion with HUD it was determined the State can set aside funds under the CDBG 1% category to hire a contractor to provide on-site technical assistance to the cities and counties to assist them in moving their project along to completion.

The Department is proposing to set-aside \$100,000 of the CDBG 1% funds for this activity. A proposed implementation plan is as follows:

- 1) The State could either procure the services of a professional consultant or, if allowed, hire a limited duration staff person to provide this service, this will need to be analyzed and determined.
- 2) Prepare a list of projects meeting the criteria in number 3 below. The list will be prioritized so technical assistance can be focused where most needed.
- 3) Use of the CDBG TA, will be determined by the Community Development Division Manager and Department Director. This determination will be rendered after consultation with the Regional Coordinator and the CDBG Program and Policy Coordinator and it is their consensus that a project is progressing at a slow pace and is in need of CDBG Technical Assistance. The project must also meet one of the following criteria:

- a. The project is five years old or older as determined by the program year the project was funded under, not the award date.
 - b. The grant recipient is requesting project completion date extension.
- 4) Grant recipients with a project being considered for CDBG Technical Assistance will be advised, in writing and verbally, that the CDBG TA provider is working on behalf of the State to assist in moving the project to completion. This notification will occur 30 days in advance of the provision of technical assistance.
- 5) Three months after CDBG TA commences the CDBG TA provider and the State will render a recommendation. The recommendation will indicate whether the project can be completed in 2 additional months or the situation is non-resolvable and State staff must take immediate action to administratively close the project.

| CDBG TA Provider Work Begins | CDBG TA Provider Gives OECD Initial Findings | CDBG TA Provider Gives OECD Final Recommendation | State Administrative Closure of the project. |
|--|--|--|--|
| Day 1 | No more than 30 days later | No more than 3 months total | 60 days |
| Ex. January 1, 2008 | February 1, 2008 | April 1, 2008 | June 1, 2008 |
| IF THE PROJECT CANNOT BE ADMINISTRATIVELY CLOSED IN THE FIRST 90 DAYS THE STATE WILL TAKE ACTION TO ADMINISTRATIVELY CLOSE THE PROJECT. | | | |

- 6) When State staff administratively closes a project on behalf of a grant recipient, the State will request documentation, from the recipient, for all costs incurred (this does not mean obligated) against the grant, these will be reviewed and the State will disburse funds for eligible activities to the recipient and process the Project Completion Report. Any unused funds will be recaptured by the State. The State and the recipient will be allowed no more than 60 days to accomplish this task.

Chapter 1 Funding Priorities/Targets

CONSISTENCY WITH OREGON'S CONSOLIDATED PLAN

Priorities for Community Development Block Grant (CDBG) funds must be consistent with the policies and priorities contained in the 2006-2010 State of Oregon Consolidated Plan for Housing and Community Development. The 2006-2010 Consolidated Plan was submitted to the U.S. Department of Housing and Urban Development (HUD) for approval on November 15, 2005. The 2008 Method of Distribution is the third annual update to the 2006-2010 Consolidated Plan and has been developed with participation from Oregon Housing and Community Services (OHCS), HUD, the State's Community Development Forum and public input received during the 30-day public comment period.

PRIORITIES

There is a broad range of activities that may be assisted with CDBG funds as defined in Section 105(a) of the Housing and Community Development Act (HCDA) of 1974, as amended. States that administer a non-entitlement CDBG program are required to establish procedures for distributing the funds and identification of the activities (priorities), which will be eligible for funding under the State's program, as described within in the 2008 MOD. The priorities eligible for funding under Oregon's 2008 Community Development Block Grant program are:

Programs offered through Oregon Economic and Community Development Department

1. **Economic Development –**
 - a. **Type One (a)** - Publicly owned projects to acquire, develop, construct improvements to real property.
 - b. **Type One (b)** - Publicly owned projects to extend infrastructure to serve industrial or commercial developments.
 - c. **Type Two** - Establishment of economic development revolving loan funds to assist businesses with acquisition of real property, construction of improvements or buildings, business capital and the purchase of equipment.
2. **Microenterprise Assistance** - Provision of technical assistance, advice and business support services to owners of and persons developing microenterprises.
3. **Public Works**
 - a. **Type One** - Public water and wastewater system improvements
 - b. **Type Two** – Brownfield Redevelopment
 - c. **Type Three** – Downtown Revitalization
 - d. **Type Four** – Off-Site Infrastructure
4. **Community/Public Facilities**
 - a. **Type One** - Facilities that rarely produce a reliable or sufficient revenue stream to repay a loan.

- b. **Type Two** – Facilities that generally provide services to the general community and may have a greater possibility of generating loan repayment revenue.
5. **Community Capacity/Technical Assistance** – Grants for local capacity building.
6. **Emergency Projects** – Projects arising from bona fide emergencies.

Programs offered through Oregon Housing and Community Services Department

1. **Regional Housing Rehabilitation** – Rehabilitation of single-family housing owned and occupied by low and moderate income persons residing within a defined region.
2. **Regional Housing Service Centers** – Provision of information and referral services regarding affordable housing programs within a defined region.

TARGETS

The state receives an annual allocation from HUD for the CDBG program. After subtracting amounts allowed for State Administration (2% plus \$100,000) and State Technical Assistance (1%), the Department intends to award available new 2008, unobligated 2007, program income and recaptured grant funds from prior year grants to projects in the categories listed below using the percentages shown.

| | 2007 (Actual) | Target % | 2008 (Proposed) | Target % |
|---|---------------------|-------------|--|-------------|
| Estimated Annual Allocation from HUD | \$14,314,757 | | \$14,145,128 | |
| State Administration 2% (The required match for these funds comes from the Special Public Works Fund (SPWF). | \$286,925 | 2% | \$565,805 | 4%^ |
| State Administration \$100,000 - no match funds | \$100,000 | N/A | \$100,000 | N/A |
| State Technical Assistance Set-Aside 1% | \$143,147 | 1% | \$141,451 | 1% |
| Funding Available for Projects | \$13,785,315 | 100% | \$13,337,782 | 100% |
| Disaster Recovery 'Emergency Projects' – The State is also rolling over and setting aside \$805,094.74 of unobligated, recaptured funds from 2007 for emergency projects, for a grant total of 2007 and 2008 funds of \$4,139,562.74. | | | \$3,334,468 | 25% |
| Economic Development | \$1,378,531.50 | 10% | \$733,583 | 5.5% |
| Microenterprise Assistance | \$413,559.45 | 3% | \$200,068 | 1.5% |
| Public Works | \$4,342,374.23 | 31.5% | \$2,634,332 | 22% |
| Community/Public Facilities | \$4,342,374.23 | 31.5% | \$2,934,332 | 22% |
| Regional Housing Rehabilitation * | \$2,825,989.58 | 20.5% | \$2,734,264 | 20.5% |
| Regional Housing Centers * | \$482,486.03 | 3.5% | \$466,825 | 3.5% |
| Program Income** | 60,947.00*** | | \$550,000**** (Includes Tillamook repayment)/set aside below) | |
| Recaptured Funds (2008) | \$811,408.46*** | | \$400,000**** | |
| CDBG 1% set aside for CDBG Technical Assistance | | | \$100,000 | |
| 2008 Set-aside for Accredited Main Street Program from the Public Works Category | | | \$300,000 | |
| Potential Set-aside to City of Tillamook (See Set-aside Description Below) | | | \$500,000 | |

* Sub-granted to Oregon Housing and Community Services

** When received, program income, is allocated to projects using the target percentages identified above, after taking 2% for state administration

*** Received to date.

**** Estimated to be received in 2008

^ HUD approved waiver request dated February 1, 2008

The final 2008 fiscal year allocation amount will be posted on the departments website for access by eligible applicants and included in the quarterly CDBG Newsletter and distributed to the CDBG list serve.

Targeting

Targeting is used to give the Department investment flexibility. Targeting does not obligate the Department to award all the funds targeted for each category. **If a sufficient number of projects are not awarded in a particular category, applications in other categories may be funded. Each calendar quarter March 31, June 30, September 30 and December 31 the Department will conduct a quarterly target review and determine if funds need to be moved from one category to another.**

The one exception to this rule, is that the 25% targeted for Disaster Recovery “Emergency Projects” will not be adjusted quarterly and will be set aside for the entire program year for emergency projects. If after December 31, 2008, if the Department does not receive enough applications to obligate the 25% set aside for emergency projects, the unobligated funds will be rolled over into the other project categories to fund applications received during the fourth quarter competitive application cycle.

If the States annual allocation from HUD is \$11,000,000 or less OECD, in consultation with OHCS, will re-evaluate the funding priorities and targets for the program. This consultation could result in revised funding priorities and targets and an amendment to the MOD.

Program Year

The State of Oregon's 2008 program year (Fiscal Year) is from January 1 thru December 31, 2008.

Funds Remaining after December 31, 2007

On January 1, 2008 any un-obligated or recaptured FY 2007 funds, earlier program year funds, or program income will be applied in conformance with the proposed or HUD approved FY 2008 target percentages and will be awarded in accordance with either the HUD proposed or HUD approved 2008 Method of Distribution.

Funds Remaining after December 31, 2008

On January 1, 2009 any un-obligated or recaptured 2008 funds, earlier program year funds, recaptured funds or program income will be applied in conformance with the proposed or HUD approved FY 2009 target percentages and will be awarded in accordance with either the proposed or HUD approved 2009 Method of Distribution.

Recaptured Funds and Program Income

The State anticipates the receipt of approximately \$400,000 of recaptured funds and \$50,000 of program income during 2008.

- **Recaptured funds** are those funds that are returned to the Department through closeout of a grant, termination for cause, or other means.
- **Program income** is funds received by the Department from repayment of grant funds either loaned to recipients (principal and interest); proceeds from lease or disposition of real property and equipment acquired with CDBG funds; interest earned on any program income pending disposition of such income or from projects that were unable to meet the five-year change of use requirement. Refer to Chapter 4 for more information.

Any recaptured funds and program income received by the State will be tracked and disbursed to projects eligible for funding under the 2008 Method of Distribution. Recaptured funds and program income will be disbursed before funds are requested from the U.S. Treasury. Funds received after December 31, 2008 will be disbursed as described above.

Recaptured funds will be used to fund projects in 2008. Recaptured funds remaining after the last day of the program year will be added to the next program year's total allocation and disbursed through the regular grant award process for that year.

Certified Main Street Program Set-aside Downtown Façade Rehabilitation

The State of Oregon encourages participation in the National Trust for Historic Preservation 's National Main Street Program. The Community Development Block Grant program offers the following assistance to non-entitlement cities with a nationally certified "Main Street" program.

The Department will offer grants to non-entitlement cities to allow them to grant funds to businesses within the designated "Main Street" area, to rehabilitate, non-publicly owned, facades (outside of the structure only) for beautification and to enhance marketing.

Targeted funds

\$300,000 from the Public Works Category will be set-aside for the Downtown Façade Rehabilitation (outside of the structure only). If the funds are not awarded by the end of the second or third quarter, the Department Director can decide to roll them back into the regular program to be used to fund projects on a back-up list.

Application process

All projects must compete for funding under the normal CDBG quarterly competitive application process.

Maximum Grant Amount

The maximum grant to the any eligible non-entitlement city shall be \$60,000. The maximum grant from the city to any assisted business is \$10,000.

National Objective

Each project must meet one of the following (Refer to Chapter 3 for more information):

- **Low and Moderate Income – Area Wide Benefit** - The city must be comprised of 51% or more low and moderate income residents to meet the low and moderate income area (LMA) wide national objective.
- **Slum and Blight-Area (S/BA)** – The city would have to officially declare an area blighted. The area must meet the definition of slum, blighted, deteriorated, or deteriorating under state and local law. Generally this requirement is met by:
 - Determining that 25% of the buildings throughout a defined area are deteriorated or deteriorating
 - Or the public improvements throughout the area must be in a general state of deterioration. The public improvements taken, as a whole, must all clearly exhibit signs of deterioration.

Eligible Activities

- Environmental Review. Refer to Chapter 5 for more information.
- Grant Administration Refer to Chapter 5 for more information.
- Labor Standards Compliance. Refer to Chapter 5 for more information.
- Construction of non-publicly owned façade improvements, that are fixed and integral, to the outside of buildings, including but not limited to: lighting, exterior finishes, awnings, signage and other beautification improvements.
- Construction Contingencies. Refer to Chapter 5 for more information.
- Architectural/Engineering Services. Refer to Chapter 5 for more information.

Matching Funds Requirement

There is no minimum match requirement. However, all project funds necessary to complete the proposed project must be available and committed at the time the application is received by the Department/award is made. If any necessary funds are not committed, the applicant must provide clear and convincing evidence as part of its application showing that all project funds, needed for the project will, be secured within 4 months following the date of grant contract execution. Refer to the “Readiness to Proceed” definition in Chapter 5 for more details.

Financial Review

Downtown façade rehabilitation projects are not subject to financial review.

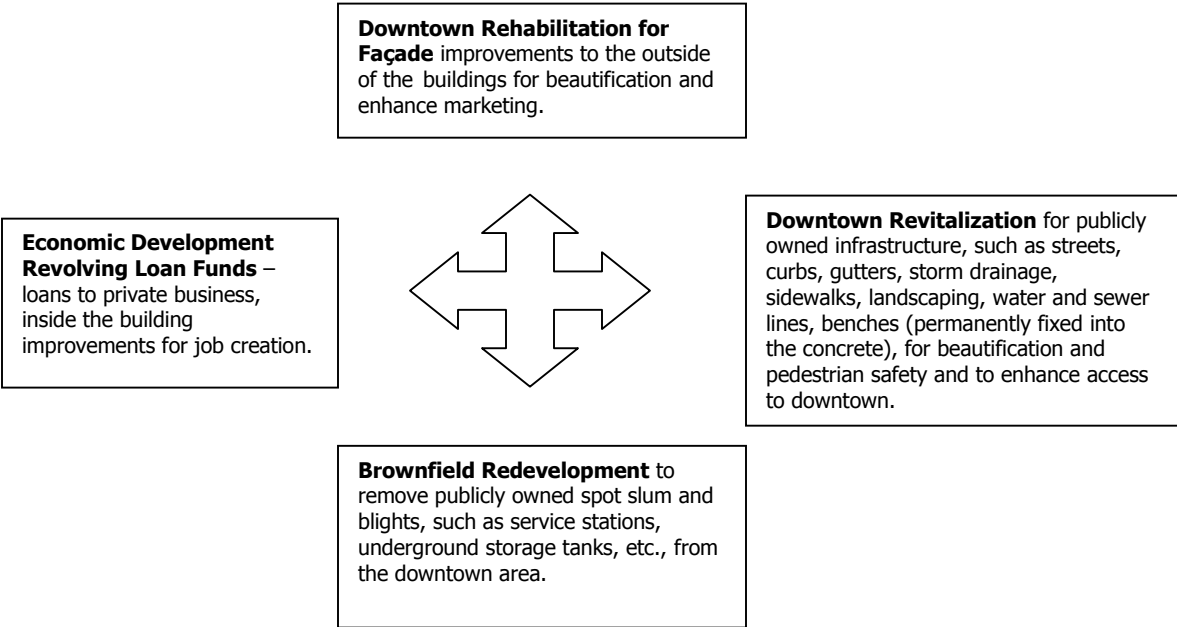
Additional Application Requirements

The applicant must submit:

- A copy of the grant guidelines that will be used by the City in making grants to businesses for review and approval, with the application.
- Evidence of certification from the National Trust for Historic Preservation ‘s National Main Street Program.

BONUS POINTS

The Department currently offers other funding assistance through the CDBG program that compliments the Oregon Main Street Program. In the rating and ranking process, any application submitted by a city with a certified "Main Street" program for the following categories, will receive an additional 50 bonus points for need.



Outcome and Performance Measures

Each applicant must address how their proposed project meets the objective(s), outcome(s), indicators and performance measures identified below:

Downtown Façade Rehabilitation

| Objective (Pick One) | Outcome | Indicators | Performance Measures | State Measurement |
|--|--|--|--|--|
| <ul style="list-style-type: none"> • Suitable Living Environment • Creating Economic Opportunities | Sustainability/ Promoting Livable or Viable Communities | Number of households/business assisted with: <ul style="list-style-type: none"> • New access to service or benefit • Improved access to service or benefit Where the project is used to meet a quality standard or measurably improve quality, report the number of households that no longer only have access to a substandard facility or infrastructure (as defined by the local community) | Amount of money leveraged from other federal, state, local and private resources) | The amount of money leveraged from all other funding sources. |
| | | | Number of persons, households or units assisted (pick the one most appropriate to your project – pick only one) | Number of persons having access to more affordable facilities and services including the percentage of low and moderate income persons which benefit from the improvements, if applicable. |
| | | | Number of low and moderate income persons served by the project. If the project qualified for funding under SBA, this question is N/A. | Number of persons benefiting from new or improved facilities including the percentage of low and moderate income persons which benefit from the improvements. |
| | | | Number of communities assisted, | |

Set-aside for the City of Tillamook

In 1991 the Department awarded the City of Tillamook a \$500,000 housing rehabilitation grant for the Tillamook Apartments Rehabilitation. The City subsequently loaned the \$500,000 to the Tillamook Apartments low-income housing project to assist in the rehabilitation of the housing units. In 1997 the assignment of trust deed was amended conveying all beneficial interest under the trust deed from the City of Tillamook to the State, acting through its Oregon Economic Development Department.

The State's Community Development Block Grant program, is in an unusual position of being a party to a loan agreement with a private entity, in violation of 24 CFR 570.480(a). The State is only allowed to distribute non-entitlement CDBG funds to units of general local government. Units of general local government are defined as non-entitlement cities and counties within the Method of Distribution.

The potential exists for the State to receive payment in full in the amount of \$500,000 during the 2007 or 2008 program year on this loan. If this payment is received it is the States intention to grant the \$500,000 back to the City of Tillamook to continue low income affordable housing and their housing rehabilitation program.

Chapter 2 Eligible Applicants/Limits on Applications

ELIGIBLE APPLICANTS

Only non-metropolitan (non-entitlement) cities and counties in rural Oregon can apply for and receive grants. Urban (entitlement) cities (Ashland, Bend, Corvallis, Eugene, Medford, Portland, Salem and Springfield) and counties (Clackamas, Multnomah, Washington) are not included in the State's 2008 Community Development Block Grant (CDBG) program because they receive CDBG funds directly from the U.S. Department of Housing and Urban Development (HUD). Tribes are ineligible to apply for CDBG funds from the state's program.

Table A on pages 2-3 to 2-6 lists each city and county that may be eligible to apply for 2008 Oregon CDBG funds.

Another Eligible Applicant

A city or county may not apply for a project where the project to be constructed will be owned and operated by another eligible applicant, a state or a federal agency.

Facilities Owned by Other Public Bodies

Cities and counties may undertake projects to improve existing facilities owned by other public bodies, such as sanitary districts and community water systems, including water supply authorities or other political subdivisions of the State and organizations operated on a not-for-profit basis, such as associations and cooperatives that provide drinking water to primarily residential areas. These other public or nonprofit organizations must own the facilities to be upgraded and need to contact the appropriate city or county to discuss sponsorship. The respective city or county where the system is located within must sponsor the application for an "other public or nonprofit organization".

Regional Projects

Two or more local governments (for example, a city and a county, or two cities) may work on an application for a regional project. In such cases, only one jurisdiction can be the applicant and act as the responsible party under any contract with the State. Joint applications, under which two or more parties are equally responsible, will not be accepted. Regional projects are activities that benefit more than one jurisdiction and address a common problem in a region. Some examples of regional projects include regional housing rehabilitation programs, regional water or wastewater systems and regional microenterprise assistance programs.

Non-Entitlement/Entitlement Boundaries

When an eligible non-entitlement city or county applicant applies for and is awarded CDBG funds for a project that will be located within the boundaries of a CDBG entitlement city or county whose residents are also residents of the non-entitlement applicant (for example, Lane County sponsoring a project to be physically located within the City of Eugene), eligible project costs are limited to the estimated pro rata share of the project activity beneficiaries who reside in the non-entitlement portion of the project's service area.

Pass Through

Cities and counties cannot “pass through” some or all of the awarded funds to another entity to carry out the project activities. The recipient must carry out the project activities and remain fully responsible for the grant-funded project's compliance with all federal and state requirements. In other words, the project must be under the direct control of the grant recipient at all times.

Project Phasing

Projects cannot be divided into phases to obtain multiple CDBG grants for the same facility. Some examples of project phasing not allowed under the program include:

1. Separating a Public Works project into phases, such as collection system improvements in one-phase and treatment system improvements into another phase in order to apply for more than the maximum grant within a five-year period.
2. Remediation of a brownfield site under the Public Works category and then applying for the construction of an eligible Public/Community Facility upon the site cleaned-up with CDBG assistance.
3. Funding the extension of publicly owned infrastructure under the Economic Development category then applying for another grant from the Economic Development category to improve or acquire the site the infrastructure was extended to with CDBG assistance.
4. Building one portion of a Public/Community facility now, and then building the remaining portion later, in order to qualify for two grants for the same facility.

TABLE A- ELIGIBLE APPLICANTS BASED ON 2000 CENSUS AND OTHER DEPARTMENT APPROVED SURVEYS

| County/City | Percent Low/Mod Income (2000 census or Survey) | County/City | Percent Low/Mod Income (2000 census or Survey) |
|---------------------------|--|-------------------------|--|
| Oregon – Statewide | N/A | Crook County | 37.9% |
| Baker County | 44.4% | Prineville | 48.2% |
| Baker City | 47.4% | Curry County | 44.5% |
| Greenhorn | N/A | Brookings | 44.4% |
| Haines | 55.5% | Gold Beach | 43.9% |
| Halfway | 64.7% | Port Orford | 54.4% |
| Huntington | 53.3% | Deschutes County | 38.7% |
| Richland | [s/2005]66.2% | Bend | 39.0% |
| Sumpter | 46.5% | Redmond | 48.4% |
| Unity | [See note below] 66.3% | Sisters | 49.9% |
| Benton County | 36.0% | Douglas County | 40.1% |
| Adair Village | 41.9% | Canyonville | 54.0% |
| Monroe | 60.1% | Drain | 62.7% |
| Philomath | 54.5% | Elkton | 45.3% |
| Clatsop County | 40.0% | Glendale | 55.7% |
| Astoria | 44.5% | Myrtle Creek | 45.9% |
| Cannon Beach | 40.1% | Oakland | 47.7% |
| Gearhart | 27.5% | Reedsport | 48.9% |
| Seaside | 46.7% | Riddle | 64.9% |
| Warrenton | 42.6% | Roseburg | 42.8% |
| Columbia County | 41.8% | Sutherlin | 48.8% |
| Clatskanie | 50.6% | Winston | 47.7% |
| Columbia City | 25.8% | Yoncalla | 57.3% |
| Prescott | [See note below] 66.0% | Gilliam County | 37.6% |
| Rainier | 45.9% | Arlington | 34.0% |
| Scappoose | 36.5% | Condon | 39.0% |
| St. Helens | 50.5% | Lonerock | 82.1% |
| Vernonia | [s/2003] 57.6% | Grant County | 42.1% |
| Coos County | 42.7% | Canyon City | 43.2% |
| Bandon | 44.5% | Dayville | 37.2% |
| Coos Bay | 41.7% | Granite | 84.0% |
| Coquille | 45.8% | John Day | 46.9% |
| Lakeside | 46.7% | Long Creek | 43.4% |
| Myrtle Point | 49.9% | Monument | 49.7% |
| North Bend | 39.0% | Mt. Vernon | 51.0% |
| Powers | 63.1% | Prairie City | 42.8% |
| | | Seneca | 53.5% |

Chapter 2- Eligible Applicants/Limits on Applications

| County/City | Percent Low/Mod Income (2000 census or Survey) | County/City | Percent Low/Mod Income (2000 census or Survey) |
|--------------------------|--|--------------------------|--|
| Harney County | 44.0% | Lane County Con't | |
| Burns | 51.2% | Westfir | [s/2005]68.7% |
| Hines | 28.4% | Lincoln County | 40.7% |
| Hood River County | 37.3% | Depoe Bay | 32.8% |
| Cascade Locks | [s/2004] 58.5% | Lincoln City | 54.6% |
| Hood River | 47.7% | Newport | 41.0% |
| Jackson County | 38.9% | Siletz | 39.2% |
| Butte Falls | 72.3% | Toledo | 41.0% |
| Central Point | 33.0% | Waldport | 43.9% |
| Eagle Point | 44.7% | Yachats | 37.3% |
| Gold Hill | 44.3% | Linn County | 39.3% |
| Jacksonville | 29.8% | Albany | 39.0% |
| Phoenix | 42.8% | Brownsville | [s/2003] 58.0% |
| Rogue River | 54.4% | Halsey | 32.5% |
| Shady Cove | 42.3% | Harrisburg | 37.6% |
| Talent | 51.4% | Idanha | 55.5% |
| Jefferson County | 39.6% | Lebanon | 48.7% |
| Culver | 48.4% | Lyons | 39.2% |
| Madras | 51.2% | Mill City | [s/2003] 53.5% |
| Metolius | 44.6% | Millersburg | 39.8% |
| Josephine County | 43.3% | Scio | 33.3% |
| Cave Junction | 72.5% | Sodaville | 35.5% |
| Grants Pass | 45.9% | Sweet Home | 51.1% |
| Klamath County | 44.7% | Tangent | 30.2% |
| Bonanza | 45.1% | Waterloo | 45.5% |
| Chiloquin | 73.1% | Malheur County | 47.9% |
| Klamath Falls | 48.4% | Adrian | [S/2007]53.5% |
| Malin | [See note below] 59.5% | Jordan Valley | 49.8% |
| Merrill | 60.4% | Nyssa | 57.0% |
| Lake County | 45.8% | Ontario | 49.2% |
| Lakeview | 43.2% | Vale | [s/2003] 57.4% |
| Paisley | 50.7% | Marion County | 39.5% |
| Lane County | 36.9% | Aumsville | [s/2003] 74.3% |
| Coburg | 33.9% | Aurora | 19.8% |
| Cottage Grove | [s/2003] 48.0% | Detroit | 48.2% |
| Creswell | 47.2% | Donald | 33.6% |
| Dunes City | 36.4% | Gates | 51.7% |
| Florence | 48.2% | Gervais | [s/2000] 63.0% |
| Junction City | 41.5% | Hubbard | 44.1% |
| Lowell | 46.7% | Idanha | 55.5% |
| Oakridge | 55.3% | Jefferson | [s/2003] 57.3% |
| Veneta | 41.2% | | |

Chapter 2- Eligible Applicants/Limits on Applications

| County/City | Percent Low/Mod Income (2000 census or Survey) | County/City | Percent Low/Mod Income (2000 census or Survey) |
|----------------------------|--|------------------------------|--|
| Marion County Con't | | Umatilla County Con't | |
| Keizer | 35.5% | Hermiston | 40.4% |
| Mill City | [s/2003] 53.5% | Milton-Freewater | 53.2% |
| Mt. Angel | [s/2003] 66.3% | Pendleton | 36.4% |
| Scotts Mills | 52.4% | Pilot Rock | 37.0% |
| Silverton | 41.2% | Stanfield | [s/2006]62.2% |
| St. Paul | 31.4% | Ukiah | 31.7% |
| Stayton | 46.9% | Umatilla | 49.6% |
| Sublimity | 29.1% | Weston | 38.7% |
| Turner | 40.7% | Union County | 39.4% |
| Woodburn | 55.6% | Cove | 35.8% |
| Morrow County | 40.3% | Elgin | 42.5% |
| Boardman | 53.4% | Imbler | 32.6% |
| Heppner | 40.0% | Island City | 23.2% |
| Ione | 33.5% | LaGrande | 42.6% |
| Irrigon | [s/2002] 41.1% | North Powder | 64.2% |
| Lexington | 23.7% | Summerville | 39.7% |
| Polk County | 39.2% | Union | 45.1% |
| Dallas | 43.5% | Wallowa County | 40.4% |
| Falls City | 52.6% | Enterprise | 37.4% |
| Independence | [s/2003] 79.5% | Joseph | 45.9% |
| Monmouth | [s/2003] 67.3% | Lostine | 43.2% |
| Willamina | 59.8% | Wallowa | 53.9% |
| Sherman County | 41.1% | Wasco County | 39.0% |
| Grass Valley | 52.8% | Antelope | 34.9% |
| Moro | 42.1% | Dufur | 37.2% |
| Rufus | 56.2% | Maupin | 40.3% |
| Wasco | 41.3% | Mosier | 33.5% |
| Tillamook County | 38.7% | Shaniko | 66.7% |
| Bay City | 37.5% | The Dalles | 38.6% |
| Garibaldi | 43.0% | Wheeler County | 45.9% |
| Manzanita | 27.5% | Fossil | 40.1% |
| Nehalem | 34.5% | Mitchell | 67.4% |
| Rockaway Beach | 44.7% | Spray | 66.4% |
| Tillamook | [s/2005]65.7% | Yamhill County | 45.4% |
| Wheeler | 45.8% | Amity | 54.9% |
| Umatilla County | 39.5% | Carlton | [s/2003] 52.1% |
| Adams | 25.6% | Dayton | 53.9% |
| Athena | 39.0% | Dundee | 36.4% |
| Echo | 47.6% | Lafayette | [See note below] 57.9% |
| Helix | 43.8% | McMinnville | 53.9% |

| County/City | Percent Low/Mod Income (2000 census or Survey) | County/City | Percent Low/Mod Income (2000 census or Survey) |
|-----------------------------|--|-------------|--|
| Yamhill County Con't | | | |
| Newberg | 45.1% | | |
| Sheridan | 55.5% | | |
| Willamina | 59.8% | | |
| Yamhill | [s/2003] 64.8% | | |

NOTE: In accordance with item 2(c) listed under “Area Wide Documentation Needed” (refer to page 3-2 and 3-3 of the 2007 MOD), applicants for area wide benefit projects must use a special income survey if the community has had a significant increase or decrease in population. **Significant** is defined as 30% change in growth from the date of the decennial census and the current Portland State University (PSU) population estimate. In these situations the Department is required to:

- Mail notices to affected communities, which will still be eligible to apply under the current program year (2007) and will have until the next program year (2008) to plan for, budget and conduct a new income survey.
- If a new income survey has not been received, and approved by the department by the next program year (2008), that shows the community is eligible under the low and moderate income area-wide benefit they will no longer be eligible to apply for area-wide benefit projects after December 31, 2007.

On February 12, 2007 letters and income survey information was mailed to communities that met the definition of **significant** change. These letters identified, that if a new State approved income survey was not completed prior to January 1, 2008, the community would no longer be eligible for area wide benefit projects after December 31, 2007. The following communities are not eligible for an area wide benefit project without a new State approved income survey, showing the community is still comprised of 51% low and moderate income persons:

| Community | 2006 PSU Estimate | 2000 Decennial Census | Percent Change |
|-----------|-------------------|-----------------------|----------------|
| Lafayette | 3,440 | 2559 | 34.43% |
| Malin | 805 | 613 | 31.32% |
| Prescott | 60 | 94 | (36.17%) |
| Unity | 125 | 95 | 31.58% |

LIMITS ON APPLICATIONS

To assist the State in complying with federal requirements pertaining to the timely distribution and expenditure of funds the 2008 Community Development Block Grant program will have the following application limits for all projects assisted in whole or in part with Community Development Block Grant funds.

- **Three open grant limit**

Applications will **not** be invited or accepted from a city or county with three or more open grants.

- **Age and Expenditure of Funds Requirement**

Before an application is invited or accepted by the Department all cities and counties with open grants must comply with the following requirements for all their existing open grants:

TABLE B

| ONE YEAR GRANTS (microenterprise assistance and regional housing center grants) | Requirement | Multi – Year Grants (All other grants) | Requirement |
|--|--|---|---|
| For 2007 if an open grant is: | | | |
| 1 year old (2007 award) | Regional Housing Center Grants - Grant contract executed and meeting contract requirements | 2 years old (2006 award) | 60% of the funds must be drawn down |
| | Microenterprise Grants – 70% of the funds must be drawn down | | |
| 2 years old or more (2006 award) | The jurisdiction is ineligible to apply for any new grant unless this project is administratively closed | 3 years old (2005 award) | 100% of the funds must be drawn down |
| | | 4 years old or more (2004 award or earlier) | The jurisdiction is ineligible to apply for any new grant unless this project is administratively closed. |

- **Unresolved Non-Performance Issues**

Cities and counties with unresolved non-performance issues under prior open or closed CDBG awards may be restricted (receive sanctions, refer to Chapter 5) by the State from receiving additional CDBG awards until such time the non-performance issues are resolved to the satisfaction of the Department.

- **Application Limit**

A city or county may only apply for one project per year from one of the following categories: Economic Development and Community Facilities. No more than two applications will be considered for funding at any one time. The applicant must designate which is the higher priority application; if the applicant makes no designation, and only one application can be funded, the department will make this determination.

- **Exceptions to Limits on Applications**

- An exception to the “Age and Expenditure of Funds Requirement” may be granted if the city or county can demonstrate that timely completion and administrative closeout of a grant has been delayed by the actions of a federal or state agency.

- The three open grant limit does not apply for the following situations (All other application limits/requirements **DO** apply):
 - Disaster recovery grant funding received through special allocations from the U.S. Department of Housing and Urban Development; and,
 - Applications under consideration by Oregon Housing and Community Services.

- Emergency Projects are not subject to any of the “Limits on Applications” requirements.

Chapter 3 National Objectives

There are three federal national objectives for the Community Development Block Grant (CDBG) Program. All projects and their individual activities funded in whole or in part with CDBG funds must meet one of these national objectives.

- **Benefiting Low and Moderate Income Persons** – This is the primary program objective. The state must ensure that no less than 70 percent of the CDBG funds that it administers are spent for projects that meet this objective.
- **Aiding in the prevention or elimination of slum or blight** – This national objective has its roots in the federal Urban Renewal Program. The basis for this national objective is to eliminate major slums and other areas of blight within a community and prevent the return of blight to treated areas.
- **Urgent Need** – This must be a bona fide emergency declared by the Governor. Meeting other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available.

Benefiting Low and Moderate Income Persons

The federal regulations provide that in any case where there is substantial evidence that an activity might not principally benefit low and moderate income persons, even though the activity conforms to the literal reading of the low and moderate income benefit criteria, the presumption that the activity meets the national objective will be rebutted. The grant applicant/recipient must document how the activity will meet the low and moderate-income benefit national objective.

There are a four ways a project can meet the low and moderate-income national objective. These are: 1) area wide, 2) limited clientele, 3) housing and, 4) jobs. These are described in the following sections.

Area Wide Qualification

- An activity, the benefits of which are available to all the residents in a particular area, where at least 51 percent of the residents are low and moderate-income persons. Such an area need not be coterminous with census tracts or other officially recognized boundaries but must be the entire area served by the activity. It is critical that the service area determined by the State is the entire area served by that activity.
- Units of general local government may, at the discretion of the state, use either U.S. Department of Housing and Urban Development (HUD) provided data comparing census data with appropriate low and moderate income levels or survey data that is methodologically sound.

- An activity that serves an area that is not primarily residential in character shall not qualify under this criterion, as determined by Oregon Economic and Community Development Department.
- An activity, where the assistance is for a public improvement that provides benefits to all the residents of an area, that is limited to paying special assessments levied against residential properties owned and occupied by persons of low and moderate income.

Area Wide Documentation Needed

1. All applicants must provide a map with their application, which shows the proposed project's service area. This map must show the entire service area.
 - Community facility projects qualifying under this national objective must also provide written documentation such as a policy or other document that demonstrates that the use of the facility will be restricted to the residents within the defined service area.
2. The easiest way for applicants to document low and moderate-income benefit for area wide projects is to use 2000 Census data. The Oregon Economic and Community Development Department has information about the percentage of low and moderate-income residents (families and unrelated individuals) for all counties and cities in Oregon.

The data for counties and cities is included in Table A of this handbook. Data for other census areas is available from the Oregon Economic and Community Development Department (OECD or Department) or on the American Fact finder Web Site <http://factfinder.census.gov>

Applicants for area wide benefit projects will have to use a special income survey in the following situations:

- a. Geographic area where beneficiaries live does not generally coincide with census geography;
- b. 2000 census data shows less than 51 percent of the persons in an area are low and moderate income but the applicant believes that local conditions have significantly changed and current household incomes are lower than when the census was taken;
- c. There is evidence that community income characteristics have changed ***significantly*** since the 2000 census was taken. For example, a community with a substantial increase in population and new housing construction since 2000 cannot be assumed to have the same percentage of low and moderate-income persons.

Significant is defined as 30% change in growth (Increase or Decrease) from the date of the decennial census and the current Portland State University (PSU) population estimate.

- Annually after the PSU estimates come out the Department will conduct a review of the low and moderate-income area-wide benefit eligible communities 2000 census data against the PSU estimate.
- The department will mail notices to affected communities, which will still be eligible to apply under the current program year (2008) and will have until the next program year (2009) to plan for, budget and conduct a new income survey.
- If a new income survey has not been received, and approved by the department by the next program year (2009), that shows the community is eligible under the low and moderate income area-wide benefit they will no longer be eligible to apply for area-wide benefit projects.

All surveys must be conducted in compliance with the methodology developed by HUD in November 2004. A copy of the survey methodology and a sample questionnaire is available on request from the Department.

Applicants must secure approval from the Department on the survey instrument and process in order for the Department to recognize the results of local income surveys. In addition, Applicants are encouraged to contract with an organization or private contractor to do the work. The cost of the survey is not eligible for CDBG assistance and cannot be recovered if a grant is awarded.

Communities planning to conduct a survey must contact their Oregon Economic and Community Development Department Regional Coordinator prior to beginning the survey.

Applicants planning to use an Oregon Economic and Community Development Department approved survey that was conducted in a prior year must also consult with the Department's Regional Coordinator to determine if the survey is still acceptable.

Limited Clientele Qualification

NOTE: A facility that is open to everyone within a defined service area must qualify under the low and moderate income - area wide national objective.

- An activity that benefits a limited clientele, at least 51 percent of whom are low and moderate income persons. To qualify, the activity must meet one or more of the following tests:

It must benefit a clientele who are generally *presumed* to be principally low and moderate-income persons. Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low and moderate income:

- **Abused children;**
- **Battered spouses;**
- **Elderly persons** - Persons 60 years of age and older;

- **Severely disabled adults** - Adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled," - Persons with a severe disability must meet one of the following:
 - a. Used a wheelchair or have used another special aid for 6 months or longer;
 - b. Were unable to perform one or more functional activities or needed assistance with an Activity of Daily Living or Instrumental Activity of Daily Living. (**Functional Activities include: seeing, hearing, having ones speech understood, lifting, carrying, walking up a flight of stairs, and walking. Activities of Daily Living include: getting around inside the house, getting out of bed or a chair, bathing, dressing, eating, and toileting. Instrumental Activities of Daily Living include: going outside the home, keeping track of money, preparing meals, doing light housework, and using the telephone.**)
 - c. Are prevented from working at a job or doing housework;
 - d. Have a condition including autism, cerebral palsy, Alzheimer's disease, senility, or mental retardation; and,
 - e. Persons who are under 65 years of age and who are considered disabled by Medicare or receive Social Security Income are considered to have a disability (severe disability).
- **Homeless persons** - Persons living on the street or in an emergency shelter, or who will be living on the street or in an emergency shelter without assistance;
- **Illiterate adults;**
- **Persons living with AIDS; and,**
- **Migrant farm workers.**
- If the facility does not serve a clientele that consists solely of presumed low and moderate income persons the Community Facility User Certification form must be completed for each client to determine whether the facility serves at least 51% LMI persons:
 - Require information on family size and income from every client so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low and moderate-income limit. These limits are in Table D; or
 - Have income eligibility requirements that limit the activity exclusively to low and moderate income persons; or
 - It must be of such a nature, and be in such a location, that it may be concluded the activity's clientele will primarily be low and moderate-income persons. (Note: The use of this a project meeting this criteria under the States program is a rarity.)
- **MICROENTERPRISE EXCEPTION TO 51% RULE** – Microenterprise assistance projects must serve 100% low and moderate-income persons not 51%. **Note:** This requirement only applies to microenterprise projects funded prior to 2007.

- A microenterprise assistance project is limited to owners of microenterprises and persons developing microenterprises who are low and moderate-income persons based upon the family size and income limits contained within Table D. For purposes of this paragraph, persons determined to be low and moderate income may be presumed to continue to qualify as such for up to a three-year period.

Limited Clientele Documentation

Applicants must document how proposed activities will benefit low and moderate-income persons in conformance with federal law. The type of documentation necessary depends upon the users of the facility. Some proposed projects may involve more than one program/activity with different clientele and different documentation. The following describes what information must be submitted for different types of limited clientele activities:

1. Documentation establishing that the facility or service is designed exclusively to serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low and moderate income: abused children, battered spouses, elderly persons, adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled," homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or
2. Documentation that at least 51 percent of the clientele are persons whose family income does not exceed the low and moderate-income limit (*e.g.*, child care center that is not exclusively for low and moderate income persons). The current income limits can be found in Table D. Required documentation shall be one or more of the following, as appropriate:
 - a. A summary that shows how many current users have family incomes above and below the low and moderate-income limits. The summary must be based on information about the family size and family income of each user. This information may be from existing program forms (*e.g.*, application for day care) or it can be collected using the form included in this chapter (Community Facility User Certification form) and reported on the "Documentation of Facility Users" form also contained within this chapter.

The documentation cannot be a survey. There must be information collected about the family of each beneficiary. If a family does not provide the required information, its members must be assumed to be above the income limits.

Individual information forms about individuals do not have to be included with the application but may be reviewed during a site visit by Department staff and/or must be available upon request at any time from Department staff.

- b. The applicant must also certify in the application that, if funded, it will ensure that family size and income data is collected on all current and future beneficiaries and that no less than 51 percent of the beneficiaries of the facility will be income qualified until at least five years after the grant project is closed; or

3. Documentation of the income eligibility requirements that limit, or will limit, benefits from the facility exclusively to low and moderate-income persons. The income limits must be included with the application; or
4. Documentation describing how the nature and, if applicable, the location of the facility or service establishes that it is used or will be used predominantly by low and moderate-income persons.

NOTE: Facilities must provide one year of family size and income data for the facility to be assisted. If one year of data is not available (new facility with no clientele history) the applicant must demonstrate how the services offered at the facility will be limited to low and moderate income persons so that the use of the facility will meet the national objective. This is done by the applicant providing the department application forms, policies and other documents and procedures that will be used to limit the use of the facility so that 51% or more of the use of the facility is for low and moderate income persons.

The summary form Table E titled “Documentation of Facility Users” must be completed and included with the application for all “limited clientele” projects.

Housing Activities Qualification

- An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low and moderate-income households. This would include, but not necessarily be limited to, the acquisition or rehabilitation of property, conversion of nonresidential structures, and new housing construction. If the structure contains two dwelling units, at least one must be so occupied, and if the structure contains more than two dwelling units, at least 51 percent of the units must be so occupied.

When CDBG funds are used for housing services eligible under section 105(a)(20) of the Act, such funds shall be considered to benefit low and moderate-income persons if the housing units for which the services are provided are HOME- assisted and the requirements of 92.252 or 92.254 of this title are met.

Housing Documentation

For each activity carried out for the purpose of rehabilitating or constructing housing which is determined to benefit low and moderate income households, each applicant must provide a description of how local program policies will ensure that only income qualified households will benefit along with a copy of the client intake and screening forms and applicable income limits to be used.

NOTE: Only the housing program gathers data by household size and household income. Household size and income is an aggregate of multiple families residing within the same residence. To determine LMI status, the household size and income is compared against the family size and income chart contained in Table D.

Jobs Qualification

- An activity designed to create permanent jobs where at least 51 percent of the jobs, computed on a full time equivalent basis, involve the employment of low and moderate-income persons. For an activity that creates jobs, the unit of general local government must document that at least 51 percent of the jobs will be held by, or will be made available to low and moderate income persons.
- For an activity that retains jobs, the unit of general local government must document that the jobs would actually be lost without the CDBG assistance and that either or both of the following conditions apply with respect to at least 51 percent of the jobs at the time the CDBG assistance is provided: The job is known to be held by a low or moderate income person; or the job can reasonably be expected to turn over within the following two years and it will be filled by, or steps will be taken to ensure it is made available to, a low or moderate income person once the position is vacant.
- Jobs will be considered to be available to low and moderate income persons for these purposes only if:
 - Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and
 - The unit of general local government and the assisted business take actions to ensure that low and moderate-income persons receive first consideration for filling such jobs.

As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies under this paragraph, except:

- In certain cases such as where CDBG funds are used to acquire, develop or improve a real property (e.g., a business incubator or an industrial park) the requirement may be met by measuring jobs in the aggregate for all the businesses that locate on the property, provided the businesses are not otherwise assisted by CDBG funds;
- Where CDBG funds are used for public facilities or improvements which will result in the creation or retention of jobs by more than one business, this requirement may be met by aggregating the jobs created or retained by all such businesses as a result of the public facility or improvement; and
- Where the public facility or improvement is undertaken principally for the benefit of one or more particular businesses, but where other businesses might also benefit from the assisted activity, the requirement may be met by aggregating only the jobs created or retained by those businesses for which the facility/improvement is principally undertaken, provided that the cost (in CDBG funds) for the facility/improvement is less than \$10,000 per permanent full-time equivalent job to be created or retained by those businesses.

In any case where the cost per job to be created or retained is \$10,000 or more, the requirement must be met by aggregating the jobs created or retained as a result of the public facility or improvement by all businesses in the service area of the facility/improvement. This aggregation must include businesses which, as a result of the public facility/improvement, locate or expand in the service area of the public facility/improvement between the date the state awards the CDBG funds to the recipient and the date one year after the physical completion of the public facility/improvement. In addition, the assisted activity must comply with the public benefit standards at Sec. 570.482(f).

Jobs Documentation

The applicants records must document 51% or more of the jobs which are anticipated to be created/retained or made available to low and moderate income persons and the full time equivalency status of each job. At the completion of the project the grant recipient must be able to document which jobs were actually created/retained, whether each such job was held by, taken by, or made available to a low and moderate income person, and the full time equivalency status of each job.

Maintaining records to demonstrate compliance with this national objective subcategory can be quite challenging. Not only do businesses often dislike providing special reports or keeping special records, but individuals that hold a job created or retained may resist providing family size and income data.

Job Creation

When demonstrating that at least 51% of the jobs created will be made available to low and moderate-income persons, documentation for each assisted business must include:

- A written commitment from the business that it will make at least 51% of the jobs on a full time equivalent basis available to low and moderate income persons and provide training for any of those jobs requiring special skills.
- A listing, by job title, of the existing employees at the time the application is submitted.
- A listing, by job title, of the total permanent jobs to be created, indicating which jobs will be available to low and moderate-income persons, which jobs require special skills or education, and which jobs are part time.
- Evidence supporting the estimate of the total number of jobs.
- A description of actions to be taken by the recipient and business to ensure that low and moderate-income persons will receive first consideration for these jobs.
- A listing, by job title, race, ethnicity, gender and handicapped status of the permanent jobs created; which jobs were made available to low and moderate income persons, and a description of how first consideration was given to such persons for those jobs. That description should include the hiring process used; the number of low and moderate-income persons considered for each job; and the number of low and moderate income persons actually hired.

- A description of how the low and moderate income status of those given first consideration was determined; and,
- A description of how the total jobs was determined.

Taken By

When demonstrating that at least 51% of the jobs will be taken by low and moderate-income persons, documentation for each assisted business must include:

- A written commitment by the business that at least 51% of the jobs on a full time equivalent basis, will be held by low and moderate-income persons.
- A listing, by job title, of employees at the time the application for assistance is submitted.
- A listing, by job title, of the permanent jobs to be created.
- Evidence supporting the estimated total number of jobs created.
- A listing, by job title, race, ethnicity, gender and handicapped status of the permanent jobs actually created and those initially taken by low and moderate income persons.
- A description of how the low and moderate-income status of those hired was determined.
- A description of how the total number of jobs was determined.

Job Retention

The following are the requirements for documenting records that support compliance for job retention:

- Clear and objective evidence that in the absence of the CDBG assistance the jobs will be lost. This includes:
 - The business(es) has issued a notice to affected employees or made a public announcement to that effect; or,
 - Analysis of relevant financial records which clearly and convincingly shows that the business(es) is likely to have cut back employment in the near future without planned intervention.
- A written commitment by the business to meet the standard for retained jobs involving the employment of low and moderate-income persons.
- A listing by job title, race, ethnicity, gender and handicapped status of the employees at the time the assistance was provided.

For each activity determined to benefit low and moderate income persons based on the jobs to be created for or retained by low and moderate-income persons:

- The total number of jobs to be created and the number of additional jobs expected to be created, if any;
- The nature of the jobs created to date (number skilled, semi-skilled, and unskilled and for semi-skilled jobs, any special education or experience required) and the nature of additional jobs expected to be created; and,
- Any other evidence to support the conclusion that a majority of jobs will be filled by low and moderate income persons such as:
 - Evidence to assure accessibility of the jobs to areas where substantial numbers of low and moderate-income persons reside.
 - Evidence to support any special outreach and/or training to be directed toward low and moderate-income persons.

Definitions

Full Time Equivalency (FTE) – 1820 hours per year.

Created jobs – Benefit is determined prior to being hired.

Retained – Benefit is determined at the time the job is retained.

Aiding in the prevention or elimination of slum or blight

In developing the criteria for qualifying under this national objective, considerable care has been given to ensure that activities that qualify under this national objective are clearly eliminating objectively determinable signs of slums or blight in a defined Slum or Blighted Area or are strictly limited to eliminating specific instances of blight outside such an area (spot blight). Accordingly, the two ways a project can qualify for funding under this national objective is to meet either the requirements for addressing slums/blight on an area basis or on a spot basis.

Area Basis

- An activity must meet all the following criteria to qualify:
 - The area must be officially designated by the grant recipient and must meet a definition of a slum, blighted, deteriorated, or deteriorating area under state, Oregon Revised Statute (ORS) 457.010, and local law.
 - The area must exhibit at least one of the following physical signs of blight or decay:
 - There must be a substantial number of deteriorated or deteriorating buildings throughout the area. This test will be considered to be met if:

- The proportion of buildings in the area that are in such condition is at least equal to that specified in applicable state law for this purpose; or
- In the case where applicable state law does not specify the percentage of deteriorated or deteriorating buildings required to qualify the area, then at least one quarter of all the buildings in the area must be deteriorated or deteriorating.

The public improvements throughout the area must be in a general state of deterioration. For this purpose, it would be insufficient for only one type of public improvement, such as the wastewater system, to be in a state of deterioration; rather, the public improvements taken as a whole must all clearly exhibit signs of deterioration.

Activities assisted with CDBG funds must be limited to those that address one or more of the conditions that contributed to the deterioration of the area.

Area Basis Documentation

- The boundaries of the area.
- A description of the conditions which qualified the area at the time of its designation, in sufficient detail to demonstrate how the area met the criteria for designation.
- A description of the activity to be funded which documents how it addresses a condition that led to the decline of the area.

Spot Basis

An activity must meet the following criteria to qualify:

- The activity must be designed to eliminate specific conditions of blight or physical decay not located in a designated slum or blighted area; and,
- The activity must be limited to one of the following:
 - Acquisition (Additional requirements apply. Check with the Department's Regional Coordinator before proceeding for applicable information.);
 - Clearance;
 - Relocation (Additional requirements apply. Check with the Department's Regional Coordinator before proceeding for applicable information.);
 - Historic Preservation; or
 - Rehabilitation of buildings, but only to the extent necessary to eliminate the specific conditions detrimental to public health and safety.

Spot Basis Documentation

- A description of the specific condition of blight or physical decay treated; and,
- A description of the assisted activity showing that it falls under one of the activity types that are eligible to be carried out under the subcategory. For rehabilitation of a building carried out under this national objective, information showing how the activity eliminates conditions detrimental to public health and safety.

Urgent Need

To comply with this national objective a project must be designated to alleviate existing conditions which the local government certifies and the state determines:

- Pose a serious and immediate threat to the health or welfare of the community (Governor declared “State of Emergency” or Presidential declared disaster, through FEMA declaration);
- Are of recent origin or recently became urgent (i.e. Governor’s Emergency Declaration was within 12 months preceding the local government’s certification and the state’s determination.);
- The applicant is unable to finance the activity on its own; and,
- Other sources of funds are not available to carryout the activity.

Urgent Need Documentation

- A description of the nature and degree of seriousness of the conditions requiring assistance.
- Evidence that the state grant recipient certified that the CDBG activity was designated to address an urgent need.
- Information on the timing of the development of the serious condition.
- Evidence confirming that other financial resources to alleviate the need were not available.

TABLE C - National Objective
QUICK REFERENCE GUIDE

| Low and Moderate Income | |
|---|--|
| Area Wide/ Sub-Area 24 CFR 570.483 (b)(1)(i) | Definition - The activity must serve an area that is primarily a low and moderate-income permanent residential area (at least 51% low and moderate income). |
| | Examples - Public Works projects, Youth Centers, Health Clinics, Boys and Girls Clubs, Family Resource Centers, Community Response Centers, Multi Purpose Community centers, and downtown revitalization projects. |
| Limited Clientele 24 CFR 570.483 (b)(2)(ii)(C) or 24 CFR 570.483 (b)(2)(ii)(B) | Definition - The activity benefits a specific group(s) of low and moderate-income persons (excludes housing and job creation). An activity may meet this criteria if it serves a 51% low and moderate income clientele, exclusively serves a presumed group (see definition below), be of such a nature and location that it can be concluded to serve a low and moderate income clientele, or remove material or architectural barriers for the mobility or accessibility of elderly persons or adults meeting the definition of "severely disabled." To assist an entire facility, all services in a facility must be limited to those serving a clientele that is at least 51% low and moderate income. (Facilities that are open and available to everyone in the area must qualify under the area wide national objective. Under the limited clientele national objective, the facility must qualify based on services to limited clientele, not by use of the facility, for example must collect income certifications.) |
| | Examples - Food Banks, Head Start Centers, Day Care Centers, Adult Learning Centers and Youth Centers, Regional Housing Centers. |
| Housing/Direct Benefit 24 CFR 570.483(b)(3) | Definition - Activities carried out for purpose of providing or improving permanent residential structures, that upon completion will be owned and occupied by low and moderate income persons. Must household size and income qualify all applicants. |
| | Example – Housing Rehabilitation. |
| Nature and Location 24 CFR 570.483 (b)(2)(ii)(D) | Definition - Facility of such a nature, and be in such a location, that it may be concluded that the activity's clientele will be primarily low and moderate income persons. |
| | Example - A day care center designed to serve the residents of a low-income public housing complex. |
| Presumed 24 CFR 570.483 (b)(2)(ii)(A) | Definition - Clientele that are generally presumed to be low and moderate income as determined by Housing and Urban Development. These are: abused children, elderly persons, battered spouses, homeless persons, severely disabled adults, illiterate adults, persons living with AIDS, migrant farm workers. |
| | Examples -Senior Centers, Homeless Shelters, facilities serving the needs of abused children or battered spouses. |
| Job Creation 24 CFR 570.483 (b)(4) | Definition – Activities designed to create or retain permanent jobs where at least 51% are of the jobs, computed on a full time equivalent basis, involve the employment of low and moderate-income persons. |
| | Example – Extension of publicly owned infrastructure to serve industrial/commercial areas or to construct buildings for business incubators. |

| Slums and Blight | |
|--|--|
| <p>Area Basis 24 CFR 570.483 (c)(1)</p> | <p>Definition -Activities that eliminate conditions of slums or other areas of blight in an area designated by the community as blighted. The area must have a substantial number of deteriorated buildings and/or public improvements. The activity must address one or more of the conditions that qualified the area as a slum or blight. <u>Projects must meet all additional criteria listed in the Code of Federal Regulations (CFRs)</u></p> <p>Examples - Downtown Revitalization projects and Brownfield re-development projects.</p> |
| <p>Spot Basis 24 CFR 570.483 (c)(2)</p> | <p>Definition - Strictly limited to activities to eliminate a specific condition of blight that is not in a designated/delineated slum or blighted area and can include a specific dilapidated building or other type of blight that would not have project boundaries. Activities are limited to certain types of activities. <u>Projects must meet all additional criteria listed in the Code of Federal Regulations (CFRs)</u></p> <p>Examples - Downtown Revitalization projects and Brownfield Re-development projects.</p> |
| URGENT COMMUNITY NEEDS | |
| <p>Urgent Need 24 CFR 570.483 (d)</p> | <p>Definition - These projects must be designed to alleviate existing conditions which the grantee certifies, pose a serious and immediate threat to the health or welfare of the community, are of recent origin, unable to finance on their own, other funding resources are not available to carry out the activity.</p> <p>Examples - Major catastrophe such as a flood or earthquake that threatens the community residents with spread of serious disease. The community's other resources may well be depleted and other Federal programs may not be sufficient to cover all costs.</p> |

TABLE D - 2008 Low and Moderate Income Limits
Effective February 13, 2008

| County | Median Family Income estimate for 2008 | Income Level Note 1 | Income Limits by Family Size | | | | | | | |
|--------------------|--|------------------------|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | | 1-Person Family | 2-Person Family | 3-Person Family | 4-Person Family | 5-Person Family | 6-Person Family | 7-Person Family | 8-Person Family |
| Baker | \$43,400 | Low Moderate | \$16,900 \$27,050 | \$19,300 \$30,900 | \$21,750 \$34,800 | \$24,150 \$38,650 | \$26,100 \$41,750 | \$28,000 \$44,850 | \$29,950 \$47,950 | \$31,900 \$51,000 |
| Benton Note 2 | \$68,000 | Low Moderate | \$23,850 \$38,150 | \$27,250 \$43,600 | \$30,650 \$49,050 | \$34,050 \$54,500 | \$36,750 \$58,850 | \$39,500 \$63,200 | \$42,200 \$67,600 | \$44,950 \$71,950 |
| Clatsop | \$53,600 | Low Moderate | \$18,850 \$30,150 | \$21,550 \$34,500 | \$24,250 \$38,800 | \$26,950 \$43,100 | \$29,100 \$46,550 | \$31,250 \$50,000 | \$33,400 \$53,450 | \$35,550 \$56,900 |
| Columbia Note 3 | \$67,500 | Low Moderate | \$23,750 \$38,000 | \$27,150 \$43,450 | \$30,550 \$48,900 | \$33,950 \$54,300 | \$36,650 \$58,650 | \$39,400 \$63,000 | \$42,100 \$67,350 | \$44,800 \$71,700 |
| Coos | \$45,400 | Low Moderate | \$16,900 \$27,050 | \$19,300 \$30,900 | \$21,750 \$34,800 | \$24,150 \$38,650 | \$26,100 \$41,750 | \$28,000 \$44,850 | \$29,950 \$47,950 | \$31,900 \$51,000 |
| Crook | \$49,200 | Low Moderate | \$17,300 \$27,650 | \$19,750 \$31,600 | \$22,250 \$35,550 | \$24,700 \$39,500 | \$26,700 \$42,650 | \$28,650 \$45,800 | \$30,650 \$49,000 | \$32,600 \$52,150 |
| Curry | \$43,100 | Low Moderate | \$16,900 \$27,050 | \$19,300 \$30,900 | \$21,750 \$34,800 | \$24,150 \$38,650 | \$26,100 \$41,750 | \$28,000 \$44,850 | \$29,950 \$47,950 | \$31,900 \$51,000 |
| Deschutes | \$58,200 | Low Moderate | \$20,600 \$32,950 | \$23,500 \$37,650 | \$26,450 \$42,350 | \$29,400 \$47,050 | \$31,750 \$50,800 | \$34,100 \$54,600 | \$36,450 \$58,350 | \$38,800 \$62,100 |
| Douglas | \$48,400 | Low Moderate | \$16,950 \$27,100 | \$19,350 \$30,950 | \$21,800 \$34,850 | \$24,200 \$38,700 | \$26,150 \$41,800 | \$28,050 \$44,900 | \$30,000 \$48,000 | \$31,950 \$51,100 |
| Gilliam | \$50,200 | Low Moderate | \$17,550 \$28,100 | \$20,100 \$32,100 | \$22,600 \$36,150 | \$25,100 \$40,150 | \$27,100 \$43,350 | \$29,100 \$46,550 | \$31,100 \$49,800 | \$33,150 \$53,000 |
| Grant | \$44,700 | Low Moderate | \$16,900 \$27,050 | \$19,300 \$30,900 | \$21,750 \$34,800 | \$24,150 \$38,650 | \$26,100 \$41,750 | \$28,000 \$44,850 | \$29,950 \$47,950 | \$31,900 \$51,000 |
| Harney | \$44,700 | Low Moderate | \$16,900 \$27,050 | \$19,300 \$30,900 | \$21,750 \$34,800 | \$24,150 \$38,650 | \$26,100 \$41,750 | \$28,000 \$44,850 | \$29,950 \$47,950 | \$31,900 \$51,000 |
| Hood River | \$49,900 | Low Moderate | \$17,700 \$28,350 | \$20,250 \$32,400 | \$22,750 \$36,450 | \$25,300 \$40,500 | \$27,300 \$43,750 | \$29,350 \$47,000 | \$31,350 \$50,200 | \$33,400 \$53,450 |
| Jackson Note 2 | \$50,500 | Low Moderate | \$18,500 \$29,600 | \$21,150 \$33,850 | \$23,800 \$38,050 | \$26,450 \$42,300 | \$28,550 \$45,700 | \$30,700 \$49,050 | \$32,800 \$52,450 | \$34,900 \$55,850 |
| Jefferson | \$47,000 | Low Moderate | \$16,900 \$27,050 | \$19,300 \$30,900 | \$21,750 \$34,800 | \$24,150 \$38,650 | \$26,100 \$41,750 | \$28,000 \$44,850 | \$29,950 \$47,950 | \$31,900 \$51,000 |
| Josephine | \$47,900 | Low Moderate | \$16,900 \$27,050 | \$19,300 \$30,900 | \$21,750 \$34,800 | \$24,150 \$38,650 | \$26,100 \$41,750 | \$28,000 \$44,850 | \$29,950 \$47,950 | \$31,900 \$51,000 |
| Klamath | \$47,000 | Low Moderate | \$16,900 \$27,050 | \$19,300 \$30,900 | \$21,750 \$34,800 | \$24,150 \$38,650 | \$26,100 \$41,750 | \$28,000 \$44,850 | \$29,950 \$47,950 | \$31,900 \$51,000 |
| Lake | \$43,400 | Low Moderate | \$16,900 \$27,050 | \$19,300 \$30,900 | \$21,750 \$34,800 | \$24,150 \$38,650 | \$26,100 \$41,750 | \$28,000 \$44,850 | \$29,950 \$47,950 | \$31,900 \$51,000 |
| Lane Note 2 | \$55,500 | Low Moderate | \$19,450 \$31,100 | \$22,200 \$35,500 | \$25,000 \$39,950 | \$27,750 \$44,400 | \$29,950 \$47,950 | \$32,200 \$51,500 | \$34,400 \$55,050 | \$36,650 \$58,600 |
| Lincoln | \$47,500 | Low Moderate | \$16,900 \$27,050 | \$19,300 \$30,900 | \$21,750 \$34,800 | \$24,150 \$38,650 | \$26,100 \$41,750 | \$28,000 \$44,850 | \$29,950 \$47,950 | \$31,900 \$51,000 |

2008 Low and Moderate Income Limits
Effective February 13, 2008

| County | Median Family Income estimate for 2008 | Income Level Note 1 | Income Limits by Family Size | | | | | | | |
|-------------------|--|------------------------|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | 1-Person Family | 2-Person Family | 3-Person Family | 4-Person Family | 5-Person Family | 6-Person Family | 7-Person Family | 8-Person Family |
| Linn | \$53,100 | Low | \$18,700 | \$21,350 | \$24,050 | \$26,700 | \$28,850 | \$30,950 | \$33,100 | \$35,250 |
| | | Moderate | \$29,900 | \$34,150 | \$38,450 | \$42,700 | \$46,100 | \$49,550 | \$52,950 | \$56,350 |
| Malheur | \$43,000 | Low | \$16,900 | \$19,300 | \$21,750 | \$24,150 | \$26,100 | \$28,000 | \$29,950 | \$31,900 |
| | | Moderate | \$27,050 | \$30,900 | \$34,800 | \$38,650 | \$41,750 | \$44,850 | \$47,950 | \$51,000 |
| Marion Note 3 | \$56,200 | Low | \$19,900 | \$22,700 | \$25,550 | \$28,400 | \$30,650 | \$32,950 | \$35,200 | \$37,500 |
| | | Moderate | \$31,800 | \$36,350 | \$40,900 | \$45,450 | \$49,100 | \$52,700 | \$56,350 | \$60,000 |
| Morrow | \$49,400 | Low | \$17,300 | \$19,750 | \$22,250 | \$24,700 | \$26,700 | \$28,650 | \$30,650 | \$32,600 |
| | | Moderate | \$27,650 | \$31,600 | \$35,550 | \$39,500 | \$42,650 | \$45,800 | \$49,000 | \$52,150 |
| Polk Note 3 | \$56,200 | Low | \$19,900 | \$22,700 | \$25,550 | \$28,400 | \$30,650 | \$32,950 | \$35,200 | \$37,500 |
| | | Moderate | \$31,800 | \$36,350 | \$40,900 | \$45,450 | \$49,100 | \$52,700 | \$56,350 | \$60,000 |
| Sherman | \$53,000 | Low | \$18,550 | \$21,200 | \$23,850 | \$26,500 | \$28,600 | \$30,750 | \$32,850 | \$35,000 |
| | | Moderate | \$29,700 | \$33,900 | \$38,150 | \$42,400 | \$45,800 | \$49,200 | \$52,600 | \$55,950 |
| Tillamook | \$48,800 | Low | \$17,150 | \$19,600 | \$22,050 | \$24,500 | \$26,450 | \$28,400 | \$30,400 | \$32,350 |
| | | Moderate | \$27,450 | \$31,350 | \$35,300 | \$39,200 | \$42,350 | \$45,450 | \$48,600 | \$51,750 |
| Umatilla | \$52,000 | Low | \$18,200 | \$20,800 | \$23,400 | \$26,000 | \$28,100 | \$30,150 | \$32,250 | \$34,300 |
| | | Moderate | \$29,100 | \$33,300 | \$37,450 | \$41,600 | \$44,950 | \$48,250 | \$51,600 | \$54,900 |
| Union | \$48,900 | Low | \$17,250 | \$19,700 | \$22,200 | \$24,650 | \$26,600 | \$28,600 | \$30,550 | \$32,550 |
| | | Moderate | \$27,600 | \$31,550 | \$35,500 | \$39,450 | \$42,600 | \$45,750 | \$48,900 | \$52,050 |
| Wallowa | \$46,200 | Low | \$16,900 | \$19,300 | \$21,750 | \$24,150 | \$26,100 | \$28,000 | \$29,950 | \$31,900 |
| | | Moderate | \$27,050 | \$30,900 | \$34,800 | \$38,650 | \$41,750 | \$44,850 | \$47,950 | \$51,000 |
| Wasco | \$51,000 | Low | \$18,150 | \$20,700 | \$23,300 | \$25,900 | \$27,950 | \$30,050 | \$32,100 | \$34,200 |
| | | Moderate | \$29,000 | \$33,150 | \$37,300 | \$41,450 | \$44,750 | \$48,100 | \$51,400 | \$54,700 |
| Wheeler | \$40,700 | Low | \$16,900 | \$19,300 | \$21,750 | \$24,150 | \$26,100 | \$28,000 | \$29,950 | \$31,900 |
| | | Moderate | \$27,050 | \$30,900 | \$34,800 | \$38,650 | \$41,750 | \$44,850 | \$47,950 | \$51,000 |
| Yamhill Note 3 | \$67,500 | Low | \$23,750 | \$27,150 | \$30,550 | \$33,950 | \$36,650 | \$39,400 | \$42,100 | \$44,800 |
| | | Moderate | \$38,000 | \$43,450 | \$48,900 | \$54,300 | \$58,650 | \$63,000 | \$67,350 | \$71,700 |

Note 1: “Low Income” and “Moderate Income” are defined in the federal Housing and Community Development Act of 1974, as amended. A Low-Income person is a member of a family with a gross income of no more than 50 percent of the area median income. A Moderate-Income person is a member of a family with a gross income of no more than 80 percent of the area median income. The “area” is either the county or the non-metropolitan portion of the state, whichever has the higher median income. The 2008 estimated median family income for non-metropolitan counties in Oregon is \$58,700.

Note 2: Benton County, Lane County, and Jackson County are part of a Metropolitan Statistical Area (MSA). The income limits for an entire county are based upon the median family income for the MSA, even though the specific MSA area is ineligible to apply to the state-administered Community Development Block Grant program—for example, Corvallis in Benton County, Eugene-Springfield in Lane County, and Medford-Ashland in Jackson County.

Note 3: This county is part of a Primary Metropolitan Statistical Area (PMSA). The income limits are based on the median family income for the entire PMSA including local governments that are not eligible for the state-administered CDBG program. For example, the median family income and income limits for Columbia and Yamhill counties are the same as those for the City of Portland, Clackamas County, Multnomah County, and Washington County. Those of Marion and Polk Counties are the same as Salem PMSA.

Source: U.S. Department of Housing and Urban Development (HUD)

TABLE D - 2007 Low and Moderate Income Limits

COMMUNITY FACILITY USER CERTIFICATION FORM

The information below is being requested because the _____[recipient]_____ received an Oregon Community Development Block Grant (CDBG) and, as part of the operation of a CDBG funded community facility, must provide the family size and income and ethnicity/race of the persons who use the ___[insert name of facility]_____. **Your answers will be treated confidentially.**

- | | | | |
|----|---|------------------------------|-----------------------------|
| 1. | Is your age 60 or older? | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| 2. | Are you receiving social security disability insurance? | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| 3. | Are you a homeless person? | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| 4. | Are you a battered spouse? | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| 5. | Are you a migrant farm worker? | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| 6. | Are you a person living with AIDS? | <input type="checkbox"/> yes | <input type="checkbox"/> no |
| 7. | Are you an illiterate adult? | <input type="checkbox"/> yes | <input type="checkbox"/> no |

If you answered yes to one of the questions above you DO NOT need to complete questions 8 and 9 below.

8. Check the appropriate box for your family size:

- | | |
|--|--|
| <input type="checkbox"/> Single individual | <input type="checkbox"/> Family of 5 |
| <input type="checkbox"/> Family of 2 | <input type="checkbox"/> Family of 6 |
| <input type="checkbox"/> Family of 3 | <input type="checkbox"/> Family of 7 |
| <input type="checkbox"/> Family of 4 | <input type="checkbox"/> Family of 8 or more |

9. Check the appropriate box for your family's total gross income before taxes in 2007.

- | | |
|---|---|
| <input type="checkbox"/> \$ 0 to 27,050 | <input type="checkbox"/> \$41,751 to 44,800 |
| <input type="checkbox"/> \$27,051 to 30,900 | <input type="checkbox"/> \$44,801 to 47,900 |
| <input type="checkbox"/> \$30,901 to 34,800 | <input type="checkbox"/> \$47,901 to 51,000 |
| <input type="checkbox"/> \$34,801 to 38,650 | <input type="checkbox"/> \$51,001 or more |
| <input type="checkbox"/> \$38,651 to 41,750 | |

This information is subject to verification by local, state or federal officials.

Signature

Date

As a person who uses a Community Facility funded by an Oregon Community Development Block Grant, you are asked to voluntarily respond to the Ethnicity and Race items below. If you do not provide responses, the operator of the community facility is required to supply responses based on their determination of your ethnicity and race.

10. Check the appropriate box of your *ethnicity*: () Hispanic () Not Hispanic.

11. Check the appropriate box of your *race*:

- () White
- () Black/African American
- () Asian
- () American Indian/Alaskan Native
- () Native Hawaiian/Other Pacific Islander
- () American Indian/Alaskan Native & White
- () Asian & White
- () Black African/American & White
- () American Indian/Alaskan Native & Black African/American
- () Other

Documentation of Facility Users

Community/public facilities projects and public service projects intending to meet the low and moderate income limited clientele national objective will be required to submit information with the application that documents the specific historical and proposed clientele in accordance with the 2008 Method of Distribution, and in a format similar to the table below in paragraph #5.

Instructions:

1. Only one program should be shown in each line of the following table. If the proposed facility will offer more programs/services than can be recorded on this form, prepare additional copies of the form until each program offered by the proposed facility is accounted for.
2. Attach a copy of Community Facility User Certification Form(s) (Intake or client screening forms) containing the requisite family size and income limits for the clientele in each program.
3. Classifications of persons who are presumed LMI: abused children, battered spouses, elderly persons, adults meeting the Census definition of “severely disabled”, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers.
4. Prospective applicants are encouraged to consult with department staff at the earliest stages of project development concerning the documentation required for Limited Clientele Projects.

NOTE: Do not duplicate beneficiary reporting. Each user of the service can only be counted once per calendar year. For example: If one family uses the service of the Housing Resource Center five times in the calendar year they can only be reported as one beneficiary of the Resource Center.

5. Identify the Race and Ethnicity of the total beneficiaries served by the facility during the reporting period:

| | White (non-Hispanic) | Hispanic | Total |
|--|-------------------------|----------|-------|
| White | | | |
| Hispanic | | | |
| Black or African American | | | |
| American Indian/Alaskan Native | | | |
| Asian | | | |
| Native Hawaiian or Pacific Islander | | | |
| Two or More races | | | |
| Total (Must match total reported on Documentation of Facility Users Form) | | | |

TABLE E

| Program provided at proposed facility: (e.g. Senior Center, Head Start) | Low and Moderate Income (LMI) Limited Clientele National Objective to be met by each program/activity (Check only one for each program) | Current Clientele (Served in prior 12 months) Data collected (mm/dd/yy): _____ to _____ | | Proposed Clientele (Estimated to be served during the first 12 months after project completion) | |
|--|--|--|-----------------------------|---|-----------------------------|
| | | Total Number of Persons | Total Number of LMI Persons | Total Number of Persons | Total Number of LMI Persons |
| | <input type="checkbox"/> Family size and income information are collected from all clientele and at least 51% are LMI. (2) <input type="checkbox"/> Clientele must be LMI to receive service. (2) <input type="checkbox"/> Clientele are presumed to be LMI. Classification _____. (3) <input type="checkbox"/> Clientele are LMI by Nature and Location of Facility. | | | | |
| | <input type="checkbox"/> Family size and income information are collected from all clientele and at least 51% are LMI. (2) <input type="checkbox"/> Clientele must be LMI to receive service. (2) <input type="checkbox"/> Clientele are presumed to be LMI. Classification _____. (3) <input type="checkbox"/> Clientele are LMI by Nature and Location of Facility. | | | | |
| | <input type="checkbox"/> Family size and income information are collected from all clientele and at least 51% are LMI. (2) <input type="checkbox"/> Clientele must be LMI to receive service. (2) <input type="checkbox"/> Clientele are presumed to be LMI. Classification _____. (3) <input type="checkbox"/> Clientele are LMI by Nature and Location of Facility. | | | | |
| | <input type="checkbox"/> Family size and income information are collected from all clientele and at least 51% are LMI. (2) <input type="checkbox"/> Clientele must be LMI to receive service. (2) <input type="checkbox"/> Clientele are presumed to be LMI. Classification _____. (3) <input type="checkbox"/> Clientele are LMI by Nature and Location of Facility. | | | | |
| TOTALS - | | | | | |
| PERCENTAGE (LMI users)/(total users) X 100 = % | | % LMI | | % LMI | |

Chapter 4 Federal Requirements

NOTE: The federal regulations apply to a project as soon as there is clear intent to use CDBG funds. The State defines “intent to use CDBG funds” as the date the Department receives an intake/project concept. From this point forward all the Federal and State CDBG program requirements apply to the project.

The Community Development Block Grant (CDBG) Program is subject to many federal requirements that cover a wide range of activities. Some of the requirements are briefly summarized below. More detailed information can be found in the Grant/Project Management Handbook and other resources available from the Oregon Economic and Community Development Department (Department).

Conflicts of Interest

Oregon Government Standards and Practices laws ORS Chapter 244 apply to procurement of supplies, equipment, construction and services to be paid for in whole or in part with CDBG funds. In addition, the provisions of the federal code of regulations(CFR), 24 CFR Subpart I, 570.489(h) also apply to the following activities assisted in whole or in part with CDBG funds: procurement of supplies, equipment, construction, and services; acquisition and disposition of real property; and, the provision of assistance to individuals, businesses and other private entities.

- **Persons Covered by the Conflict of Interest Requirements** – The conflict of interest provisions in this section apply to any person who is an employee, agent, consultant, officer, elected official or appointed official of the unit of general local government or of any designated public agencies that are receiving CDBG funds.
- **Conflicts Prohibited** – Generally, except for eligible administrative and personnel costs, none of the persons described above who exercise or have exercised any functions or responsibilities with respect to CDBG assisted activities or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have any interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.
- **Exceptions to the Conflict of Interest Requirements** – The Department may grant an exception to the provisions of this section upon written request of the unit of general local government provided the State can fully document its determination in compliance with all federal requirements in 24 CFR Subpart I, 570.489(h)(4) and (5).

Continued Use Requirement/Change of Use Requirements

Any change in use of a facility or disposition of property acquired or improved in whole or in part with CDBG funds from five-years after closeout of the grant project must be made in accordance with the standards provided in 24 CFR 570.489(j). If the facility or real property cannot meet a national objective during the five-year continued use period the grant must be re-paid to the state. More specifically:

- All projects which have improved or acquired real property within the grant recipients direct control (including activities undertaken by sub recipients) which was improved or acquired in whole or in part with CDBG funds in excess of \$100,000 must comply with the continued use requirements of 24 CFR subpart I, Section 570.489(j).
- The grant recipient may not change the use or planned use of any such property (including the beneficiaries of such use) from that which the acquisition or improvement was made, unless they follow the requirements listed in Section 570.489(j).
- **Direct Control** - Projects under the direct control of the grant recipient (publicly owned improvements) or eligible sub recipient (nonprofit) must ensure the CDBG funded improvements remain in compliance with the federal national objective for which they originally qualified for funding.
- **Not Under the Direct Control** - Projects not under the direct control of the grant recipient or eligible sub recipient (loans/grants made to private for profit entities, private property owners for housing rehabilitation) do not have to comply with the continued use requirement. However, these projects must still meet the national objective requirements until the grant is closed out with the state.
- In cases where the recipient is not and will not be the owner of the real property or facility being improved with CDBG funds, the recipient shall cause the owner of such real property or facility to duly execute and record a trust deed against the real property in favor of the recipient. Said trust deed shall be in form and substance satisfactory to the State.

The State has prescribed language that must be included in any contract, which transfers the property from the recipient to another party. This language and more information regarding these requirements are contained in the Grant /Project Management Handbook.

Environmental Review

Recipients are required to obtain appropriate environmental clearances for their project and to maintain an “environmental review record” for each project. More detail on how to comply with these requirements and the necessary forms are contained in the Grant Management Handbook. **The grant recipient shall not commit/obligate or expend funds on any project activity before completion of the appropriate level of environmental review and, when applicable, the**

approval by the State of a Request for Release of Funds (RROF). This restriction applies to all project funds, even non-CDBG funds in the project.

Excessive Force Policy

All city and county recipients must adopt and enforce a policy prohibiting excessive force by law enforcement agencies within their jurisdiction against any individuals engaged in non-violent civil rights demonstrations. Enforcement of all applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction is also required.

The excessive force policy is in the federal law for the Community Development Block Grant program. The effect of the law is that the State cannot legally award a grant to a city or county that does not adopt the policy.

In-Kind Value of Volunteer Labor

For the purpose of documenting local match, the Department has established that volunteer labor is to be valued as follows:

- The time of a person who donates their professional skills shall be credited at their standard hourly fee. For example, an electrician that donates time to install wiring.
- The time of a person that provides labor for which they are not normally paid shall be credited at the States current minimum wage. For example, a teacher that volunteers to perform carpentry work.

Minority, Women and Emerging Small Businesses

The Department encourages recipients to provide opportunities for minority, women and emerging small businesses. The State's Vendor Information Program can be used for advertising procurement contracts.

Non-Discrimination Against Persons with Handicaps

Federal law prohibits discrimination against any otherwise qualified individual from participating in or benefiting from a federally funded program solely on the basis of handicap. Community Development Block Grant recipients must comply with U.S. Department of Housing and Urban Development regulations which implement this federal law (Section 504 of the Rehabilitation Act of 1973). Cities and counties who are working toward compliance with the federal Americans with Disabilities Act (ADA) will easily meet the requirements of Section 504.

Other Requirements

The recipient shall comply and cause its agents, contractors and sub grantees to comply with 30 F.R. 12319 (1965) as amended by Executive Order No. 11375, 32 F.R. 14303 (1967), reprinted in 42 U.S.C. 2000e (1994), and the regulations promulgated pursuant thereto, 41 C.F.R. 60-1.1 to 60-999.1 (1997).

Recipient shall conduct and administer the Department Financing in conformity with the Civil Rights Act of 1964, 42 U.S.C. 2000a-2000e (1994).

Many more federal requirements are contained within the recipient's contract with the State and the Grant/Project Management Handbook.

Federal Prevailing Wages and Federal Labor Standards Provisions

Construction projects assisted in whole or in part with CDBG funds must be carried out in compliance with the federal Davis Bacon and Related Acts and the Oregon Bureau of Labor and Industries (BOLI) requirements. This means that both Oregon Prevailing Wage Rates and the federal prevailing wage rates and provisions will apply, effective for all project advertised for bid on or after January 1, 2006. Extensive labor standards requirements must be followed.

Program Income

Program Income includes, but is not limited to, the following:

- Payments of principal and interest on loans made from CDBG funds;
- Proceeds from the lease or disposition of real property and equipment acquired with CDBG funds;
- Interest earned on CDBG funds held in a revolving fund account; and,
- Interest earned on any program income pending disposition of such income.

Funds derived from CDBG funded activities are considered Program Income except when:

- The total amount of funds received in a single year (July 1 to June 30) is less than \$25,000; or
- The funds are generated by housing rehabilitation or economic development revolving loan fund activities eligible under Section 105(a)(15) of the Housing and Community Development Act and carried out by an entity under the authority of section 105(a)(15) of the Act. Such entities are limited to public nonprofit organizations which (1) meet the

Internal Revenue Service requirements for nonprofit status; (2) are serving the development needs of non-entitlement areas; and (3) carry out community economic development, neighborhood revitalization and/or energy conservation projects. Such projects can include management of revolving funds for the purpose of housing rehabilitation and economic development.

The full definition of program income and federal rules governing its use are found in 24 CFR 570.489(e) and the preamble to the final rule and guidelines published by the U.S. Department of Housing and Urban Development in the Federal Register on January 5, 1995.

All requirements of 24 CFR 570 Subpart I apply to the use of program income retained by a unit of general local government. Failure to use program income as required may result in sanctions against the recipient.

Recipients shall not expend any income anticipated to be less than \$25,000 until after the end of the applicable annual period unless it is spent in compliance with CDBG rules. A report shall be submitted each year, in a form to be specified by the State, on the amount of program income and other funds received as a result of CDBG assistance to a unit of general local government.

Program income shall be paid to the State except where the income is to be used by the recipient to continue the activity from which such income is derived. For example, an older housing rehabilitation grant, where the grant funds are loaned by the grantee to private property owners, the loans repaid to the grantee and used to conduct more housing rehabilitation work.

Housing rehabilitation grants exemplify the exception to program income rules if all the following conditions exist. The State's grant to the city or county must be subgranted to an eligible nonprofit. The nonprofit must loan funds directly to income eligible homeowners. Loan repayments made by those homeowners must be dedicated to subsequent eligible homeowners for housing rehabilitation.

Applicants desiring to retain program income must describe in the grant application how the program income would be used. The Department will determine whether the proposed use is for an activity that is the same as the approved activity from which the program income is derived and will deny or approve the applicant's request when the grant award is made.

Property Acquisition, Relocation and Tenant Assistance Requirements

All temporary construction easements and real property acquisition, including the acquisition of permanent easements for construction projects assisted in whole or in part with CDBG funds, must be carried out in compliance with the requirements of the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA or Uniform Act) and Section 104(d) of the Housing and Community Development Act of 1974. The federal rules apply even if CDBG funds will not be used to pay for the acquisition.

If a proposed project includes any of the following activities, it is subject to federal rules that will affect both the project design and cost:

- Acquisition, by purchase or lease, of real property (including acquisition with non-federal funds);
- Acquisition of permanent easements such as those required for access to water and sewer lines;
- Donation of real property or permanent easements;
- Demolition or conversion of occupied or vacant, but occupiable, low and moderate income dwelling units; and,
- Displacement of businesses and persons residing in the project area.

All applicants with projects that will affect structures occupied by individuals or businesses must provide written notices to the tenants about the proposed project as required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act and Section 104(d). Applicants must contact the Oregon Economic and Community Development Department early in the project design phase to learn if they will be affected by the rules.

Proportional Funding

Proportional funding for any project is not allowed.

Record Keeping

Recipients must maintain records that are complete and cover program and financial use of the CDBG funds for monitoring by the Department. Records retention requirements for the CDBG program is 3 years from the date the State's grant is closed with the U.S. Department of Housing and Urban Development (HUD) as required by 24 CFR Subpart I, 570.490. The Department shall provide technical assistance and a Grant/Project Management Handbook, which contains detailed record keeping information and information covering other aspects of the program.

Residential Antidisplacement and Relocation Plan

Recipients must comply with the State of Oregon's "Residential Antidisplacement and Relocation Plan."

Title I

These grants and any sub-grants of these federal grants are subject to Title I of the Housing and Community Development Act of 1974, and any regulations promulgated pursuant thereto and as may be amended from time to time.

Volunteers or Prison Inmates

Applicants planning to use volunteer or prison inmates for a project must consult with the Department prior to submitting an application. Donated labor can help reduce the cost of the project. However, the use of volunteers may also result in coordination problems with contractors, quality of work issues, and potential local government liability for personal injury and property damage. Applicants should consider both the benefits and the drawbacks of volunteer labor before finalizing any project budget.

Volunteers

In general the following rules apply to volunteers:

- A person cannot be a volunteer if the person is otherwise employed at any time on the project activity in the construction or maintenance work for which the person volunteers.
- Volunteers cannot be paid to provide materials or supplies unless the recipient has obtained the materials/supplies through a competitive process under the appropriate procurement rules.
- Persons providing work subject to the Davis Bacon Act (laborers and mechanics in the construction trades) must be paid the applicable federal prevailing wage unless they meet the requirements for volunteers contained in 24CFR Part 70.3 entitled "Use of Volunteers on Projects Subject to Davis-Bacon and HUD-Determined Wage Rates". This rule is available, on request, from the Department.

Prison Inmates

There is no prohibition against the use of prison inmate labor on CDBG funded construction work. Prisoners are generally not considered volunteers because they have no choice in the matter, so they must be paid Davis Bacon wage rates. In rare situations, prisoners may be participating in a voluntary program and they are truly volunteering their services to the local government.

Chapter 5 Program Policies

NOTE: The federal regulations apply to a project as soon as there is clear intent to use CDBG funds. The State defines “intent to use CDBG funds” as the date the Department receives an intake/project concept. From this point forward all the Federal and State CDBG requirements apply to the project.

Activity Delivery Costs

Activity delivery costs are expenses directly related to carrying out eligible activities such as property acquisition. These costs are not considered to be grant/project administration expenses. Professional appraisers fees and attorney charges necessary to complete the acquisition of property are eligible as part of the acquisition activity cost.

Appeals

The OECD Director will consider appeals of program funding decisions only when project rating and ranking are at issue. Only the local government (applicant) has standing to appeal. Appeals must be received by the Department within 30 days after the awards have been announced. An application which would have been funded but for a technical error in ranking will be funded as soon as sufficient CDBG funds become available, provided the situation which prompted the application still exists.

Audit Cost

Community Development Block Grant (CDBG) funds can pay for A-133 audit costs in proportion to the federal CDBG funds received by the city or county. The eligible share of the A-133 audit cost cannot exceed the ratio of these federal grant funds received to the recipients total annual expenditures and incurred obligations – times – the cost of the audit. For example:

| | |
|---|-------------|
| CDBG receipts | \$ 100,000 |
| Total Expenditures and Incurred Obligations | \$1,000,000 |

Ratio:

$$\frac{(\text{CDBG Receipts})}{(\text{Total Expenditures and Incurred Obligations})}$$

$$\frac{(\$100,000)}{(\$1,000,000)}=0.1 \qquad \qquad \qquad 0.1$$

| | |
|---------------------------|----------|
| Total Cost of A-133 Audit | \$ 5,000 |
|---------------------------|----------|

Eligible CDBG reimbursable portion of the audit cost

$$(\text{Total Audit Cost}) \times (\text{Ratio})$$

$$(\$5,000) \times (0.1) = \$500 \qquad \qquad \qquad \$ 500$$

Combination/Multi Use facility

A combination/multi use facility is where all activities offered in the facility are eligible under the Method of Distribution. Refer to Chapter 13 for more information on multi use/combination facilities. Refer to Page 13-1 for more information.

Equipment

Grant funds may be used to buy equipment for grant/project administration purposes. Examples include computers, file cabinets and other office equipment. These expenses are included in the maximum amount allowed for grant/project administration.

Family

All persons living in the same household who are related by blood, marriage or adoption, this includes any related dependent persons over 65 or working dependent children over 18.

Financial Review

When required by the specific funding category applicable to each project type, applications will undergo a financial review to determine that the grant, if awarded, is the minimum necessary, in combination with other resources, to ensure the completion of the project. Refer to the specific project chapters for more details of the financial review required for each type of project.

Grant (Project) Administration/ Activity Delivery Costs/Equipment

For all categories, up to 10% of the grant award, but not more than \$25,000, may be used to pay for grant/project administration costs, including overall project management, coordination, monitoring, and evaluation. Recipients may use some of the grant/project administration allowance to conduct activities to further Fair Housing in their communities.

Housing rehabilitation and economic development revolving loan funds grantees, subject to the 20% cap on grant administration and program management, will receive an additional \$10,000 on top of the 20% cap for grant administration and program management, allowing a maximum of \$25,000 for grant administration expenses.

The costs associated with **environmental review preparation** is limited to a maximum of \$4,000 per project. The cost associated with **labor standards compliance reviews** is limited to a maximum of \$6,000 per project. There is no maximum limit on the funds for costs associated with attorney's fees and property appraisal fees related to property acquisition.

Grant Contract Execution

Grant contracts must be signed by the highest elected official and returned to the Department within 45 days of receipt of contract documents.

Grant Contract Amendments

The Department must process grant contract amendments if any of the following changes occur on a project: change in cost, scope of work, location, objectives, time frame, budget, or budget line items of the approved activities, program beneficiaries or project completion dates. The recipient's failure to obtain an approved grant contract amendment from the Department when necessary may result in sanctions. Failure to gain prior approval, when needed, could result in the recipient having to pay for the costs associated with the amendment.

Grant contract amendments for project completion date extensions will not be processed on a regular basis. Project completion date extensions will only be allowed for circumstances that have been clearly documented to be beyond the control of the recipient, as determined the state.

The Department Director has the authority to designate/assign grant contract amendment approval authority to:

- 1) The Community Development Division or Central Operations Division for OECD funded projects; and,
- 2) The OHCS for OHCS funded projects.

Household

All persons occupying the same housing unit regardless of their relationship to each other.

Indirect Costs

Indirect costs are not allowed under the state program.

Limitations on Architectural and Engineering Costs

The Department will not approve grant awards that contain budgets, which include more than the following percentages for architectural and engineering work regardless of whether or not the item is paid for with grant funds or other monies:

- **Architectural** – 12% of project construction and construction contingency costs; and,
- **Engineering** – 20% of project construction and construction contingency costs.

Proposed amounts in excess of the above percentages must be fully explained in the application. The work included in these percentages generally includes: project design, surveying, preparation of bid and contract documents, review of bids, project/construction oversight, preparation of as-built drawings and operation and maintenance plans. Professional services contracted out by the engineering/architectural firm for geotechnical evaluation, core samples, exploratory well drilling or other extra services are not generally included in the above stated limit for engineering and architectural costs. For further assistance contact the Department's staff.

Limits on Construction Contingencies

Construction contingencies are limited to a maximum of 10% of the projected construction line item cost.

Matching Funds

There is no minimum match requirement. However, all project funds necessary to complete the proposed project must be available and committed at the time the application is received by the Department. If any necessary funds are not committed, the applicant must provide clear and convincing evidence as part of its application showing that all project funds, needed for the project will, be secured within 4 months following the date of grant contract execution. Refer to the "Readiness to Proceed" definition in this section for more details.

Mixed Use Facilities

A community/public facility that contains activities eligible under the Method of Distribution and activities non eligible under the Method of Distribution. These types of facilities are not eligible for funding under the program.

"Pass Through" Grants

The city or county grant recipient is fully responsible for the grant-funded project and compliance with all applicable federal and state requirements. Recipients may not "pass through" some or all of the grant funds to another entity to undertake the project activities, except where the Department has reviewed and/or approved a sub recipient agreement or sub-grant agreement for regional housing rehabilitation or economic development revolving loan fund activities. However, the original grant recipient is still responsible for compliance with the federal and state program requirements.

Pre-Award Costs

Costs incurred prior to award of the grant are not eligible for reimbursement in any project assisted in whole or in part with CDBG funds.

Pre-Agreement Costs

In any project assisted in whole or in part with CDBG funds, costs incurred prior to execution of a grant contract but after grant award are not eligible for reimbursement unless there are provisions in the contract allowing payment of specific pre-agreement costs. The activities must also be eligible and undertaken in accordance with the requirements of the Community Development Block Grant program/future contract requirements and the federal environmental review rules at 24 CFR Part 58. Consult with Department staff during project development.

If pre-agreement costs are to be requested, the applicant must provide a written letter, with the application, requesting pre-agreement costs that clearly explains and identifies:

- The amount of funds needed, by budget line item.
- An explanation as to why pre-agreement costs are necessary for the completion of the project.
- The timeline in which the funds will be expended.
- Documentation the federal environmental review rules at 24 CFR Part 58 has been met.

The application must describe the pre-agreement costs within the project description and show the costs in the project budget.

Procurement

When procuring property or services to be paid for in whole or in part with CDBG funds, city and county recipients shall comply with the requirements of Oregon Revised Statutes (ORS) Chapter 279 and Oregon Administrative Rules (OAR) Chapter 137, as applicable. If the grant recipient has professional engineers, architect or other consultants already under contract, the recipient must provide documentation showing that the procurement met State law and the procurement requirements for each grant, from their legal council.

Program Management Services (Only housing rehabilitation and economic development revolving loan fund projects)

Up to 20% of the award can be used for the combined costs associated with grant administration and program management. Of this amount no more than \$15,000 can be used for grant administration costs. Program management costs are expenses directly related to carrying out eligible program activities such as working with low and moderate income eligible clients. These costs are not considered to be grant/project administration costs because they provide a direct service to clients eligible under the low and moderate-income national objective.

In 2008 recipients that are subject to the 20% cap on grant administration and program management, will be allowed an additional \$10,000 on top of the 20% cap for grant administration and program management, allowing a maximum of \$25,000 for grant administration expenses.

Refer to Table G for identification of the eligible grant administration, environmental review, labor standards compliance review, attorney fees, appraisal costs and program management costs.

Project Period (Project Completion Date)

All grants must be administratively closed within the time frame specified in Table N (Page 9-1) from the date the grant contract is fully executed. Projects that are not completed within the specified project period will be terminated and any unexpended grant funds will be re-captured by the state.

Project completion date extension requests must be submitted to the Department, in writing. The written request must contain the reason(s) for the extension, and propose a date when all grant

activities can be completed. In order to be considered the recipient should justify why the project was not completed on time, and the reason(s) were beyond the recipient's control.

The Department Director has the authority to designate/assign grant contract amendment approval authority to:

- 1) The Community Development Division or Central Operations Division for OECD funded projects; and,
- 2) The OHCS for OHCS funded projects.

Publicly Owned

All categories except Type One Economic Development projects:

When a project requires public ownership, the improvements/facility to be constructed must be owned by the applicant or the applicant has a minimum 50-year long-term lease on the improvements/facility. *Note: The eligible applicant must have no intention of turning over/selling the improvements or facility to another entity within 50 years.*

Public infrastructure improvements must be constructed on land owned by or where proper long-term easements have been obtained by the applicant.

Type One Economic Development projects:

The improvements/facility to be constructed must be owned by the applicant or the applicant has a minimum 20-year long-term lease on the improvements/facility. *Note: The eligible applicant must have no intention of turning over/selling the improvements or facility to another entity within 20 years.*

Public infrastructure improvements must be constructed on land owned by or where proper long-term easements have been obtained by the applicant.

Public Services

Public services include: labor, supplies, materials and other costs directly associated with providing the information and referral service contained in the Regional Housing Center and microenterprise assistance category.

Readiness to Proceed

All projects must meet the following readiness to proceed criteria:

- Other funds needed to complete the project are available and committed to the proposed project. **Applications must contain letters of commitment/consideration from all matching resources to be used for the proposed project, bank statements, loan agreements etc. There must be clear and convincing evidence that the match is secured; or,**
- If any necessary funds are not committed, the applicant must provide clear and convincing evidence with the application that demonstrates the funds can be secured **within 4 months** following the date of grant contract execution. **Applications must identify all sources of funds, the date the application was submitted for each source of funds, the expected date of funding determination by each source of funds; or,**
- The project **will commence within four (4) months** following the date of grant contract execution; and,
 - The proposed project will be administratively closed within two years of execution of a contract between the recipient and the State or administratively closed within 36 months for combined final design and construction Public Water/Sewer or Public/Community Facilities grants.
 - A microenterprise assistance project must be administratively closed within 12 months of execution of a contract between the recipient and the State.
- For Economic Development Revolving Loan Fund applicants the project must also demonstrate:
 - A waiting list containing one or two eligible businesses that will use at least 75% of the requested grant; and,
 - All the initial loans will be made within 24 months after execution of the grant contract with the State.

NOTE: If the project is not ready to proceed or matching resources are not secured within four months following the date of grant contract execution, the State may terminate the grant and re-obligate the funds.

Sanctions

The state may bar a recipient from applying for CDBG funds, withhold unallocated funds, require return of unexpended funds or require return of program income, if during the grant period, the State finds that:

- The recipient has not signed the grant contract within 45 days of receiving the contract documents.
- None of the grant activities have commenced within 4 months after execution of the grant contract.

- Federal or state regulations have not been met;
- There is significant deviation from the grant contract-funded activities.
- There has been a monitoring finding that significant corrective actions are necessary to protect the integrity of the project funds, and those corrective actions are not, or will not be implemented within 30 days.

No action will be taken by the State until the recipient has been notified in writing and has been given 30 days to respond to and correct the deficiencies.

Unexpended Grant Funds

Grant funds not used for activities as shown in the approved budget will be recaptured by the State and made available to other communities in accordance with the rules contained within this Method of Distribution.

Waivers

The Director of the Oregon Economic and Community Development Department may waive non-statutory requirements of these program rules. A request for a waiver will be approved only when it is determined necessary to further the objectives of the Community Development Block Grant (CDBG) program and the mission of the Department.

Work Performed by Staff of the City or County Recipient (FORCE ACCOUNT)

Applicants should be aware that federal law governing the program states, "It is the intent of Congress that the Federal assistance made available under this title may not be utilized to reduce substantially the amount of local financial support for community development activities below the level of such support prior to the availability of such assistance" (Public Law 93-383.101(c)).

This means that if the applicant intends to use existing budgeted staff to administer the grant or to work on other grant activities (such as construction), Community Development Block Grant funds cannot be used to pay for that staff. Grant funds should only be used to increase local community development activities.

Cities and counties planning to pay their own staff with grant funds for administration and/or force account work including, but not limited to, engineering, design and inspection services, construction labor and operation of locally owned equipment must consult with Department staff prior to submitting an application.

TABLE F
Guide for Grant Administration/Activity Delivery Costs/Program Management Costs

| Activity | Grant Administration Cost (yes/no) | Activity Delivery Cost (yes/no) | Program Management Cost (yes/no) | Maximum amount allowed |
|--|------------------------------------|---------------------------------|----------------------------------|---|
| Preparing budgets, schedules, contract amendments | Yes | No | No | 10% of the grant award but not more than \$25,000. |
| Drafting Requests for Proposals and agreements with consultants for grant administration or other consulting work (Architect and Engineer) | Yes | No | No | |
| Setting up systems to assure compliance with state and federal program requirements. For example: labor standards files and a grant accounting system. | Yes | No | No | |
| Monitoring project progress against the grant contract scope of work and budget and reporting to elected officials. | Yes | No | No | |
| Preparing disbursements/cash requests, reports, and other documents for submission to the Department. | Yes | No | No | |
| Participating in Department monitoring visits and responding to monitoring findings and concerns. | Yes | No | No | |
| Preparing a project completion report, assisting an auditor with required grant information. | Yes | No | No | |
| Costs of publishing the Fair Housing Resolution. | Yes | No | No | |
| Purchase of capital equipment, such as computers and file cabinets for grant administration. | Yes | No | No | |
| Training on CDBG grant administration requirements. | Yes | No | No | Maximum amount \$4,000 per project. |
| Preparation of the environmental assessment or other environmental documents and publishing required notices | No | Yes | No | |
| Labor Standards Compliance work related to conducting on-site employee interviews, verifying payroll data, reviewing payrolls, attending pre-construction conferences, and obtaining compliance with these requirements. | No | Yes | No | Maximum amount \$6,000 per project. |
| Attorney's fees for preparing or reviewing contract documents or property acquisition activities. | No | Yes | No | No maximum – reasonable and necessary to complete the activity. |
| Professional appraiser 's fees related to property acquisition. | No | Yes | No | No maximum – reasonable and necessary to complete the activity. |
| Marketing Grant Activities to clients | No | No | Yes | Up to 20% of the grant award for the combined costs associated grant administration and program management. |
| Collecting client applications, verifying application to determine eligibility | No | No | Yes | |
| Making referrals for products or services | No | No | Yes | |
| Providing education or counseling to clients | No | No | Yes | |
| Site-specific environmental review, on-site inspections, bid preparation, contracting, client/contractor troubleshooting, compiling cost data on individual rehabilitation homes. | No | No | Yes | Refer to Chapter 5 for more information. |

Chapter 6 2006 Citizen Participation Plan

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 this plan. Some of the requirements will be checked by the Oregon Economic and Community Development Department (OECD or Department) during application review; others will be verified when grant projects are monitored.

Applications from jurisdictions that fail to comply with the citizen participation requirements will not be accepted. Applicants must use the required first public notice included in this chapter.

Requirements

Every applicant must provide evidence and certify in the application and, if funded, the grant agreement, that it is following a citizen participation plan which includes at least the seven elements required in 24 CFR Part 570.486. These seven elements are presented below. Each is followed by the state standard that will be used to determine if the applicant is complying with federal requirements.

1. **Low and Moderate Income Citizen Participation** - The local government must provide for and encourage citizen participation, particularly by low and moderate-income persons who reside within the city or county in which the grant funds are proposed to be used.

State standard: Applicants must inform low and moderate-income residents, and/or groups which represent them, of the opportunity to apply for CDBG funds. The purpose of this effort is to involve the residents in the identification of community development and housing needs, including the needs of low income and moderate-income families. The information shall include the following, at a minimum:

- a. The amount of funds available for proposed community development and housing activities;
- b. The range of activities that may be undertaken; and,
- c. The location of additional information about the Oregon Community Development Block Grant program.

The Department encourages the grant recipient to invite at least one organization that represents low and moderate-income persons to the public hearing. Department staff should be contacted for suggestions if a city or county cannot identify an appropriate organization for its area.

2. **Access To Information** - The local government must ensure that citizens will be given reasonable and timely access to local meetings, information, and records relating to the local government's proposed and actual use of CDBG funds.

State standard: The Oregon Public Meetings law (ORS 192.610 to 192.690) will be used by the state and local governments to assure that citizens have reasonable notice of public meetings and access to records of those meetings. The grant application must include copies of public notices and minutes from meetings about the local community development program. Local governments must provide citizens with access to information and records about their community development program and any proposed application in accordance with the Oregon Public Records law (ORS 192.001 to 192.505).

- 3. Required Information** - The local government must furnish citizens information, including, but not limited to:
- a. The amount of CDBG funds expected to be made available for the current fiscal year (including the grant and anticipated program income);
 - b. The range of activities that may be undertaken with the grant funds;
 - c. The estimated amount of grant funds proposed to be used for activities that will meet the national objective of benefit to low and moderate income persons; and,
 - d. The proposed activities likely to result in displacement and the local government's antidisplacement and relocation plans required under 24 CFR Part 570.488, Part 570.606, and Part 42.

State Standard: The notice included within this chapter must be used for this first hearing and for meeting this federal regulation.

Some detail in the required notice will need to be inserted by the applicant (e.g., amount of grant funds proposed to be used). Information in the notice about the amount of CDBG funds available and the range of activities that may be undertaken may vary during the program year.

- 4. Technical Assistance** - The local government must provide technical assistance to groups representing persons of low and moderate income that request assistance in developing proposals in accordance with the procedures developed by the Department. Such assistance need not include providing funds to such groups. The level and type of assistance can be determined by the jurisdiction.

State standard: The applicant must also describe in the application how it has responded to requests for technical assistance from groups representing low and moderate-income persons, such as community action agencies. The level of assistance provided can be determined based on the applicant's staff and budget limitations.

- 5. Public Hearings** - The local government must provide for a minimum of two public hearings, each at a different stage of the project, for the purpose of obtaining citizen's views and responding to proposals and questions. Together, the hearings must cover community development and housing needs, development of proposed activities and a review of program performance.

The public hearing to cover community development and housing needs must be held before submission of an application to the state. There must be reasonable notice of

hearings and they must be held at times and locations convenient to potential and actual beneficiaries, with accommodations for the handicapped. Public notices and hearings shall be presented and conducted in a manner to meet the needs of non-English speaking residents who can reasonably be expected to participate.

State standard: The governing body of the applicant (city council or county board of commissioners) must provide for a minimum of two public hearings at different stages of the grant project. Together, the hearings must cover community development and housing needs, development of proposed activities and a review of program performance.

Hearing #1 - The purpose of the first hearing is for the city council or county board of commissioners to take comments from citizens about **both** community development needs and the project proposed for grant funding prior to submitting an application to the Department. **The notice form included in this chapter must be used for the first hearing.**

Hearing #2 - The purpose of the second hearing is for the city council or county board of commissioners to review the results of the project with citizens and to take comments about the local government's performance as part of the grant closeout process. A model notice for the second hearing is included in the Grant Management handbook.

Each hearing must be held with enough advance notice to ensure adequate opportunity for interested citizens and groups to participate. Public notice shall be made in accordance with local practice. Applicant's must provide copies of the public notice, affidavit of publication or certification of posting, and final signed copy of the hearing minutes from the first public hearing with the grant application and the second hearing prior to project completion. The final draft of the application must be made available to the public once it is submitted, if not before.

In the grant application, the city or county must describe how it determined whether or not non-English speaking residents were expected to participate. One source of information about non-English speaking residents is Summary File DP-1 (Social Characteristics) data from the 2000 Census (available from the Oregon Economic and Community Development Department). DP-1 file includes statistics about the languages spoken at home, ability to speak English, and linguistic isolation of persons living in each city and county. ***If more than 10% of the population is non-english speaking than the public hearing notices are required to be published or posted in those languages.***

The Spanish language version of the first required public hearing notice is included in this chapter. Applicants needing assistance in reaching other language groups should contact Department staff for advice.

- 6. Opportunity to Comment on Proposed and Actual Activities** - The local government shall provide citizens with reasonable advance notice of, and opportunity to comment on, proposed activities in an application to the state and, for grants already made, activities which are proposed to be added, deleted or substantially changed from the local

government 's application to the state. Substantially changed means changes made in terms of purpose, scope, location or beneficiaries as defined by criteria established by the state.

State standard: The public must be provided the opportunity to comment on a proposed application at the public hearing held for that purpose ("first" hearing) and/or to submit written comments in accordance with instructions provided in the hearing notice.

Recipients must provide a similar opportunity for the public to comment on significant changes in an approved project. Generally, this means that if the grant recipient seeks to move grant funds to an activity that was not part of the approved project budget in the grant contract, a public hearing must be held with appropriate notice. Department staff will help the recipient determine when a proposed change is significant enough to require a hearing.

- 7. Timely Response to Complaints** - The local government shall provide citizens the address, phone number, and times for submitting complaints and grievances, and provide timely written answers to written complaints and grievances, within 15 working days when practical.

State standard: If awarded a grant, the local government will be monitored by Department staff for compliance with all applicable federal and state regulations. Part of this monitoring will include checking to see that the grant recipient provides a prompt, written response to all written complaints concerning the community development program and grant project.

REQUIRED NOTICE FOR PUBLIC HEARING #1

NOTE: The notice on the next page is for the first required public hearing. The purpose of the hearing is to take comments from citizens on **both** the community development and housing needs in the city or county and the project proposed for grant funding. The notice must be published by the applicant in accordance with local practice for notice of public hearings.

PUBLIC NOTICE AND NOTICE OF PUBLIC HEARING

The (city/county) is eligible to apply for a 2008 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 2008. The maximum grant that a city or county can receive is \$1,000,000.

The (city/county) is preparing an application for a 2008 Community Development Block Grant from the Oregon Economic and Community Development Department for (name of project,

location, and purpose). It is estimated that the proposed project will benefit at least (number) persons, of whom (percentage) will be low or moderate income.

A public hearing will be held by the (city council/board of commissioners) at (time) on (day) at the (location). The purpose of this hearing is for the (city council/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 (date) at (address). Both oral and written comments will be considered by the (city council/board of commissioners) in deciding whether to apply.

The location of the hearing is accessible to persons with disabilities. Please let (name of contact person/office) at (telephone number) 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 the (city/county's) past use of Community Development Block Grant funds is available for public review at (location) during regular office hours. Advance notice is requested. If special accommodations are needed, please notify (name of contact person/office) at (telephone number) 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.

AVISO PÚBLICO Y NOTICIA DE AUDIENCIA PÚBLICA

La (ciudad/condado) es elegible para aplicar a un Subsidio en 2008 del Community Development Block Grant que a su vez viene del Oregon Economic and Community Development Department (Departamento de Desarrollo Economía y Comunitario de Oregon).

Los Subsidios del Community Development Block Grant (Bloque Subsidiario para el Desarrollo Comunitario) vienen desde el U.S. Department of Housing and Urban Development (Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos). Los subsidios pueden ser usados para instalaciones públicas y remodelación de casas, primariamente por personas con ingresos moderados o bajos.

Aproximadamente \$14 millones serán otorgados en 2008 a ciudades y condados no-metropolitanos de Oregon. El máximo de subsidios que la ciudad o el condado puede recibir es \$1,000,000.

La (ciudad/condado) está preparando una aplicación en 2008 para el subsidio del Community Development Block Grant que viene del Oregon Economic and Community Development

Department para (nombre del proyecto, ubicación y propósito). Está estimado que el proyecto propuesto beneficiará a por lo menos (número) personas, de los cuales (porcentaje) serán de ingresos moderados o bajos.

Una audiencia pública se llevará a cabo por el (consejo de la ciudad/junta de comisionados) a las (tiempo) del (día) en la (ubicación).

El propósito de esta audiencia es para que el (consejo de la ciudad/junta de comisionados) obtenga puntos de vista de los ciudadanos y para responder preguntas acerca de:

Desarrollo comunitario y necesidades de vivienda, especialmente las necesidades de personas con ingresos moderados y bajos, así como también otras necesidades en la comunidad que podrían ser asistidas con un subsidio del proyecto Community Development Block Grant; and, El proyecto propuesto.

Los comentarios escritos son también bienvenidos y deben ser recibidos el (día) en la (dirección). Ambos comentarios, escritos y orales serán considerados por el (consejo de la ciudad/junta de comisionados) en decidir si aplican.

La ubicación de la audiencia es accesible para personas con incapacidades. Por favor dejar (nombre de la persona de contacto/oficina) el (número de teléfono) para saber si usted necesitará cualquier tipo de acomodaciones especiales para asistir o participar en la reunión.

Más información sobre el Oregon Community Development Block Grants, el proyecto propuesto y los pasados registros sobre la (ciudad/condados) en el uso de los subsidios del Community Development Block Grant están disponibles para la revisión pública en la (ubicación) durante las horas regulares de oficina. Se requiere del aviso anticipado. Si las acomodaciones especiales son necesitadas, por favor notifíquelo (nombre de la persona de contacto/oficina) el (número de teléfono) de modo que la asistencia apropiada pueda proveerse.

La desalojamiento involuntaria permanente de personas o negocios no es esperada como un resultado del proyecto propuesto. Si la desalojamiento llegara a ser necesaria, serán examinadas alternativas para minimizar la desalojamiento y proveer beneficios requeridos/razonables para aquellos removidos. Calquier casa de ingreso moderado y bajo la cual sea demolida o convertida en otro uso será reemplazada.

Chapter 7 OECD Application Procedures

These procedures apply only to the majority of the applications submitted to the Oregon Economic and Community Development Department (OECD or Department). These procedures do not apply to:

- Community Capacity/Technical Assistance Projects;
- Emergency Grant projects; and,
- Regional Housing Rehabilitation or Housing Resource Center Grant applications submitted to Oregon Housing and Community Services.

DEADLINE(s): Applications will be accepted year round. Applications will be rated and ranked and awards announced in accordance with the following schedule. The Department will not conduct a quarterly round if insufficient funds remain to conduct another quarterly round. Notice of insufficient funds for further quarterly rounds will be provided to all eligible applicants if this situation occurs.

| 2008 TIMELINE | ACTION |
|-------------------------|--|
| January 1 – March 31 | Applications will be accepted. |
| May 2008 | Awards announced for applications submitted between January 1 – March 31 |
| April 1 – June 30 | Applications will be accepted. |
| August 2008 | Awards announced for applications submitted between April 1 – June 30 |
| July 1 – September 30 | Applications will be accepted. |
| November 2008 | Awards announced for applications submitted between July 1 – September 30 |
| October 1 – December 31 | Applications will be accepted. |
| February 2009 | Awards announced for applications submitted between October 1 – December 31 (Note: Applications will be rated and ranked under the 2008 Method of Distribution Requirements) |

STEP 1 (Initial Contact and Project Concept)

The project proponent must contact the Department prior to submitting an application. One of the Department’s Regional Coordinators (RC) will be assigned to work with the project proponent to develop and review the proposed project concept. A copy of the Project Notification and Intake Form is included at the end of this Chapter. Initially, the Regional Coordinator will work informally with the

proponent to determine if a proposed project will meet the State's funding criteria and if funds may be available.

A "One Stop" meeting will be scheduled if warranted, or requested by the proponent. The "One Stop" meeting will include several federal and state regulatory and funding agencies. These meetings are held the second Tuesday of each month, in Salem, with communities seeking funding for public works (infrastructure) and other public/community facility improvements. The purpose of the meetings is to acquaint funding agencies with the community's problem and help the community develop the work plan and funding scheme to ensure a cost effective solution. "One Stop" meetings have been proven to reduce the paperwork and administrative burden for communities and state and federal funding agencies. "One Stop" meetings are more effective if held after the applicant has completed a master plan or facilities plan and/or has estimated costs for final design and construction of the necessary improvements.

The potential applicant must officially submit a Project Notification and Intake Form to the Department. The RC will then route the intake form for internal agency comment. A copy of the intake form is included at the end of this chapter.

STEP 2 (Application)

The Regional Coordinator will inform the proponent and the unit of local government (city or county) about the Department's review of the Project Notification and Intake Form. The Regional Coordinator will invite a unit of local government (city or county) to submit an application for a 2008 Community Development Block Grant program upon determination that:

- The proposed project is likely to meet a national objective
- The proposed project is an eligible activity listed in the 2008 Method of Distribution
- The applicant is not otherwise ineligible to apply for the program, refer to Chapter 2 for more information, and
- A preliminary financial review of any proposed water and wastewater final design and/or construction project shows that the project is eligible for funding and the monthly user rates are at or will exceed the affordability rate by construction completion, of the proposed project.

If this review shows the applicant or the project does not appear to be grant eligible, the applicant will not be invited to submit a grant application to the Community Development Block Grant program, but may be invited to submit application(s) for other funding sources offered by the Department.

If an application is invited, the Method of Distribution and application forms will be made available to the applicant.

NOTE: The federal regulations apply to a project as soon as there is clear intent to use CDBG funds. The State defines "intent to use CDBG funds" as the date the Department receives an intake/project concept. From this point forward all the Federal and State CDBG requirements apply to the project.

STEP 3 (Application Submitted)

One signed original and two copies (3 total) of the complete application must be received by Oregon Economic and Community Development Department no later than 5:00 pm on the last day of the application submittal period. The application must be signed by the applicant's highest elected official. Applications transmitted electronically or by fax will not be accepted.

STEP 4 (Threshold Review)

Once received support staff will date stamped the application, route a copy of the front page to the Program and Policy Coordinator (PPC) and route all three copies of the application to the RC for threshold review. The RC has seven working days to complete threshold review. For applications received on last day of the quarter (application deadline), the threshold review must be completed by the 21 day of the following month. **Note: If the RC is unable to complete this review contact the PPC for assistance. This includes the 15 days for the applicant to make incomplete applications complete.**

Note: Applications will be returned to the applicant for submittal in a subsequent competitive round if the Department determines that the application was submitted without compliance with Step 2 and/or including but not limited to:

- **A Project Notification and Intake form being submitted to the Department, and**
- **An invitation to submit an application from the Department for the Community Development Block Grant program.**
- **Matching funds are not secured or cannot be secured within 4 months of contract execution as required to meet the Readiness to Proceed criteria.**
- **The application complying with all 2008 Method of Distribution Requirements.**

Incomplete Applications:

The RC will mail the applicant a letter identifying the missing or incomplete information needed to make the application complete. The applicant will have 15 days to provide the missing/needed documentation. Applications not made complete by the applicant within the 15 days will be deemed incomplete and returned to the applicant for re-submittal in the next quarterly competitive cycle. The RC will mail the applicants a letter identifying the incomplete status and providing assistance on completing missing parts/information so the application can be resubmitted in the next quarterly cycle.

Complete Applications:

For applications deemed complete by the RC:

- 1) The RC will prepare a memo with the results of the threshold review and the recommendation to forward the application to the rate and rank team for the Infrastructure Manager;
- 2) Once approved by the Infrastructure Manager the RC will forward all three copies of the application to the PPC for assignment to the rating and ranking team; and,

- 3) The RC will mail a letter to the applicant informing them that the application was deemed complete and forwarded to the Rating and Ranking team for processing.

STEP 5 (Application Assignment)

As appropriate, applications will be reviewed by an architect or engineer hired by the Department. Review comments will be considered by the rating and ranking Team during application processing and scoring. The Department will consult with other appropriate state and federal agencies regarding the application and any aspect of the proposed project as necessary.

STEP 6 (Application Review)

All applications are rated and ranked in accordance with criteria contained in the 2008 Method of Distribution.

During the review process the State will determine that the applicant is an eligible sub-recipient in accordance with OMB circular A-133 and Section 0.102 of Oregon Accounting Manual 04 03 00.P0 (effective June 1, 1998). If a recipient accepts any CDBG award from the State they agree to monitor any local government or nonprofit organization sub-recipient to whom it may pass funds.

Applications for construction and final engineering (architectural services) will be evaluated on the overall project and engineering feasibility and financial need of the applicant. Engineering feasibility reports, final engineering designs, and project cost estimates may be reviewed by an engineer/architect under contract to the Department or on staff.

The Department must have evidence, such as a Land Use Compatibility Statement, that the project activity complies with statewide planning goals and is compatible with applicable acknowledged city and county comprehensive plans and land use regulations.

Applications will be processed by the rating and ranking team. Funding recommendations resulting from the team review will be prepared by the CDBG PPC and will be forwarded to the Community Development Division Manager. The Community Development Division Manager has final authority over the proposed funding recommendations that are forwarded to the senior management review committee.

NOTE: The recommended grant amount may be less than requested by the applicant. Applicants are not penalized for requesting the maximum grant amount but the Department reserves the right to award a lesser amount.

The rating and ranking team recommendation may include a backup funding list and may include, for each category, a recommended award "cutoff" line, below which the staff recommends that awards NOT be made. The "cutoff" line for a particular category will be accompanied by written findings prepared by the rating and ranking team to support the recommendation.

REQUIRED – All applications must score a minimum of 70% of the total points available for the type of project being applied for. Applications that do not meet the minimum point score will not be forwarded for a funding recommendation and will be returned to the applicant for re-submittal during the next quarterly competitive round. The following table contains the minimum point score needed to qualify for funding consideration during rating and ranking.

| Funding Category | Project Type | Maximum Points | Minimum Points Required for Funding |
|----------------------------|--|----------------|-------------------------------------|
| Community Facilities | Reduce Homelessness and Hunger | 470 | 329 |
| Community Facilities | Life Threatening Situations | 445 | 312 |
| Community Facilities | Essential Community Services | 420 | 294 |
| Community Facilities | Other Community Projects | 395 | 277 |
| Public Works | Design and construction needed for compliance | 500 | 350 |
| Public Works | Planning Projects needed for compliance | 435 | 305 |
| Public Works | Design and construction projects not needed for compliance | 450 | 315 |
| Public Works | Planning Projects not needed for compliance | 385 | 270 |
| Public Works | Brownfield Redevelopment and Off-Site Infrastructure | 420 | 294 |
| Public Works | Downtown Revitalization and Downtown Façade Rehabilitation | 395 | 277 |
| Microenterprise Assistance | Participation of 3 communities | 435 | 305 |
| Microenterprise Assistance | Participation of 2 communities | 410 | 287 |
| Microenterprise Assistance | Participation of 1 community | 385 | 270 |
| Economic Development | Type One and Two | 500 | 350 |

STEP 7 (Senior Management, League of Oregon Cities (LOC) and Association of Oregon Counties (AOC) Review)

The Community Development Division Manager will select the members from Oregon Economic and Community Development Department’s senior management staff to participate in the Senior Management Review Committee. Representatives from LOC and AOC participate in the Review Committee. The review committee will review the recommendations from the rating and ranking team and forward funding recommendations to the Department Director for approval.

STEP 8 (Department Director Review)

The Department Director will review the funding recommendations from Senior Management, LOC and AOC. The Director has the authority to concur with the funding recommendations or not fund any or all projects, as appropriate. All funding decisions made by the Department Director are final.

The Department reserves the right to not fund any application which it deems not eligible, properly developed or not ready to proceed.

STEP 9 (Notice of Decision)

The Department shall notify applicants, in writing, of their funding status approximately 60 days after the deadline for applications.

STEP 10 (Award Letters and Contracts)

Funded Applicants

The application files are provided to the RC to prepare the award letters for Department Director signature. Award letters must be mailed no later than 90 days after the closing date for applications. The RC will also start the internal process for contract processing.

Un-funded Applicants

Application files are provided back to the RC. The RC will contact the applicant and explain why the application was not funded and provide technical assistance to develop another application for re-submittal in the next quarterly competitive application cycle. The RC will prepare a letter containing the necessary information, to make the application more competitive, for the applicant. The Community Development Division Manager will sign these letters.

**RATING AND RANKING CRITERIA:
(APPLICATION SELECTION CRITERIA)**

| | | |
|----|--------------------------------------|-------------------|
| 1. | Need for project – Impact of problem | 100 points |
| 2. | Proposed solution | 225 points |
| | Project Design | 50 points |
| | Readiness to Proceed | 110 points |
| | Financial Need | 65 points |
| 3. | Meeting a National Objective | 100 points |
| 4. | Persons to be served by the facility | 25 points |
| 5. | Points for no recent CDBG awards | 10 points |
| 6. | Grant Administration Capacity | 20 points |
| 7. | Applicant Capacity | 20 points |
| | TOTAL | 500 points |

(+50 bonus points for applicants with a Certified Main Street program applying for an Economic Development Revolving Loan Fund, Downtown Revitalization, Brownfield Redevelopment, or Downtown Façade Rehabilitation Project.)

NOTE: Applications from one category will not compete with applications from another category. Like applications will compete against like applications.

Need for project – 100 points *(Note Any Applicant with an certified Main Street Program applying for an Economic Development Revolving Loan Fund, Downtown Revitalization, Brownfield Redevelopment or “Downtown Façade Rehabilitation Project will receive 50 additional bonus points for need.)*

Point scores will be determined in part by the severity of the identified problem compared to those of other applications received within that funding category.

REQUIRED – *Applicants must describe in the “Need” section how this project fits into the new local Infrastructure Inventory process, this includes providing any supporting documentation that the project is included in the local inventory.*

For example:

An application for assistance and/or shelter needed for victims of life threatening situations such as domestic violence and homelessness will score higher than applications submitted which serve the community as a whole or specific groups such as community centers or a senior center.

An application submitted to bring a water or wastewater system into compliance with the Safe Drinking Water Act or Clean Water Act will score higher than an application submitted for a water or wastewater system without non-compliance issues.

TABLE G

| PUBLIC/COMMUNITY FACILITIES | | |
|--|--|-------------------------|
| Project Category | Project Type | Maximum Possible Points |
| Projects that reduce homelessness and hunger | Homeless shelters, transitional housing, food banks. | 100 points |
| Projects that pertain to life threatening situations | Shelters for victims of domestic violence. | 75 points |
| Essential community services | Shelters/workshops for people with disabilities, health clinics, mental health treatment centers, drug and alcohol treatment facilities, fire stations, senior centers head start facilities. | 50 points |
| Other community projects | Libraries, adult learning centers, community centers. | 25 points |
| Combination Facilities | A combination facility will not be considered two separate projects and the applicant will only be eligible for the maximum grant associated with the highest use of the facility. Application’s will be rated and ranked based upon the highest use of the facility. Use is defined as “clients served”. If the number of clients served by each type of facility included in the combination facility are equal, the highest use will be determined by the facility type that most closely meets HUD’s priority of ending chronic homelessness and hunger. | |
| PUBLIC WORKS | | |
| Project Category | Project Type | Maximum Possible Points |
| Water and Wastewater | Projects necessary to bring the system into compliance with Safe Drinking Water Act or Clean Water Act requirements and to provide safe, healthy drinking water and | 100 points |

| | | |
|--|--|-------------------------|
| | wastewater services to the entire community. | |
| Water and Wastewater | Projects necessary for the provision of safe, healthy, reliable drinking water and proper sanitary wastewater service to the entire community. | 50 points |
| Brownfield Redevelopment/Off-site Infrastructure | Projects, which pertain to health and safety and the protection of the environment. Projects do not serve the entire community or a large portion of the community and are specific to an affordable housing development. | 50 points |
| Downtown Revitalization and Downtown Façade Rehabilitation | Projects are not necessary for the health and safety of the community as a whole. Downtown revitalization projects are used to enhance the downtown area through beautification and access improvements to encourage downtown development. | 25 points |
| MICROENTERPRISE ASSISTANCE | | |
| Project Category | Project Type | Maximum Possible Points |
| Microenterprise Assistance | 3 communities participating in microenterprise assistance project. | 100 points |
| Microenterprise Assistance | 2 communities participating in microenterprise assistance project. | 75 points |
| Microenterprise Assistance | 1 community participating in microenterprise assistance project. | 50 points |
| OTHER CATEGORIES | | |
| Project Category | Project Type | Maximum Possible Points |
| Economic Development (Type One or Type Two projects) | | 100 points |

Proposed Solution – 50 points

The applicant’s description of the proposed solution will be compared to the identified problem. A strong application will show that the proposed use of funds will address the identified need(s) and that the applicant has anticipated and planned for many factors that can affect successful completion of the project.

A strong application will clearly document:

- The proposed project is the best available solution, based upon an analysis of other alternatives.
- The facility will be of adequate size to provide the proposed level of service.
- The facility will not duplicate other services provided in the area.
- The project budget is adequate.
- The applicant has identified all the steps necessary to achieve successful completion and has a reasonable work plan.

Readiness to Proceed – 110 Points

To document readiness to proceed:

- Other funds needed to complete the project are available and committed to the proposed project. **Applications must contain letters of commitment/consideration from all matching resources to be used for the proposed project, bank statements, loan agreements etc. There must be clear and convincing evidence that the match is secured; or,**
- If any necessary funds are not committed, the applicant must provide clear and convincing evidence with the application that demonstrates the funds can be secured **within 4 months** following the date of grant contract execution. **Applications must identify all sources of funds, the date the application was submitted for each source of funds, the expected date of funding determination by each source of funds; or,**
- The project **will commence within four (4) months** following the date of grant contract execution; and,
 - The proposed project will be administratively closed within two years of execution of a contract between the recipient and the State or administratively closed within 36 months for combined final design and construction Public Water/Sewer or Public/Community Facilities grants.
 - A microenterprise assistance project must be administratively closed within 12 months of execution of a contract between the recipient and the State.
- For Economic Development Revolving Loan Fund applicants the project must also demonstrate:
 - A waiting list containing one or two eligible businesses that will use at least 75% of the requested grant; and,
 - All the initial loans will be made within 24 months after execution of the grant contract with the State.

NOTE: If the project is not ready to proceed or matching resources are not secured within four months following the date of grant contract execution, the State may terminate the grant and re-obligate the funds.

TABLE H

| Readiness to Proceed | Maximum Possible Points |
|---|-------------------------|
| Funds needed to complete the project are available and committed. Applicant has clearly documented that the project will commence within four (4) months from grant contract execution. | 50 points |
| Necessary funds are not committed but applicant has identified that they will be committed within four months following the date of grant contract execution. Applicant has clearly documented that the project will commence within four (4) months from grant contract execution. | 25 points |
| Necessary funds are not committed and the applicant has not identified that they will be committed within four months following the date of grant contract execution. Applicant has clearly documented that the project will not commence within four (4) months from grant contract execution. | 0 points |

Applicants will receive points based upon the percentage of the committed/secured matching funds in the project, compared to the CDBG grant requested. For example:

Total Project Cost: \$1,200,000
 Less Requested CDBG Grant: \$800,000
 Committed Matching Funds: \$400,000

$\$400,000/\$800,000 \times 100 = 50\%$ This project would be assigned 30 points.

| Percent Matching Funds in the Project | Maximum Possible Points |
|---------------------------------------|-------------------------|
| 75-100% | 60 points |
| 51-75% | 45 points |
| 26-50% | 30 points |
| 1-25% | 15 points |
| 0% | 0 points |

Financial – 65 points

The basic concept of this review is to determine that the project cannot be completed without the requested grant.

- **If, during staff review of the application, direct and clear evidence is obtained by the Department that the grant funds are not needed and that the project can or will be carried out by the applicant whether or not the grant is awarded, the application will not be rated and ranked.**
- **If an applicant (county or city) is the owner and operator** of the facility, the applicant's financial records will be analyzed for ability to service debt.
- **If an applicant (county or city) is applying on behalf of a nonprofit or other public entity** and the nonprofit or other public entity will be the owner and operator of the facility and the applicant has no responsibility for providing said service, then that nonprofit's or other public entity's financial records will be analyzed for the ability to service debt.
- **If an applicant (county or city) is responsible for providing said service** (such as mental health), whether or not the applicant is contracting out the operation of the facility to a nonprofit or another public entity, the applicant's financial records will be analyzed for the ability to service debt.

Water and wastewater final design and construction grant applicants will also undergo a financial review to ensure that the monthly user rate at construction completion of the proposed project meets the affordability criteria.

Affordability Criteria - If the projected annual utility rate for the respective system (water or wastewater), with the requested CDBG assistance, at construction completion of the proposed project being applied for, will need to be within the current percentage (In 2007 this was 1.48%) of

the 2000 Median Household Income (MHI) to provide adequate operations, maintenance and debt service, the proposed project will qualify for funding. Refer to chapter 11 for more information on the financial review for water and wastewater applications.

Other applicable issues/concerns.

All financial information in the application must be prepared for the proposed activity, unless another funding source (e.g., USDA Rural Utilities Service) has already reviewed similar financial information and made a funding commitment based upon their review. In such cases, the financial feasibility analysis of the other funding source shall be submitted with the application. Applicants for program categories that do not require a financial analysis (microenterprise assistance, water and wastewater preliminary engineering/planning and community capacity/technical assistance grants) will be given 0 points for this criterion and compared only against other like applications submitted for the same funding category.

TABLE I – Financial Feasibility

| PUBLIC/COMMUNITY FACILITIES and PUBLIC WORKS PROJECTS | | | | | |
|--|------------|---|------------|---|----------|
| Grant Amount Requested | Max Points | Public Works Water and Wastewater Estimated User Rates at Construction Completion | | Max Points | |
| \$0 to \$299,999 | 15 | \$50.01 and over | | 30 | |
| | | \$45.01 - \$50.00 | | 25 | |
| \$300,000 to \$499,999 | 10 | \$40.01 - \$45.00 | | 20 | |
| | | \$35.01 - \$40.00 | | 15 | |
| More than \$500,000 | 5 | \$30.01 - \$35.00 | | 10 | |
| | | \$25.01 - \$30.00 | | 5 | |
| | | \$25.00 and under | | 0 | |
| 20 points is reserved for discretionary opinion of financial need. | | Community Facility, Brownfield Redevelopment, Off-Site Infrastructure, Downtown Revitalization, Downtown Façade Rehabilitation Projects | | 0 | |
| ECONOMIC DEVELOPMENT PROJECTS | | | | OTHER CATEGORIES | |
| Jobs Created/ Retained | Max Points | Grant Amount Requested | Max Points | | |
| 56 and above | 35 | \$100,000 to \$199,999 | 30 | Microenterprise Assistance | 0 points |
| 46-55 | 30 | \$200,000 to \$299,999 | 25 | Public Works Water and Wastewater Planning Grants | 0 points |
| 36-45 | 25 | \$300,000 to \$399,999 | 20 | Community Capacity/Technical Assistance | 0 points |
| 26-35 | 20 | \$400,000 to \$499,999 | 15 | | |
| 16-25 | 15 | \$500,000 to \$599,999 | 10 | | |
| 6-15 | 10 | \$600,000 to \$699,999 | 5 | | |
| 5 or less | 5 | More than \$700,000 | 2 | | |

Meeting a National Objective - 100 points

All projects must meet one of three national objectives: provide principle benefit to low and moderate income persons; aid in the prevention or elimination of slum and blight; or, address a situation of particular urgency that poses a threat to community health and welfare. The documentation requirements contained in Chapter 5 must be met.

The low and moderate-income percentage of the target populations will be compared. Projects designed to serve persons with the least financial resources will receive relatively more points under this criterion. All other things being equal on a community facilities application, proposals that serve those persons of the least financial resources will receive preference. For example, a shelter for homeless persons will be rated higher than a group home where residents have incomes from jobs or other sources.

TABLE J(a), (b) and (c)

| Table J(a) | |
|--|-----------------------|
| National Objective | Maximum Points |
| Clear documentation was provided by the applicant that demonstrates the project will meet a national objective. | 75 points |
| Applicant provided documentation which does not clearly indicate project will meet national objective, but it does appear that there is every reasonable likelihood that the project will do so. | 50 points |
| Applicant provided questionable documentation that the project will meet a national objective. It does not appear that there is every reasonable likelihood the project will meet this criteria. | 0 points |

| Table J(b) | |
|--|-------------------|
| % LMI of Target Population | Max Points |
| 100%-90% | 25 |
| 89%-80% | 20 |
| 79%-70% | 15 |
| 69%-60% | 10 |
| 59%- 51% | 5 |
| Project does not meet the low and moderate income national objective | 0 |

Person to be served by the facility - 25 points

Points will be assigned for the number of unduplicated individuals the proposed facility can reasonably be expected to serve during the first year after project completion. Projects which are available to all the residents of a particular area (area wide benefit projects) will be ranked separately from projects that serve a limited clientele.

Existing Limited Clientele Facilities - Projects which involve expansion or improvement of an existing facility will provide actual use records for a period of no less than 12 months. A justified number of new users may then be added to the actual number of users based on additional services or capacity resulting from the project. The numbers cannot include family members of individual clients or counts of repeated visits or use by the same person.

New Facilities – For projects that will create a new facility, the estimate must be based upon available and verifiable data that documents the need for, and capacity of, the facility, such as the number of persons on waiting lists for existing services or referrals of potential clients to facilities in other locations. The numbers cannot include family members of individual clients or counts of repeated visits or use by the same person.

Senior Centers – The measurement of use will be the number of meals served per week to unduplicated individuals. In other words, the applicant must provide information that shows how many persons per week will eat at least one meal at the facility. Individuals receiving home-delivered meals prepared at the facility may also be counted (once each).

| Table J(c) | |
|---------------------------|-------------------|
| # of Beneficiaries | Max Points |
| 1,500 or more | 25 |
| 1,499 – 1,000 | 20 |
| 999 – 500 | 15 |
| 499 – 250 | 10 |
| 249 – 100 | 5 |
| 99-1 | 2 |

Points for no recent OECD CDBG awards - 10 points

Ten points will be received by any applicant that has not had a grant from the CDBG program since 2004 or earlier. Five points will be given to those applicants with no CDBG awards since 2005.

TABLE K

| Recent CDBG Awards | Maximum Points |
|--|-----------------------|
| No awards from OECD since 2004 or earlier | 10 points |
| No awards from OECD since 2005 or earlier | 5 points |
| Applicant has received awards from OECD in 2006 and 2007 | 0 points |

Grant Administration Capacity – 20 points

A maximum of 20 points is available to applicants with a grant administration plan and history that demonstrates that the grant award and project will be managed effectively. The review will include:

- Applicant is currently administering other CDBG grant(s) within the allotted time frames.
- Applicant has demonstrated successful closeout procedures with prior CDBG projects.
- Applicant has clearly identified the roles and responsibilities for all persons involved with all aspects of the project.

Applicant Capacity – 20 points

Each applicant must provide a list of all OPEN Community Development Block Grant awards received from the Oregon Economic and Community Development Department and Oregon Housing and Community Services. This includes all projects that are currently exempt from the three open grant rule, or were previously exempt from the three open grant rule, such as: microenterprise assistance, disaster recovery, regional housing rehabilitation, housing resource centers and community capacity/technical assistance grants. The list must include: award date, award amount, project number.

TABLE L – Applicant Capacity

| Total dollar amount of grants | Maximum Points | Total Number of open grants | Maximum Points |
|-------------------------------|----------------|-----------------------------|----------------|
| \$3,000,000 and up | 0 | 10 and up | 0 |
| \$2,999,999 - \$2,500,000 | 2 | 8-9 | 2 |
| \$2,499,999 - \$2,000,000 | 4 | 6-7 | 4 |
| \$1,999,999 - \$1,500,000 | 4 | 4-5 | 6 |
| \$1,499,999 - \$1,000,000 | 8 | 3-2 | 8 |
| \$999,999 - \$500,000 | 9 | 1-0 | 10 |
| \$499,999 and less | 10 | | |

Project Intake Form

_____, **Regional Coordinator**
Oregon Economic & Community Development
Department
775 Summer St. NE, Suite 200
Salem, OR 97301

Phone: _____

OECD Use Only

Date: _____

Project Category: TA Const Other

Concept Number: _____

County: _____

Population of applicant's jurisdiction:

Low/Mod Income: _____ %

Median Household Income: \$ _____

Distressed Area: Yes No Mixed

Rural: Yes No Mixed

SDWRLF Letter of Interest Number: **SD-** -

| |
|-------------------|
| Project Name: |
| Project Location: |
| Applicant: |

| | |
|-------------------------|-------------------------|
| Contact Name: | Phone: |
| | Fax: |
| | Email: |
| Street Address: | Mailing Address : |
| City, State & Zip code: | City, State & Zip code: |

| Estimated Funding Request | | |
|---------------------------------------|-----------|---|
| | Amount | Status of Funding |
| Funding Assistance from Department | \$ | n/a |
| Applicant Contribution + | \$ | <input type="checkbox"/> Pending <input type="checkbox"/> Available |
| Other Funds (identify source) + | \$ | <input type="checkbox"/> Pending <input type="checkbox"/> Available |
| Other Funds (identify source) + | \$ | <input type="checkbox"/> Pending <input type="checkbox"/> Available |
| Estimated Total Project Cost = | \$ | |

| | |
|--|------------------------------------|
| If Rural Development Funds are being identified as a source for construction financing, what source of funding is being recommended for the interim financing of that portion? | |
| Have you applied for these funds and if so have you received confirmation? | |
| When will these funds be available? | |
| Are there any limitations on the use of this fund? | |
| Date of Project Cost Estimate: | Estimated Start Date: |
| Estimated First Draw: | Estimated Project Completion Date: |

| | | |
|---|------------------------------|-----------------------------|
| Is the project consistent with the local acknowledged comprehensive plan? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Is the project listed on any local, countywide or regional plan (e.g., adopted capital improvement plan, Master or Facility Plan, Needs & Issues) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Will the project result in locating or expanding industrial or major commercial firm(s)? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| If yes, firm's name and estimated number of jobs that will be created and/or retained. | | |
| How would a loan be repaid: | | |

| Project Description |
|---|
| Brief description of the problem and solution or the opportunity: |

| For Water or Wastewater Projects Only |
|---|
| Current Monthly <u>Residential</u> User Bill (assume 7,500 gallons per month water consumption): |
| \$_____/month Water \$_____/month Wastewater |
| What is the existing annual debt service for the existing system? \$_____ |
| What amount, if any, of the existing annual debt service for the system is paid by property taxes? |
| \$_____/year Water \$_____/year Wastewater |

For Water or Wastewater Projects Only

What is the annual cost of material & services and personal services to maintain the existing system?

\$ _____

What is the estimated cost of material & services and personal services for the new system?

\$ _____

| | Existing System | Proposed Improvements |
|---|-----------------|-----------------------|
| Number of available residential hookups | | |
| Number of connections | | |
| Number of Service meters (for water) | | |
| Number of EDUs | | |

Is all current service connection required to be metered? Yes No

COMPLIANCE

Is the utility now, or soon to be, out of compliance with State or Federal standards? Yes No

What regulatory agency has been contacted? _____

When? _____

Is there written documentation or confirmation of the compliance issue? Yes No

If yes, will the proposed project bring the utility into compliance? Yes No

For Community Development Block Grant Projects only

| USE | Current | | Future | |
|-----------------------|---------|------|--------|------|
| | EDU's | Flow | EDU's | Flow |
| Residential Permanent | | | | |
| Commercial & Business | | | | |
| Industrial | | | | |
| Other | | | | |
| Total | | | | |
| Percent Residential | % | % | % | % |

Instructions for Project Notification & Intake Form

Project Name: Name of the applicant, Name of the project (ex. Stayton Water System Improvements)

Project Location: City/unincorporated area/county where project is/will be located or, if the project doesn't involve a physical location, the city(ies)/county(ies) that will benefit from the project (ex. Applicant is Deschutes County, and the project location is in Bend, Oregon, or the benefiting entity is a district such as Odell Sanitary District.)

Applicant: Entity that will be the applicant for Department assistance and will manage the project.

Information for Contact Person: Information for the person we should contact if we have questions about the project.

Estimated Funding Request: Indicate the amounts committed or pending from the applicant and other sources and the amount requested from the Department. The Estimated Project Cost should include all costs to complete the project, such as: construction, contingencies, engineering, administration, permits, inspection, legal, etc.

Rural Development Participation: When Rural Development is providing funding the recipient must identify the source of the interim loan financing. Remember that the grant funds provided by Rural Development cannot be used on project expenditures until all of the interim loan funds have been expended. Rural Development must release the applicant to expend funds on the project (any source), failure to obtain this release could jeopardize Rural Development participation in the project funding.

Applicant must provide the status of the interim loan financing such as when they applied for the funds and if they received confirmation that funding would be provided. The applicant must also indicate when the funds are available. They must indicate if there are any limitations on the use of these funds. This could affect our analysis for funding of this project. At the least a special condition of award shall be placed in the Special Condition of Award exhibit of the contract.

Date of Project Cost Estimate: Date the estimated project cost was determined. If older than 1 year the estimate must be updated.

Estimated Start Date: This date also provides a guide for determining when a contract must be signed by the applicant and developing a timeline for managing the project. If "Pre-award Costs" are not requested in this intake, a contract must be signed before work can be commenced.

Estimated first Draw: **The date the applicant will first require a disbursement of funds.** This date is required so that the department can monitor cash flows by program.

Local Acknowledged Comprehensive Plan: In order to determine that the project is consistent with the Comprehensive Plan the applicant should provide that portion of the plan that supports a yes answer. If a change in zoning will be needed for the project to proceed, an explanation of the status of the zoning change is required.

Local, Countywide, Regional Plan: Is this a planned project or have circumstances required it to become a priority project?

Industrial/Commercial Development: Is there a "firm business commitment" to create/retain jobs? If yes, provide company name(s) and estimated number of jobs that will be created and/or retained.

How would the loan be repaid: List the source(s) of revenue available to repay a loan.

Project Description

Problem Statement: Applicant should provide information that is simple and to the point (i.e., non-compliance, lack of capacity for economic development, inability to provide required services)

Solution or Opportunity Statement: Applicant should provide information that describes how the problem will be resolved. The information should be simple and to the point. The applicant should also indicate if there are any circumstances that would prevent the applicant to proceed with the project after funding is awarded and a contract is signed.

For Water or Wastewater Projects Only:

Current Monthly Residential User Bill: According to your current rate schedule, the amount of a residential user's monthly bill if 7500 gallons of water is used. For Wastewater projects provide the sewer rate for residential users.

Existing annual debt service for the system: Amount paid annually (from all sources) to retire debt for improvements made to the existing system. (This is the system that is being improved by the requested funding)

Amount of the existing annual debt service paid by property taxes: If property tax revenues are used to retire debt that was incurred to make improvements to the existing system, what is the annual amount of property tax revenues used?

Annual cost of Personnel, Material & Services: These include Personal Services and Materials and Services line items found in the Municipal Audit, and do not include Capital Outlay (Except for 10 year or less assets), Debt Service, Depreciation, Replacement Reserves or other non-operating expenses.

Estimated Operation/maintenance costs after the project: Estimated annual operation/maintenance expenses (defined above) after the proposed improvements are completed.

Number of available residential hookups: The maximum number of residences, which could be served by the system.

Number of connections: The number of service connections, which are currently connected to the system. This includes all types of connections (residential, commercial, industrial, etc.).

Number of services meters: Total number of water service meters installed in the system. (This does not include flow meters on the transmission line or source meters.)

Number of Equivalent Dwelling Units (EDUs): For water systems an Equivalent Dwelling Unit is at least one residential connection up to the equivalent of 7,500 gallons of usage. A recent Water Master Plan or Facility Plan should determine the number of EDUs for your system. (Commercial and industrial users normally account for multiple units.)

Service Meter Requirement: If current service connections are not required to be metered the project must include metering of the entire system. The project budget must be adjusted accordingly. The applicant will be required to adopt a resolution, ordinance or order requiring all future service connections to be metered as part of this project.

Compliance

Out of Compliance or soon to be: If "yes", attach documentation from DEQ or the Department of Human Services, Drinking Water Program that supports the yes answer. (i.e., formal letter, e-mail)
The recipient must indicate when they last spoke with the regulatory agency regarding the compliance issue. The recipient is to provide a copy of the MAO or MOU from the regulatory agency (e.g., DEQ, DHS)
If the applicant indicates that the project will not bring the utility into compliance they must provide an explanation as to why.

Community Development Block Grant Projects only

Uses, Current and Future: The applicant should only indicate the number of permanent residential users. Part-time residential users are not eligible under the block grant program. The block grant project must be primarily residential users. The flow rate must be indicated for the utility being improved. The future flow rates can be obtained from the Water Master Plan or the Facilities Plan. The EDUs are calculated the same way as previously explained above.

Chapter 8 TABLE M- Requirement/Summary Table Maximum Grant/Project Completion/Financial Review/Allowed National Objective

| Grant Category | Project Type | Available Funds for 2007 | Maximum Grant | Project Completion Period (From date of execution of contract with the State) | Financial Review Required | Applications Accepted | Allowed National Objective | |
|---|---|--|--|--|---------------------------|--|--|------------------------|
| Economic Development | Type One and Type Two projects | \$1,370,838 | \$750,000 | Type One - 24 months Type Two - The original grant must be loaned in 24 months. Unused funds will be recaptured by the State. | Yes | Quarterly Competitive Process (QCP) | LMI - Jobs | |
| Microenterprise Assistance | N/A | \$411,252 | \$100,000 | 12 months | No | QCP | LMI – Limited Clientele | |
| Public Works | Water/Wastewater preliminary engineering/planning – Phase 1 | \$4,018,141 | Total all three phases over a five-year period cannot exceed \$1,000,000. There is a cap on the preliminary/engineering planning grant of \$150,000. | 24 months | No | QCP | LMI – Area Wide | |
| | Water/Wastewater final design – Phase 2 | | | 24 months | Yes | QCP | LMI – Area Wide | |
| | Water/Wastewater construction - Phase 3 | | | 24 months | Yes | QCP | LMI – Area Wide | |
| | Water/Wastewater (Combined design & construction award) | | | 36 months | Yes | QCP | LMI – Area Wide | |
| | Brownfield Redevelopment | | | \$300,000 | 24 months | Yes | QCP | Spot Slum and Blight |
| | Downtown Revitalization | | | \$300,000 | 24 months | Yes | QCP | LMI – Area wide |
| | Off-Site Infrastructure | | | \$225,000 | 24 months | Yes | QCP | LMI – Housing - direct |
| Public/Community Facilities | Type I – Projects | \$4,318,141 | \$800,000 | 24 months | Yes | QCP | LMI - Area wide LMI - Limited Clientele | |
| | Type II – Projects | | \$500,000 | 24 months | Yes | QCP | LMI - Area wide LMI - Limited Clientele | |
| | Combined design & construction award | | \$800,000 or \$500,000 as applicable | 36 months | Yes | QCP | LMI - Area wide LMI - Limited Clientele | |
| Regional Housing Rehabilitation | Regional Rehabilitation Revolving Loan Funds | \$2,810,219 | \$400,000 | 24 months (The original grant must be loaned within 24 months or unused funds may be recaptured by the State.) | No | Annual Competitive Process | LMI - Housing – direct benefit | |
| Regional Housing Centers | N/A | \$479,793 | Year One and Two - \$60,000 Year Three and beyond - \$48,000 | 15 – 30 months (All eligible costs to be reimbursed must be incurred during one consecutive 12 month period during this time.) | No | Annual Competitive Process | LMI – Limited Clientele | |
| Community Capacity/Technical Assistance | Community Technical Assistance | \$142,354 | No Limit | 12 months | No | Year round | Dependent upon project type. | |
| Emergency Grants | N/A | Up to 2.5% of the States annual allocation | \$500,000 | 24 months | Yes | Year round – Must be received within 90 days of the event that created the emergency | Urgent Need | |

Chapter 9 Economic Development

The Oregon Economic and Community Development Department (Department) is committed to assisting communities develop and implement strategies that address economic development needs and develop projects that create and or retain jobs. The Department will offer funding for two types of economic development projects:

TYPE ONE ECONOMIC DEVELOPMENT:

- (a) Publicly owned projects to acquire, construct improvements to and otherwise improve real property.
- (b) Publicly owned projects to extend infrastructure to serve industrial or commercial developments.

TYPE TWO ECONOMIC DEVELOPMENT REVOLVING LOAN FUNDS:

The establishment of economic development revolving loan funds to assist businesses with acquisition of real property, construction of improvements or buildings, business capital, and the purchase of equipment.

Maximum Grant - The maximum grant is \$750,000.

Matching Funds Requirement

There is no minimum match requirement. However, all project funds necessary to complete the proposed project must be available and committed at the time the application is received by the Department. If any necessary funds are not committed, the applicant must provide clear and convincing evidence as part of its application showing that all project funds, needed for the project will, be secured within 4 months following the date of grant contract execution. Refer to the "Readiness to Proceed" definition in Chapter 5 for more details.

Financial Review

All financial review will be conducted to determine the funding package to be offered. The grant, if awarded must be the minimum necessary, in combination with other resources, to ensure the completion of the project. For Type Two projects, applicants must submit financial records, audits etc, from the respective non-profit carrying out the EDRLF activity with the application.

Ineligible Application

The Department will not consider an economic development application a prior Type One project that has already been assisted with CDBG funds within the previous five years.

National Objective

All economic development projects must meet the low and moderate income jobs national objective of 24 CFR 570.483(b)(4) and subject to the standards of 24 CFR 570.482(f), as specified in Section 570.483(b)(4)(vi)(F)(2). Refer to Chapter 3 for more information.

Projects must **create or retain** permanent, full-time equivalent (FTE) jobs primarily for low and moderate-income persons. To comply with the federal requirements, at least 51% of the jobs created or retained by each assisted business, must either be **held by** or considered to be **available to** low and moderate-income persons.

All recipients must demonstrate that the project meets the federal national objective no later than one year after the project has been completed. This includes submitting a report to the state on the total number and type of jobs created or retained and their respective wage levels. A copy of the reporting form is available by contacting the Regional Coordinator for your area. This report must be submitted before the grant can be administratively closed. If the grant recipient cannot demonstrate the project met the federal national objective during the one-year reporting period, the state will recapture the grant from the recipient.

Projects that extend publicly owned infrastructure to vacant land (Type One (b) projects) would have difficulty meeting the national objective unless there are firm business commitments. The business must be willing to enter into an agreement with the grant recipient, which will require the business to comply with the federal requirements necessary to meet the national objective.

For all projects there must be clear evidence that job creation will occur and the public benefit criteria will be met before the State will award any grant funds.

To maintain compliance with the federal anti-pirating rule, the state's program will not allow business relocations.

Job Creation

The applicant must document that at least 51% of the jobs created will be **held by**, or made **available to**, low and moderate-income persons.

Job Retention

The applicant must document that the jobs would be lost without the CDBG assistance and either 51% of the jobs **are held by** low and moderate income persons, or steps will be taken to ensure that jobs that are expected to turnover within two years after grant award will **be made available to** low and moderate income persons.

In order to consider jobs as retained as a result of CDBG assistance, there must be **clear and objective** evidence that permanent jobs will be lost without CDBG assistance. **Clear and Objective** evidence includes:

- The business(es) has issued a notice to affected employees or made a public announcement to that effect; or,
- Analysis of relevant financial records which clearly and convincingly shows that the business(es) is likely to have cut back employment in the near future without planned intervention.

Held By

A job is considered to be held by a low and moderate income person, if the person at the time of their employment commences for job creation projects, or at the time the application is submitted to the Department for job retention, is a member of a family whose gross income falls at or below the applicable income limits identified in Appendix D. The family's entire income must be counted. This is particularly important when dealing with part-time jobs or jobs taken by students. The annual salary or wage of the job the person fills is irrelevant.

Available to

The Department will accept jobs as being made **available to** low and moderate-income persons when both of the following criteria are met:

- Education, work experience or training beyond high school is **not** a prerequisite to fill the job. The business may hire unqualified persons and train them; and,
- The grant recipient and the assisted business(s) take action to ensure low and moderate-income persons receive "**first consideration**" for filling such jobs. The assisted business(s) must use a First Source Hiring Agreement, this Agreement must be submitted with the application, and approved by the Department. First Source Hiring Agreements can be located by contacting the local Job Training and Employment provider within the applicant's jurisdiction.

First Consideration

The assisted business(s) must:

- Use a hiring practice that under usual circumstances would result in over 51% low and moderate income persons being interviewed for applicable jobs being solicited by the business;
- Seriously consider a sufficient number of low and moderate-income job applicants to give reasonable opportunity to fill the position with such a person; and, ensure that the distance from residence and availability of transportation to the job site must be reasonable before a particular low and moderate-income person may be considered a serious applicant for the job.

Presumed Low and Moderate Income Status

Persons or businesses located in a **federally designated enterprise zone** could qualify as presumed low and moderate income, however, Oregon does not have any federally designated enterprise zones.

Public Benefit Standard

The CDBG cost per FTE to be created or retained includes grant administration, environmental, labor standards and program management expenses.

Type One Projects - The cost of the project must meet at least a minimum level of public benefit. The amount of CDBG grant may not exceed \$15,000 per permanent FTE job created and/or retained.

Type Two Projects - The cost of the project must meet at least a minimum level of public benefit. The amount of CDBG grant may not exceed \$25,000 per permanent FTE job created and/or retained.

Job Aggregation

As a general rule, jobs from each business receiving CDBG assistance must be considered separately for purposes of demonstrating compliance with the requirement that at least 51% of the jobs created or retained were for low and moderate income persons.

If job aggregation occurs the following public benefit standards apply:

- Type One Projects - The cost (in CDBG funds) for the improvements is less than \$15,000
- Type Two Projects - The cost (in CDBG funds) for the improvements is less than \$25,000

For aggregation and public benefit purposes, compliance involves the total number of jobs created or retained without regard to how many (if any) benefit low and moderate-income persons.

There are certain circumstances in which recipients **may** aggregate jobs created or retained by two or more assisted businesses. These circumstances are:

- Funds are used to acquire, develop, or improve real property (industrial park, business incubator); jobs may be aggregated for all businesses that locate on the property, *provided such businesses are not otherwise assisted with CDBG funds.*
- Funds are used to pay for staff and overhead costs of an entity making loans to businesses and *where no CDBG funds are used to make or guarantee the loan.* Jobs created or retained by all businesses receiving loans during any one-year period may be aggregated.
- Funds are used solely to provide technical assistance to businesses. Jobs created or retained by all businesses receiving technical assistance during any one-year period may be aggregated.
- Funds are used for activities meeting the criteria under the public benefit standard. All the eligible Type One and Type Two activities contained within this Method of Distribution must meet the public benefit standard.
- Funds are used for public facilities or improvements (infrastructure) that will result in the creation or retention of jobs by more than one business. The jobs created or retained by all such businesses

as a result of the public facility or improvement may (and sometimes must) be aggregated, using the following criteria:

- i. Where such an improvement is undertaken for the benefit of one or more specific businesses, but the improvements clearly benefit other business or allows other sites to be developed. In this case jobs created or retained by **All** businesses in the service area of the infrastructure **must** be aggregated.

For Example: A city's industrial park is fully developed and cannot accommodate a new metal stamping plant. The city buys an adjoining parcel, divides it into four lots and uses CDBG funds to install water, sewer and roads through the parcel to serve the new plant. The other three lots are now developable since these improvements serve them too. The city must aggregate the metal stamping plant jobs plus any jobs created or retained on the other three lots – even if no other businesses had committed to locate there at the time the improvements were constructed.

- ii. Where such an improvement is undertaken principally for the benefit of one or a few particular businesses, **AND** the cost (in CDBG funds) amounts to less than \$10,000 per permanent full-time equivalent (FTE) job to created or retained. Only the jobs created or retained by the specific businesses **can** be aggregated. All other incidental job creation that might occur because other businesses might also benefit from the improvement must be disregarded.

For Example: CDBG funds are used to widen/upgrade an access road to meet the needs of a manufacturing plant expansion creating 175 new jobs. Other business located along or near the access road may enjoy improved transportation access, but they did not request the improvements, have no expansion plans and have not committed to increase their employment levels.

- iii. Where the CDBG cost per FTE job expected to be created or retained is \$10,000 or more, jobs created or retained as a result of the public improvement, by **ALL** businesses in the service area of the public infrastructure **must** be aggregated. The aggregation must include all businesses that as a result of the public improvement, locate or expand in the service area of the improvement between the date of the grant award to the recipient and one year after physical completion of the project.

For Example: A city increases the capacity of a sewage lift station serving a particular area of town to accommodate the expansion of a poultry processing plant at a CDBG cost per job of \$11,200. Over the next 12 months, two new businesses decide to locate in that area of the town because the city has sufficient sewage handling capacity to meet their effluent needs. The city must aggregate job creation figures for the poultry plant plus the two new businesses.

TYPE ONE (A) AND (B) PROJECTS

Eligible Projects

Grants can be made for final design and construction (these are not considered design build projects) for both Type One (a) and (b) projects listed below:

(a) Publicly owned projects to acquire, construct improvements to and otherwise improve real property.

Such as: A business incubator site or building, industrial park or building.

(b) Publicly owned projects to extend infrastructure to serve industrial or commercial developments.

Such as: Extension of publicly owned infrastructure such as water lines, wastewater collection lines, city streets, county roads, sidewalks, curbs and gutters.

Eligible Activities

- Acquisition of real property and permanent easements necessary for the project, including costs of appraisals. NOTE: The actual acquisition of land or permanent easements cannot occur under a preliminary engineering/planning award.
- Architectural, engineering and surveying services necessary for construction, such as bid documents, final design documents, construction oversight, as-builts etc. Refer to Chapter 5 for more information.
- Construction
- Construction Contingencies. Refer to Chapter 5 for more information.
- Environmental review preparation.
- Legal
- Audit expenses. Refer to Chapter 5 for more information.
- Grant administration costs necessary to ensure the federal requirements are met. Refer to Chapter 5 for more information.

Engineering Feasibility Review

Each project will be subject to a review of the applicant's existing local building and construction codes. The proposed public facilities and improvements, including infrastructure improvements, must be the minimum necessary to comply with the required local building and construction codes and accommodate the industrial or commercial development(s). Applicants must provide a copy of any applicable local building and construction codes with the application.

Project Deliverables

- Completed final design plans and specifications and contract documents prepared by and stamped by a State of Oregon registered professional engineer or architect;

- Copies of applicable regulatory agency approvals of the plans and specifications and contract documents;
- As-built drawings;
- Operation and maintenance manual, if required; and,
- Completed construction project.

TYPE TWO – REVOLVING LOAN FUND (RLF) PROJECTS

Eligible Projects

Establishment of a local economic development revolving loan fund to assist businesses with acquisition of real property, construction of improvements or buildings, business capital, and the purchase of equipment.

Readiness to Proceed

All Economic Development Revolving Loan Fund applicants must demonstrate the following in order to qualify for funding:

- A waiting list containing one or two eligible businesses that will use at least 75% of the requested grant; and,
- All the initial loans will be made within 24 months after execution of the grant contract with the State.

EDRLF Program Design

The goal is to create long term RLF's. However, once the funds have lost their federal identity and are continued to be used by the non-profit they can be used for community economic development, energy conservation and/or neighborhood revitalization projects, as federally allowed by 105(a)(15) of the Housing and Community Development Act (HCDA). This creates a flexible local financing tool for communities to fund a variety of projects that could not otherwise occur.

The RLF's will be approximately 80% sustainable, as the non-profits will need to use some of the annual loan repayments and interest earnings to provide proper program management, i.e., loan servicing, administration and overhead expenses.

Loan financing comes with risk and some loans may default. Loans that default create a huge loss to the RLF program. The non-profit should have a set-aside 10-20% of the loan receivables for defaults. The program does not mandate a source of funds for this set-aside. However, as long as the EDRLF category is offered, communities may re-capitalize their EDRLF with another grant from the program. To do this, they must demonstrate need for the EDRLF, potential loans, and a lack of revenue to facilitate the potential loans.

The following table summarizes the eligible activities, the maximum allowed for each activity in the original grant from OECD, and requirements for the future loan repayments.

| Eligible Activities | Maximum Allowed in Original Grant from OECDD | Requirements for use of "De-Federalized" Loan Re-payments |
|--|--|--|
| <p>Program Management: Work related to carrying out program activities, working directly with the LMI clients. Such as: screening applicants, processing loans, and loan servicing. Program management is considered direct service to clients. Refer to Chapter 5 for more details.</p> | <p>Up to 20% of the award, plus an additional \$10,000 can be used for the combined costs of program management and grant administration. Of this amount no more than \$25,000 can be for grant administration the remainder can be used for program management.</p> | <p>A maximum of 20% of the annual loan repayments and interest earnings.</p> |
| <p>Grant Administration: Work related to overall project management, coordination, monitoring and evaluation. Meeting the grant contract requirements and federal requirements. Refer to Chapter 5 for more details.</p> | <p>Maximum allowed 10% of the requested grant, but no more than \$25,000.</p> | <p>None – as there will no longer be any federal requirements.</p> |
| <p>Environmental Review Refer to Grant Management Handbook for more details.</p> | <p>\$4,000</p> | <p>None – as there will no longer be any federal requirements.</p> |
| <p>Labor Standards Compliance Reviews Refer to Grant Management Handbook for more details.</p> | <p>\$6,000</p> | <p>None – as there will no longer be any federal requirements.</p> |
| <p>EDRLF:</p> <ul style="list-style-type: none"> • Acquisition of land or permanent easements • Construction, rehabilitation, or installation of improvements (such as electrical, plumbing, roofing, siding etc.) • Business working capital (payroll, benefits, utilities (telephone, heat, electricity, internet), consumable office supplies (30 days max), lease/rent, shipping/postage, interest subsidy, on-the-job training for newly hired employees, and under special circumstances inventory purchase) • Purchase and installation of equipment that is a fixed and integral structural fixture • Engineering/architectural services | <p>Maximum Grant \$750,000 less the items listed above and described below.</p> <p><i>Note: \$750,000 less 20% plus \$10,000 for program management and grant administration, \$4,000 for environmental review, and \$6,000 for labor standards compliance monitoring leaves a balance of \$580,000 for the EDRLF.</i></p> | <p>A minimum of 80% of the annual loan repayments should go back into the RLF, to be used for: community economic development, energy conservation and/or neighborhood revitalization projects, as allowed by 105(a)(15) of the HCDA.</p> <p><i>Note: The non-profit should have an accounting set aside of 10-20% of the loan receivables to cover any defaults.</i></p> <p>Annual interest earnings can be set-aside for grants for projects meeting 105(a)(15) of the HCDA, if desired by the non-profit.</p> |

Establishment of Revolving Loan Fund

To qualify for grant funding from the State all revolving loan fund programs must be set up in the following manner:

The city or county grant recipient enters into a **sub-grant** agreement with an **eligible nonprofit** (sub-recipient) meeting the requirements of 105(a)(15) of the Housing and Community Development Act (HCDA). The nonprofit must **carryout** the economic development revolving loan fund. The nonprofit must

be the lender of all the loans. All loan repayments must be paid back to the nonprofit. The nonprofit must use the funds to support local economic development needs. When this occurs, the repayments lose their federal identity (defederalized), meaning they are no longer subject to the federal program income monitoring and tracking requirements as long as the funds are used by the nonprofit for economic development purposes. If for some reason the nonprofit dissolves and an asset reversion occurs, please contact the Department for assistance, this may change the federal identity of these funds.

If the eligible nonprofit does not have adequate staffing to manage the economic development revolving loan program, it can contract for these services with a private contractor. A solicitation process for the contractor shall be conducted in accordance with their policy. These services include, but are not limited to, performing the daily accounting, application processing and loan oversight duties.

Loan Portfolio

The State is requiring that all loan portfolios as a result of a Community Development Block Grant will be repaid to the eligible nonprofit under 105(a)(15) of the Housing and Community Development Act.

Sub-Grant

The State grant recipient (city or county) enters into an agreement with an **eligible nonprofit organization** to implement and **carryout** the economic development revolving loan fund. All federal CDBG compliance requirements assigned to the sub-grantee remain the obligation of the original State grant recipient (city or county) until closeout of the grant with the State. No formal procurement process is necessary by the city or county when the grant recipient sub-grants the funds to an eligible nonprofit.

Eligible Nonprofit (sub-recipient)

The nonprofit must meet the following requirements:

- Documentation from the Internal Revenue Service (IRS) that certifies the nonprofit organization is organized under 501(c)(3) or (c)4 of the IRS Code.
- Documentation that the organization must have as one of its primary purposes (as outlined in its bylaws, article of incorporation or charter) to provide economic development for low and moderate income Oregonians.
- Documentation that the organization serves the development needs of the communities in the non-entitlement areas of the state and is carrying out a neighborhood revitalization, community economic development, or energy conservation project in accordance with 105(a)(15) of the HCDA.

Carryout/ (Implementing)

- The nonprofit must carry-out the economic development project.
- The nonprofit responsible for carrying out (implementing) the economic development project will be the owner of all program policies and processes. The nonprofit will be responsible for these minimum activities: all final loan decisions, owner of all loan portfolio's, compliance with all CDBG requirements, owner of future loans and repayments, and final accountability for all CDBG funds.

- The nonprofit must be the lender of all the loans. All loan repayments must be received by the nonprofit. These subsequent loan repayments are not subject to the program income requirements as long as the nonprofit uses the funds to support economic development needs.
- The loans must be lent for projects that will meet the CDBG low and moderate income jobs national objective of 24 CFR 570.483(b)(4) and subject to the standards of 24 CFR 570.482(f), as specified in Section 570.483(b)(4)(vi)(F)(2).

Non-Competition with Local Financing Institutions

Each RLF must insert into their loan policies, requirements that they only provide gap financing and will work with local financing institutions to complete the financing package, or require letters of rejection from financing institutions, and/or somehow demonstrate that the loan is not bankable.

Continued Reporting

Each grant recipient will be required to report on the uses of the RLF annually to the Department, each year the grant is open. The annual report contains the Departments key performance measures and is included at the end of this Chapter.

Defaults

If the initial loans made by the nonprofit default, the nonprofit must make every effort allowable under the loan agreement to enforce the provisions of the agreement and collect the loan amount that is due and owing to the nonprofit. These efforts must be clearly documented. If repayment of the loan, due and owing to the nonprofit, cannot be collected, contact the Department's Regional Coordinator for your project for assistance.

Outcome and Performance Measures

Each applicant must address how their project meets the objective(s), outcome(s), indicators and performance measures identified below:

| Objective | Outcome | Indicators | Performance Measures | State Measurement |
|---------------------------------|--|--|---|--|
| Creating Economic Opportunities | Sustainability/ Promoting Livable or Viable Communities | Total number of jobs created: <ul style="list-style-type: none"> • With employer sponsored health care benefits • Types of jobs created (managers, professional, technicians, sales, office, clerical, skilled craft workers, semi-skilled operatives, unskilled laborers and service workers) • Employment status before taking the job: number unemployed. | Amount of money leveraged from other federal, state, local and private resources) | The amount of money leveraged from all other funding sources. |
| | | Total number of jobs retained: <ul style="list-style-type: none"> • With employer sponsored health care benefits • Types of jobs created (managers, professional, technicians, sales, office, clerical, skilled craft workers, semi-skilled operatives, unskilled laborers and service workers) | Number of persons, households or units assisted (pick the one most appropriate to your project – pick only one) | Number of jobs made available to, created or retained, including the number of jobs filled by low and moderate-income persons. |
| | | Total Businesses Assisted: <ul style="list-style-type: none"> • New: • Existing, of which how many are expansions and relocations; • DUNS number is needed for every assisted business; • Two digit NAIC industry classification: • Does assisted business provide a good or service that meets the need of the service area (as determined by the local community)? If so, what was the need and how was it addressed? | Number of low and moderate-income persons served by the project. Number of communities assisted, Race, ethnicity, disability (current categories for beneficiary reporting still apply) | |

DUNS number is required for each business. Many jurisdictions already have a DUNS number; this numbering system has been in existence for some time. It is provided by the Dun and Bradstreet Company, thus the acronym DUNS and is used as an identifier across federal funding agencies. Information regarding the DUNS number can be found by calling 1-866-705-5711 or by internet access at <http://www.hud.gov/offices/adm/grants/duns.cfm>

NAICS industry code is known as the North American Industrial Classification System. Information regarding the NAICS code can be found at <http://www.census.gov/epcd/www/naics.html> of www.naics.com

**OREGON ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT
ECONOMIC DEVELOPMENT REVOLVING LOAN FUND
ANNUAL REPORTING FORM**

Report Due Date: September 1, following each reporting period of July 1 – June 30.

Submit Report To: Oregon Economic and Community Development Department
Attn: CDBG Program and Policy Coordinator
Community Development Division
775 Summer Street NE – Suite 200
Salem, OR 97301-1280

Grant Recipient: _____

Grant Number: _____

Date of Administrative Closeout: _____

Non-Profit: _____

Please report on the following.

The assisted business's BIN and/or FEIN can be used to request this data for questions 1 and 2 below from the Employment Department. Each full time job equivalent must be 1,820 hours per year.

1. Number of full time jobs created: _____
2. Number of full time jobs retained: _____
3. The average wage of the jobs created and retained: _____
4. Provide the name of each assisted business and their BIN number:

5. Estimated amount of new export sales of assisted clients: _____
6. Number of small businesses that remain in business at least four years after assistance:

7. Number of community capital construction projects assisted for construction:
 - a. Infrastructure (Water, wastewater, storm drainage, streets, curbs, gutters, etc. If other, please describe.)
 - b. Community Development (Facility improvement projects such as: recycling centers, food banks, or other community related projects. Please describe.)

8. Number of community capital projects assisted for planning:
 - a. Infrastructure (Water, wastewater, storm drainage, streets, curbs, gutters, etc. If other, please describe.)
 - b. Community Development (Facility improvement projects such as: recycling centers, food banks, or other community related projects. Please describe.)
 - c. Organizational (Downtown Redevelopment Plans, or other community related planning projects. Please describe.)

Chapter 10 Microenterprise Assistance (Public Services)

Oregon Community Development Block Grant funds are used by non-entitlement cities and counties to implement the Microenterprise Assistance Services Program. This program enables low and moderate-income owners of microenterprises and persons developing microenterprises access to information and resources for their individual circumstances.

The non-entitlement city or county grant recipient will secure the services of a statewide or local microenterprise support organization to provide microenterprise assistance within the grant recipients jurisdiction by either subgranting the funds to a nonprofit or by procuring a for-profit entity.

Maximum Grant

The maximum grant in this category is \$100,000.

Work Plan

Each application must contain a work plan that provides for a minimum performance measure of assisting at least one (1) microenterprise for every \$2,500 awarded to the applicant. If at project completion, this performance measure is not attained, the Department will recapture a sufficient amount of the grant awarded in order for the project to meet the minimum performance measure.

National Objective

Public services for microenterprise assistance must meet the federal national objective of benefiting low to moderate income persons based on family size and income, 24 CFR 570.483(b)(2)(ii)(B). National objective compliance is based on the actual number of persons served by the microenterprise assistance provider. Each grant must serve at least 51% or more low to moderate persons. The 2007 Program Guidelines describe the National Objective in Chapter 3.

Statewide Microenterprise Support Organization

A statewide microenterprise support organization is a community development corporation, a nonprofit development organization, a nonprofit social services organization or another nonprofit entity that serves as an intermediary between the Department and local microenterprise support organizations.

Local Microenterprise Support Organization

A local microenterprise support organization is a community development corporation, a nonprofit development organization, a nonprofit social services organization or another locally operated nonprofit entity or a for profit entity that provides services to disadvantaged entrepreneurs.

Eligible Projects

- Provide general classroom training in recruitment and screening, business strategy, planning a business, marketing plans, business plans, needs assessments, financial education, and access to markets to owners of microenterprises and persons developing microenterprises; and,
- Provide general support (such as peer support programs and counseling) to owners of microenterprises and persons developing microenterprises.

Eligible Activities

The permitted activities to provide general classroom training and support to microenterprises, as allowed under Section 105(a)(8) of the HCDA, includes:

General Classroom Training –

- **Recruitment and Screening** - Participant recruitment and screening to evaluate entrepreneurial readiness and to determine degree of business feasibility.
- **Business Strategy** - Core trainings and assistance focused on developing and refining business feasibility and the creation of a business plan (strategy) that will guide the business venture. Develop demand based trainings and technical assistance including group trainings, based upon participant needs.
- **Youth Training** - Planning a business, developing a marketing plan, understanding financial statements, customer service, other courses can be offered in-class and on-line. Courses can be offered on a spectrum of topics from pre-venture to well established businesses. Curriculum materials must meet the National Foundation for Teaching; used to teach low income youth
- **Planning a business** - Developing a marketing plan, understanding financial statements and customer service
- **Specific Training** - Developing a business plan, access to capital, access to markets, and financing. Technical assistance shall also help micro-entrepreneurs develop specific information needed to implement their business plan and better understand their business, including the following:
 - Needs Assessment - Provide training that includes Financial Fitness, Introduction to Entrepreneurship, Internet marketing and specific training in their specific industry.
 - Provide Business and financial education classes to groups of low/mod income rural high school students.
 - Provide business and financial education classes to adults
- Conduct market research to determine target markets and identify ways to penetrate each market. Assist microentrepreneurs in shaping their unique “message” and determine most effective means to deliver their message.

Entitlement Area Review

State Community Development Block Grant resources cannot be used to benefit entitlement counties and cities. If the service area of the Microenterprise Assistance Support Organization contains an entitlement area, screening policies and procedures along with documentation of percent of the entitlement versus non-entitlement residents/beneficiaries that will be served is required. The 2008 Program Guidelines list the entitlement areas in Chapter 2.

Matching Funds Requirement

There is no minimum match requirement. However, all project funds necessary to complete the proposed project must be available and committed at the time the application is received by the Department. If any necessary funds are not committed, the applicant must provide clear and convincing evidence as part of its application showing that all project funds, needed for the project will, be secured within 4 months following the date of grant contract execution. Refer to the "Readiness to Proceed" definition in Chapter 5 for more details.

Financial Review

Microenterprise assistance projects are not subject to financial review.

Definition

Microenterprise means a commercial enterprise that has five (5) or fewer employees, one (1) or more who owns the enterprise.

Outcome and Performance Measures

Each applicant must address how their project meets the objective(s), outcome(s), indicators and performance measures identified below:

| Objective | Outcome | Indicators | Performance Measures | State Measurement |
|---------------------------------|---|--|--|--|
| Creating Economic Opportunities | Pick One: Availability/Accessibility Sustainability/ Promoting Livable or Viable Communities | Number of persons assisted: <ul style="list-style-type: none"> • With new access to a service. • With improved access to a service. • Where the project is used to meet a quality standard or measurably improve quality, report the number of households that no longer only have access to a substandard facility or infrastructure (as defined by the local community) | Amount of money leveraged from other federal, state, local and private resources) | The amount of money leveraged from all other funding sources. |
| | | | Number of persons assisted | Number of persons having access to more microenterprise assistance services including the percentage of low and moderate income persons which benefit. |
| | | | Number of communities assisted | Number of persons benefiting from new microenterprise |
| | | | Race, ethnicity, disability (current categories for beneficiary reporting still apply) | services including the percentage of low and moderate income persons which benefit. |

Chapter 11 Public Works

The Oregon Economic and Community Development Department (Department) will finance or help finance, publicly owned, public works projects using Community Development Block Grants (CDBG) and other sources of funds. The funding sources and grant amounts for each project will depend on the type of facility and other circumstances of the project.

Type 1 - Public Water and Sewer Systems – necessary for the health and economic well being of every community. Federal laws, the Clean Water and Safe Drinking Water Acts in particular, require municipalities to make extensive improvements to existing systems to comply with national standards. **Maximum grant amount \$1,000,000.**

Type 2 - Brownfield Redevelopment– necessary for the redevelopment of brownfields. **Maximum grant amount \$300,000.**

Type 3 - Downtown Revitalization – necessary for the redevelopment of downtowns. **Maximum grant amount \$300,000.**

Type 4 - Publicly Owned Off-Site Infrastructure – necessary for the construction of affordable, permanent, new, multi-family rental housing or “single family home ownership” homes to be primarily occupied by low and moderate- income persons. **Maximum grant amount \$225,000.**

Matching Funds Requirement

There is no minimum match requirement. However, all project funds necessary to complete the proposed project must be available and committed at the time the application is received by the Department. If any necessary funds are not committed, the applicant must provide clear and convincing evidence as part of its application showing that all project funds, needed for the project will, be secured within 4 months following the date of grant contract execution. Refer to the “Readiness to Proceed” definition in Chapter 5 for more details.

Financial Review

All applications for public works projects, except water and wastewater preliminary engineering/planning grants will undergo a financial review. The grant, if awarded must be the minimum necessary, in combination with other resources, to ensure the completion of the project. Any project determined by the Department to not be financially feasible will not be funded.

Water and wastewater final design and construction grant applicants will undergo a financial review to ensure that the monthly user rate at construction completion of the proposed project meets the affordability criteria.

Affordability Criteria - If the projected annual utility rate for the respective system (water or wastewater), with the requested CDBG assistance, at construction completion of the proposed project being applied for, will need to be within the current percentage (In 2007 this was 1.48%) of the 2000 Median Household Income (MHI) to provide adequate coverage of operations, maintenance and debt service, the proposed project will qualify for funding.

The annual (water/sewer) rate is 12 times the monthly fee that the system would need to charge its residential service connections, on average per connection for usage up to 7,500 gallons of water consumption and similar wastewater consumption per month, as calculated by the applicant and verified by the Department after taking into account the projected operations, maintenance, debt repayment and capital outlay for 10 year or less assets, and all other reasonable system expenses, including the funded project.

As applicable, this annual user rate will incorporate fee-equivalents derived from other local funding sources that are or will be used to pay specifically for the system/facility that is being upgraded/constructed with this project. This could include special levies on taxable property within the system's service area being used to pay for the system. This does not include system development charges.

The median household income is based on the corresponding 2000 Census figure for the city or a more appropriate census statistical unit (e.g., census tract) that contains and is representative of the system's residential users, as approved by the Department. The Recipient should consult with the Department if the 2000 Census figure significantly overstates the relative level of current household income in the local area. In such cases, a special survey that either exists already or is newly commissioned, consistent with the Department's usual procedures, may be used to establish a comparable, up-to-date median household income figure, which is then not inflated by the Departments customary practice.

TYPE 1 – Public Water and Sewer Systems

The Oregon Economic and Community Development Department is committed to helping Oregon's communities make the necessary improvements to their water and sewer systems by providing state and federal funds according to financial need.

Land Use Information

Construction of new water and sewer facilities in areas outside urban growth boundaries is subject to the State Planning Goal 11: Public Facilities and Services, as amended on July 16, 1998, and the Department of Land Conservation and Development requirements in the Oregon Administrative Rules Chapter 660, Division 11 (Public Facilities Planning), Chapter 660, Division 4 (Interpretation of Goal 2 Exception Process and Chapter 660, Division 22 (Unincorporated Communities). Projects outside urban growth boundaries must access funding through a city or county and must include verification from the appropriate county that the proposed activities are allowed under current state law.

Maximum Grant

Grants can be made for each of the three phases (preliminary engineering/planning, final design and construction) of an applicant's single water system or sewer system project. The maximum grant available for a single water or sewer system project is \$1,000,000. The \$1,000,000 per project limitation covers all aspects of the single project for a period of five years.

\$20,000 Maximum Grant Amount Per Residential Connection

The maximum grant per project is also subject to an additional limit of not more than \$20,000 per permanent residential connection to be served by the water or sewer improvement project. This means that at construction completion there must be a minimum of 50 residential connections served by the water or sewer system project in order for the applicant to be considered for the maximum grant of \$1,000,000. Water or sewer systems currently serving, or at construction completion will be serving less than 50 residential connections may only be awarded a maximum of \$20,000 per available residential connection, subject to the other program requirements.

Maximum Award During Five Years Period

The \$1,000,000 per project limitation covers all components of a major capital improvement project for a period of five years. The five-year period is commensurate with a current regulatory agency approved/accepted water system master plan or wastewater facilities plan. A city or county may not separate a project into phases, such as collection system improvements in one phase and treatment system improvements in another, in order to apply for more than \$1,000,000 in grant funds within a five-year period. The Department's financing goal is to award the minimum amount of grant funds needed to complete the project activity successfully. For example:

Greentree applied for a \$1,000,000 design/build grant for their Phase II water system improvements on March 15, 2004. Greentree is not eligible for an additional \$1,000,000 grant because they have already received \$850,000 in prior grants for their water system improvements (Phase I) over the last five years. They would not be eligible for another \$1,000,000 for their water system improvements until 2006. However, after July 23, 2004 they could apply for \$150,000 from the program, for their water system. This would assume they have a project meeting the eligibility requirements for the preparation of a water system master plan or design of the Phase II improvements.

Schedule of Events:

| 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|--|---|------|------|--|------|--|
| Phase I Distribution | | | | | Phase II Treatment | | |
| Planning | Design | Construction | | | Final Design and/or Construction | | |
| Awarded 7-23-1999 \$150,000 | Awarded 6-28-2000 \$200,000 | Awarded 8-8-2001 \$650,000 | | | Application received 3-15-2004 \$1,000,000 NOT ELIGIBLE (But, they are eligible for \$150,000) | | Eligible for another \$1,000,000 (or \$850,000 if they received \$150,000 in 2004) |

National Objective

All projects must meet a national objective of the Community Development Block Grant Program regardless if CDBG funds will or will not be used in the future phases of the same project. The low and moderate-income area benefit national objective is the only one that is realistically available to applicants for public water and sewer system improvements.

Capacity

Federal Community Development Block Grant rules limit program assistance to activities that are necessary to benefit current residents in a primarily residential area. This means that if the main reason for doing the project is to provide capacity for population and economic growth, other funding sources should be sought. Community Development Block Grant funds are intended to solve problems faced by current residents, such as poor drinking water quality or inadequate sewage treatment. Community Development Block Grant funds may be used for projects needed to benefit current residents (e.g., water treatment improvements to comply with Safe Drinking Water Act requirements) but which will be built with capacity for future development. In these cases, the Community Development Block Grant participation will be limited to that portion of the project cost that is necessary to serve the current population.

Applicants for final design and construction grants must complete and submit the following tables to the Department for a capacity review determination. It is recommended that the capacity review determination be made during project development and no later than application processing.

Population projections must be consistent with the local County Planning Department's allocated population projections that have been approved by the Department of Land Conservation and Development for the service area within the defined boundary of the project.

| USE | Current | | Future | |
|-----------------------|---------|------|--------|------|
| | EDU's | Flow | EDU's | Flow |
| Residential Permanent | | | | |
| Commercial & Business | | | | |
| Industrial | | | | |
| Other | | | | |
| Total | | | | |
| Percent Residential | % | % | % | % |

EDU – Equivalent Dwelling Unit (EDU)

These numbers can be found in the water system master plan or wastewater facilities plan.

Capacity Building - Total Current (EDU's x 2) Is it less than the Total Future EDU's? Yes No

Capacity Building - Total Current (Flow x 2) Is it less than the Total Future Flow? Yes No

Percent Residential - (Residential/Total) x 100% Is the residential component less than 51%? Yes No

| | Population at date of income qualification (2000 census or other approved survey) | Current Population Estimate | Future Population Estimate |
|---------------|---|-----------------------------|----------------------------|
| Total Persons | | | |

After completing the tables above the project will be eligible for funding if it meets the following four criteria:

- The project must serve an area that is comprised of over 51% permanent residents (both currently and in the future);
- The permanent residents must be comprised of over 51% low and moderate income persons;
- The facility must serve primarily permanent residential needs as determined by flow (both currently and in the future); and,
- The facility is not needed primarily for capacity building purposes (Over 100% growth as determined by population or flow over the 20 year planning period).

Eligible projects include

- Projects necessary to bring municipal water and sewer systems into compliance with the requirements of the Safe Drinking Water Act or the Clean Water Act administered by the Oregon Department of Human Services – Drinking Water Section and the Oregon Department of Environmental Quality;
- The preparation of water management and conservation plans as required by the Oregon Water Resources Department through permitting processes. These may be combined with projects for the preparation of Water System Master plans required by Oregon Health Services, Safe Drinking Water Program;

- Projects where the municipal system has not been issued a notice of non-compliance from the Oregon Health Services, Safe Drinking Water Program or the Department of Environmental Quality, but the Department determines that a project is eligible for assistance upon finding that; A recent letter, within the previous twelve months, from the appropriate regulatory authority (DHS-DWP, DEQ) or their contracted agent, indicating a high probability that within two years the system will be notified of non-compliance, and Department staff deems it reasonable and prudent that program funding will assist in bringing the water or sewer system into compliance with current regulations or requirements proposed to take affect within the next two years.
- Planning, design and construction projects necessary for the provision of dependable and efficient water storage, treatment and/or transmission to meet domestic drinking water needs; and,
- Planning, design and construction projects necessary for the provision of dependable and efficient wastewater collection, treatment and disposal/re-use.

Ineligible Projects

- Projects primarily needed for capacity building purposes. *Explained in more detail on Page 11-4*);
- Projects that are needed solely to drill/develop wells. *(However projects where well drilling/development is only a component of a much larger project and not the primary purpose will be eligible for funding. For example, a project that consists of distribution, treatment and well drilling improvements all in one phase would be eligible for funding.); and,*
- Projects primarily needed for fire suppression.

Eligible Activities

Eligible activities are:

- Wastewater treatment facilities including all facilities necessary for collecting, pumping, treating and disposing of sanitary sewage. Included is correction of infiltration and inflow (I&I) through replacement of lines or slip lining;
- Separation of storm drainage from sanitary sewers, if necessary to meet federal or state water quality statutes, rules, orders or permits;
- Domestic water systems including all facilities necessary for supply development, storage, filtration, treatment, transmission and metering;
- Equipment that is an integral and permanent part of a water or wastewater facility. Purchase or lease of other equipment, including vehicles is not eligible;
- The acquisition of real property, including permanent easements, necessary for the proposed water or wastewater project;
- Installation of water distribution or wastewater collection lines on private property (e.g., household laterals) and associated plumbing connections if necessary to ensure the overall system meets state and federal requirements. Only the direct capital construction costs for low and moderate-income households are eligible under the Clearance, Rehabilitation, Reconstruction, and Construction of Buildings eligibility category under the national objective of the low and moderate housing. These activities are not eligible under the low and moderate income area wide benefit national objective for publicly owned infrastructure systems;

- Television inspection and internal grouting of wastewater collection lines if approved in advance by the Department. Since this work can also be a method of maintaining the lines, case-by-case determinations must be made because operation and maintenance expenses are considered not eligible under federal regulations for the Community Development Block Grant program;
- Preliminary planning (wastewater facilities plans, water system master plans and water management and conservation plans) and preliminary and final engineering, surveying, architectural and other support activities necessary to the construction of a water or wastewater project;
- Administrative costs necessary to ensure that federal requirements for the grant project are met. Refer to Chapter 5 for more information; and,
- Construction contingencies. Refer to Chapter 5 for more information.

Coordinated Solutions

To the greatest extent possible, Public Works funds will be awarded to projects that will result in coordinated solutions to water quality management problems.

Water Meter

Projects for water supply, storage and/or treatment facility improvements will be considered only if the service connections are metered, or the project will include installation of active meters. Projects including the installation of new water lines must also include installation of water meters at all active service connections to those lines. The water meter requirement provides the applicant or system-operating entity a useful tool for operating and maintaining the community water system. Meters are used for fair and accurate billing, water-use monitoring, conservation purposes, and as a means of problem detection.

Water Quality Limited Streams

Additional review will be done for applications involving sewage treatment facilities that discharge into "water quality limited" streams for which the Oregon Department of Environmental Quality (DEQ) has not yet established TMDLs (Total Maximum Daily Loads). Consultation with DEQ will take place to determine if the project can or should be designed and constructed without established TMDLs. The applicant will be kept informed as this review takes place. The consultation will consider the following:

- DEQ's anticipated schedule for completion of the TMDL study for the affected stream;
- Specific water quality standards being violated in the affected stream and how this information may affect the nature and extent of work needed for the treatment system;
- If the project is designed and constructed prior to establishment of TMDLs, whether it is likely the community will face another design and construction project soon after completion of the grant-funded improvements; and,
- If funding the design and construction of the proposed project prior to establishment of TMDLs for the affected stream is a wise investment of public funds.

Limitations on Engineering Costs

Applicants may select their engineering consultant prior to award of grant funds if they carry out a competitive selection process in accordance with State statutes and obtain Department approval of the scope of work and draft contract. However, Community Development Block Grant funds cannot be used to pay for engineering costs incurred prior to the grant award; or prior to clearance of the environmental review requirements, communities will have to use their own funds to cover all engineering costs associated with the project. Refer to Chapter 5 for more information.

Engineering Requirements

Preliminary engineering/planning documents, final design engineering documents and construction oversight in projects funded in full or in part with CDBG funds must be prepared and stamped or conducted by a registered professional engineer licensed to do work within the State of Oregon.

NOTE:

Using the preliminary engineering/planning grant category does not obligate the grant recipient to construct the project if it is determined to be not feasible. Using any one of three public works funding categories does not obligate the Department to fund any other portion of the project.

TABLE N

| Oregon Community Development Block Grant Program 2008 Public Works Improvements Activities Eligibility, Project Activity Type, and Maximum Grant Awards | | | |
|--|--|--|---|
| | Preliminary Engineering and Planning | Final Engineering | Construction |
| Grant Maximum | \$150,000 | The only limitation to the size of these grants is the limit of \$1,000,000 (including all Community Development Block Grant awards for preliminary engineering & planning, final engineering, and construction) within a five-year period. * | |
| Project Activities to be Funded | Water Management and Conservation plans. Water Master plans and Wastewater facilities plans for municipal systems which include: Problem identification studies Preliminary engineering report and preliminary cost estimates Identification of funding options Preparation of a financing application to the Department or other agencies for final engineering Grant administration and audit | Final engineering designs, bid specifications, and updated cost estimates Project financial feasibility information Environmental review of project (does not include publishing of notices for public comment) Preparation of application for construction financing Grant administration and audit | Construction Construction engineering and project management Acquisition of property, including easements Grant administration and audit |
| Project Period | All activities must be completed and the Project Completion Report submitted to the Department, within this time from contract execution with the Department: | | |
| | 24 months | 24 months | 24 months |

| | |
|--|---|
| | 36 months if these two phases are combined in one grant |
| * Community Development Block Grants awarded prior to 2003 do not count against the \$1,000,000 limit. | |
| Note: Contracts with recipients combining final design and construction into one grant will have a contract condition prohibiting the Department from releasing construction funds until the recipient provides evidence that all necessary construction funding, to complete the activity, has been secured and, if applicable, regulatory agency approvals have been received. These grants are not considered (design/build) grants. | |

Note: Any preliminary engineering/planning documents, construction engineering documents (plans and specifications) and construction oversight in projects funded in whole or in part with CDBG funds must be prepared and stamped or conducted by a registered professional engineer licensed to do work within the State of Oregon.

Type 1 Projects

Public Water and Sewer Grants

1. Preliminary Engineering and Planning Grants

These grants will help communities pay for water system master plans, wastewater facilities plans, capital improvement plans, and problem identification studies (e.g., sanitary surveys, value engineering, inflow and infiltration studies). Funding for the future project may come from other sources, but the future project must meet a national objective.

Funds may be requested for preliminary engineering and planning that will result in a comprehensive assessment of a community's entire water or sewer system and that can reasonably be expected to result in a construction project within two years of the grant award for preliminary engineering and planning. The maximum grant for preliminary engineering and planning is \$150,000. Given that the community has not exceeded the \$1,000,000 per project limitation of Community Development Block Grant assistance for a community's overall project within a five-year period. Based upon the five year project limitation the community may not be eligible for the maximum grant of \$150,000.

The applicant must demonstrate that the specific future construction project will meet the Community Development Block Grant low and moderate income – area wide national objective. This rule applies even if the applicant does not intend to use CDBG funds for future phases of the same project.

Examples of preliminary engineering and planning work include, but may not be limited to:

- The facilities plan for a wastewater system required by the Oregon Department of Environmental Quality prior to its funding of a capital construction project;
- The preliminary engineering report and other information required by USDA-Rural Development prior to issuance of a Letter of Conditions by that agency for a water or sewer system project;
- The master plan for municipal drinking water system required by Oregon Department of Human Services-Drinking Water Program; and,

- Water Management Plans or Conservation Plans required by the Oregon Water Resources Department.
- Planning projects necessary for the provision of dependable and efficient water and wastewater needs.

Preliminary engineering and planning grants for comprehensive system assessments must result in a plan with at least a 20-year time frame addressing the public facility (wastewater or water) needs of the jurisdiction and matching the costs of future improvements to anticipated revenues. Applicants must contact Department staff about the contents that must be included in the specific scope of work in all circumstances. Applicants are required to develop scopes of work that follow the *“Guidelines for the Preparation of Planning Documents for Developing Community Water System Projects and Guidelines for the Preparation of Facilities Plans and Environmental Reports for Community Wastewater Projects”* available from Department staff. Plans resulting from these grants must be coordinated with the local planning and budget processes. They must include a timetable for completing future improvements with a determination of project priorities, project timing, estimation of cost and consideration of methods of financing.

For each project, the scope of work and final product description will be determined on a case-by-case basis by the recipient or its representative, the Oregon Economic and Community Development Department, and the appropriate state or federal regulatory agency. All scopes of work must be reviewed by the appropriate regulatory agency, Oregon Department of Environmental Quality the Oregon Department of Human Services – Drinking Water Program prior to beginning the planning. Evidence of this review and that the review comments were addressed within the scope of work must be submitted to the Department, with each application for funding.

The grant contract will require recipients of preliminary engineering and planning grants to obtain a review of draft reports and documents by the appropriate regulatory agencies. The regulatory agency(s) comments must be obtained before the recipient accepts a final product. If the preliminary engineering and planning grant is for a wastewater facilities plan or a water system master plan, the draft must be accepted by the regulatory agency. The Department will make the final disbursement of the grant funds for these projects until the above approvals/acceptance has been received from the appropriate regulatory agency.

Some of the preliminary engineering and planning grant may be used to pay for:

- The preparation of a funding application to Department or other state or federal agency for the next phase of the project; and,
- Grant Administration/Audit. Refer to Chapter 5 for more information.

2. Final Engineering Grants

Grant funds are available to help the applicant obtain the products listed below, which will be required elements of a construction application. The only limit to the size of these grants is the limit of no more than \$1,000,000 in Community Development Block Grant assistance for a community's overall project within a five-year period. A single grant may be awarded for both final engineering

and construction. Eligible projects must be in accordance with a regulatory agency approved water system master plan or wastewater facilities plan. A copy of the planning document and the regulatory agency approval must be submitted with the application.

The most common eligible activities include but are not limited to:

- Project description, including an explanation of the basis for the size and/or capacity of the proposed facility;
- Pre-design reports, final engineering design and bid specifications. Refer to Chapter 5 for more information on the limits of engineering costs;
- Detailed cost estimates, including all items necessary to complete the project;
- Identification of all permits and approvals necessary to construct the project with a schedule showing a realistic review and approval process for each;
- Financial feasibility information, including information regarding the applicant's or utility system's financial situation. For projects where a financial review was prepared by another funding source (e.g., USDA Rural Development) a copy must be provided to the Department for review with the application;
- Maps showing the general location of the project, tax lots or parcels in the project area, and the specific location of the project, including, if applicable, line sizes, road widths, etc.;
- Environmental review of the proposed project that complies with National Environmental Policy Act (NEPA), other applicable federal authorities and the implementing regulations of the U.S. Department of Housing and Urban Development. The review would not include issuance of a Finding of No Significant Impact or publishing of a Request for Release of Funds, since these are not appropriate until construction financing is obtained. For applicable situations, publishing flood plain notices as part of the "8 step" process should be done as part of the final engineering grant project; and,
- Grant Administration/Audit. Refer to Chapter 5 for more information.

In addition to the above products, the applicant can use some of the final engineering grant to pay for preparation of a construction application or an application to another federal or state program for construction financing.

Final engineering projects may not include the use of grant funds to pay for the actual acquisition of property, whether sites or easements. Costs for activities leading up to acquisition, such as appraisals, are allowable. Grant recipients for final engineering only must have regulatory agency approval of final plans and specifications before the grant is administratively closed and before a Community Development Block Grant construction application is submitted.

NOTE: An applicant may apply for a final engineering grant without having been awarded a grant for preliminary engineering and planning. Applicants who already have completed the work involved in what these rules term a preliminary engineering and planning project may apply directly for a final engineering grant. The Department may determine upon review of the application that an award for a preliminary engineering and planning grant is necessary to obtain information to justify a final engineering award.

3. Construction Grants

Maximum Grant

\$1,000,000, less any prior CDBG for preliminary engineering and planning or final engineering grants that have been awarded to the applicant within the five-year period for the same project. This is also subject to the maximum overall limit calculated at \$20,000 of CDBG funds per residential connection within the water or sewer system. Grants will be awarded for the minimum amount considered necessary to provide the improvements needed to benefit current residents. A single grant may be awarded for both final engineering and construction. Eligible projects must be in accordance with regulatory agency approved final design documents and plans. A copy of the final design documents and plans and the regulatory agency approval must be submitted with the application.

Eligible Activities

Community Development Block Grants for construction may be used to pay for:

- Preparation of the environmental review;
- Bid process;
- Construction of improvements;
- Engineering oversight and construction management. Refer to Chapter 5 for more information;
- Construction contingencies. Refer to Chapter 5 for more information;
- Conducting on-site employee interview/verifying payroll data;
- Appraisal and acquisition of real property including permanent easements, preparation of as-built drawings, operation and maintenance manuals; and,
- Grant administration/audit/legal. Refer to Chapter 5 for more information.

Applicants may apply for a construction grant without having been awarded a preliminary engineering and planning or a final engineering grant from the Community Development Block Grant program. Applicants who have completed the work involved, described by the rules as preliminary engineering and planning and final engineering projects, may apply for a construction grant. Following review of the application, the Department may determine an award for preliminary engineering and planning or final engineering is necessary to obtain information to justify a construction award.

TYPE 2 and 3 PROJECTS

Grants for Brownfield Redevelopment and Downtown Revitalization

Description

“Brownfield” – A real property where expansion or redevelopment is complicated by actual or perceived environmental contamination. Examples of brownfields include: closed timber mill; former dry cleaner; and old wrecking yards.

Downtown Revitalization Projects – A project that is important to the local jurisdiction to redevelop/enhance downtown areas for a variety of reasons, which could include: beautification; promote easier access; and encourage downtown development.

Maximum Grant Amount

The maximum grant (including design and construction) is \$300,000, to fund final design and construction, necessary to complete the project. A city or county may not separate a project activity into phases - such as building one portion of the entire facility now and then building the remaining portion later - in order to exceed the grant limit of \$300,000. The Department’s goal is to award the minimum amount of grant funds needed to complete the project successfully. These grants are not considered (design/build) grants.

Matching Funds Requirement

There is no minimum match requirement. However, all project funds necessary to complete the proposed project must be available and committed at the time the application is received by the Department. If any necessary funds are not committed, the applicant must provide clear and convincing evidence as part of its application showing that all project funds, needed for the project will, be secured within 4 months following the date of grant contract execution. Refer to the “Readiness to Proceed” definition in Chapter 5 for more details.

National Objective

- **Brownfield Revitalization projects** must meet the national objective of the elimination of slums and blights (spot basis only).
- **Downtown Redevelopment projects** must meet the national objective of principal benefit to low and moderate-income persons as an area benefit project.

As a general rule, national objective compliance for the acquisition of real property must be based on the use of the property after the acquisition takes place. The initial determination is based on the **planned** use of the property, but the final determination is to be based on the **actual** use. However, when property is acquired or improved for the purpose of clearance to remove specific

conditions of blight or physical decay, the clearance is considered to be the actual use of the property, but any subsequent use made of the property following clearance must be considered to be a "change of use" under 24 CFR 570.489(j).

Any continued use "change of use" of a brownfield re-development project site must be an eligible activity under the States current Method of Distribution.

Eligible Projects

- **Brownfield Redevelopment** - For publicly owned facilities and property. Eligible environmental actions include but are not limited to: site investigation, sampling, and characterization; feasibility studies; remediation plans; demolition, clearance or removal of abandoned and vacant structures; decommissioning of storage tanks and distribution systems; mitigation; and, cleanup, removal or disposal of environmental contamination consistent with state cleanup law.
- **Downtown Revitalization** - Clearance of abandoned buildings and/or improvement to publicly owned facilities or infrastructure. This includes curbs, gutters, necessary storm drainage, sidewalks, landscaping, water and sewer lines, benches (as long as they are permanently fixed in the concrete), and environmental actions, such as site assessments and cleanups, to help carry out a plan for revitalization of a downtown area. Grants will not be awarded for facilities owned and maintained by another state or federal agency.

Eligible Activities

Community Development Block Grant funds may be used for the following activities unless otherwise limited:

- Property acquisition (including appraisal costs), clearance and disposition by the city or county grant recipient;
- Construction, rehabilitation, reconstruction or installation of improvements;
- Purchase and installation of equipment, must be an integral structure fixture;
- Architectural and engineering services, Refer to Chapter 5 for limits;
- Relocation assistance to meet federal requirements;
- Administrative services needed to ensure federal requirements for the grant project are met, Refer to Chapter 5 for more information;
- Construction contingencies. Refer to Chapter 5 for more information;
- Environmental site assessments; and,
- Clearance - Demolition of buildings and improvements, removal of demolition products (rubble) and other debris, physical removal of environmental contamination or treatment of such contamination to render harmless and movement of structures to other site(s).
- Any construction engineering documents and construction oversight in projects funded in full or in part with CDBG funds must be prepared and stamped or conducted by a registered professional engineer licensed to do work within the State of Oregon. For Brownfield

Redevelopment projects other professionals registered in the State of Oregon (for example, geologist) may be acceptable.

ADDITIONAL Application Threshold Criteria for Activities that Involve Environmental Actions

To be eligible to receive funds for **Downtown Revitalization** or **Brownfield Redevelopment** projects that include environmental actions, the site must receive oversight and/or review from the Department of Environmental Quality. Oversight and review can be achieved through participation in the Voluntary Cleanup Program, Independent Cleanup Pathway, Underground Storage Tank Program, or other agreement with the Department of Environmental Quality.

Evidence of how this oversight or review will be accomplished must be provided with any application submitted to the Department for funding. A letter from DEQ that demonstrates their awareness of the project and identifies the project oversight or review process is sufficient evidence.

Cost estimates prepared by a certified professional (Registered Geologist, Professional Engineer, etc.) must be provided with any application to conduct environmental actions such as cleanup or remediation.

Description of Brownfield Redevelopment and Downtown Revitalization Projects

Final Design and Construction Grants (These grants are not considered (design/build) grants)

Grant funds are available to help the applicant design and construct the proposed project. The maximum grant is \$300,000, less any preliminary engineering/architectural and planning grant award(s). Grants will be awarded for the minimum amount considered necessary to provide the improvements needed.

The most common activities for design and construction grants are:

- Project description, including an explanation of the basis for the size and or capacity of the proposed facility;
- Final engineering/architectural design, bid specifications, bid process and construction management. Refer to Chapter5 for more information;
- Detailed cost estimates;
- Identification of permits and approvals necessary to construct the project, including a schedule with a realistic review and approval process for each;
- Financial Feasibility Information;
- Maps showing both the general and specific location of the project and tax lots or parcels in the project area;

- Environmental review of the proposed project, compliance with National Environmental Policy Act (NEPA) and other applicable federal authorities. Implementation of the U.S. Department of Housing and Urban Development regulations;
- Grant Administration/Audit, Refer to Chapter 5 for more information;
- Construction;
- Construction Contingencies. Refer to Chapter 5 for more information;
- Acquisition of real property or permanent easements, appraisals;
- Preparation of as-built drawings;
- Preparation of operation and maintenance manuals; and,
- Clearance - Demolition of buildings and improvements, removal of demolition products (rubble) and other debris, physical removal of environmental contamination or treatment of such contamination to render harmless.

Contracts with recipients of combined final design and construction grants will have a contract condition prohibiting the Department from releasing construction funds until the recipient provides evidence that all necessary construction funding, to complete the project, has been secured and, if applicable, regulatory agency approvals have been received.

TYPE 4 PROJECTS

Grants for Publicly Owned Off-Site Infrastructure Projects

The Department is working with Oregon Housing and Community Services and other federal programs to promote balanced community development through the coordination of funding for affordable housing in the non-metropolitan areas of the State, by providing funding for publicly owned off-site infrastructure necessary for the construction of affordable, permanent, new, multi-family rental housing or “single family home ownership” homes to be primarily occupied by low and moderate income persons.

No other properties can benefit from the public improvements

In order for a project to be eligible in this category the infrastructure improvements must only benefit the affordable housing development. If the proposed project will benefit other properties in addition to the property the new housing is located on, the project will not be eligible for funding assistance.

Maximum Grant Amount

The maximum grant is \$225,000.

Matching Funds Requirement

There is no minimum match requirement. However, all project funds necessary to complete the proposed project must be available and committed at the time the application is received by the

Department. If any necessary funds are not committed, the applicant must provide clear and convincing evidence as part of its application showing that all project funds, needed for the project will, be secured within 4 months following the date of grant contract execution. Refer to the "Readiness to Proceed" definition in Chapter 5 for more details.

National Objective

Off-site infrastructure projects must meet the federal national objective of serving low and moderate income persons by documenting that at least 51% of the new rental or single-family home ownership units to be constructed will be held for, and occupied by, low and moderate income persons and families. Refer to Chapter 3 for more information.

In most cases the applicant must obtain information from the respective housing developer to determine if the units to be constructed will be held for and occupied by low and moderate-income persons/families meeting the criteria in Chapter 3.

Applicants for these funds must provide a map of the entire area to be improved with the project with the application.

Eligible Activities

Construction, rehabilitation, reconstruction or installation of publicly owned water, sewer, County roads and City streets, sidewalk, curb and storm drainage improvements. All improvements must be owned and operated by the applicant. Work on the housing site (for example: the extension of water and sewer lines from the property boundary line to the buildings, parking areas, or other improvements designated for the exclusive use of the housing project residents) is not eligible for CDBG funding assistance.

Community Development Block Grant funds may be used solely for the following activities necessary for the publicly owned off-site infrastructure improvements:

- Acquisition of real property and permanent easements;
- Final engineering, surveying, and other support activities, procured by the local government (Refer to Chapter 5 for more information);
- Construction costs and construction contingencies, procured by the local government (Refer to Chapter 5 for more information); and,
- Grant administration (Refer to Chapter 5 for more information).

System development charges, hook-up fees, impact fees, and connection charges are not eligible for reimbursement under the federal regulations for the CDBG program.

Engineering Feasibility Review

Any construction engineering documents/plans and specification and construction oversight in projects funded in full or in part with CDBG funds must be prepared and stamped or conducted by a registered professional engineer licensed to do work within the State of Oregon.

Each proposed project would be subject to review of the applicants existing local construction codes. The requested infrastructure must be the minimum necessary to comply with required local codes and to accommodate the new affordable housing complex. A copy of any applicable construction codes must be submitted with the application, for example, street construction requirements, sidewalk requirements etc. If a funding request for asphalt streets and concrete sidewalks is made to the Department, and there are no existing local construction codes requiring asphalted streets or concrete sidewalks, the applicant will not be awarded funds for these activities.

Affordable Rent

Federal program regulations require the State to define “affordable rent.” The following definition of affordable rent shall be used unless the applicant receives approval from the Department for a different local definition:

The maximum “**affordable rent**” (rent plus utilities) cannot exceed 30% of the gross monthly income of a household whose annual income equals 80% of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit. The rent for a unit occupied by a household receiving a subsidy (For example: Section 8 rental assistance) may be higher than that charged to a non-subsidized household.

Outcome and Performance Measures

Each applicant must address how their project meets the objective(s), outcome(s), indicators and performance measures identified below:

Public Works Water and Wastewater Projects

| Objective | Outcome (Pick One) | Indicators | Performance Measures | State Measurement |
|-----------------------------|---|--|--|---|
| Suitable Living Environment | <ul style="list-style-type: none"> • Availability/ Accessibility | Number of households assisted with: <ul style="list-style-type: none"> • New access to service or benefit • Improved access to service or benefit • Where the project is used to meet a quality standard or measurably improve quality, report the number of households that no longer only have access to a substandard facility or infrastructure (as defined by the local community) | Amount of money leveraged from other federal, state, local and private resources) | The amount of money leveraged from all other funding sources. |
| | <ul style="list-style-type: none"> • Sustainability/ Promoting Livable or Viable Communities | | Number of persons, households or units assisted (pick the one most appropriate to your project – pick only one) | Number of persons having access to more affordable facilities and services including the percentage of low and moderate income persons which benefit from the improvements. |
| | | | Number of low and moderate-income persons served by the project. | Number of systems brought up to environmental/safety standards or upgraded. |
| | | | Number of communities assisted, Race, ethnicity, disability (current categories for beneficiary reporting still apply) | Number of persons benefiting from new or improved facilities including the percentage of low and moderate income persons which benefit from the improvements. |

Public Works Brownfield Redevelopment

| Objective | Outcome | Indicators | Performance Measures | State Measurement |
|-----------------------------|--|---|---|---|
| Suitable Living Environment | Sustainability/ Promoting Livable or Viable Communities | Number of acres of brownfield redeveloped | Amount of money leveraged from other federal, state, local and private resources) | The amount of money leveraged from all other funding sources. |
| | | | Number of persons, households or units assisted (pick the one most appropriate to your project – pick only one) | Number of acres of brownfield site redeveloped. |
| | | | Number of low and moderate-income persons served by the project. | Number of systems brought up to environmental/safety standards or upgraded. |
| | | | Number of communities assisted, | For slum and blight removal projects the number of people benefiting from those improvements. |
| | | | Race, ethnicity, disability (current categories for beneficiary reporting still apply) | |

Public Works Downtown Revitalization

| Objective (Pick One) | Outcome | Indicators | Performance Measures | State Measurement |
|--|--|---|---|---|
| <ul style="list-style-type: none"> • Suitable Living Environment • Creating Economic Opportunities | Sustainability/ Promoting Livable or Viable Communities | Number of households assisted with: <ul style="list-style-type: none"> • New access to service or benefit • Improved access to service or benefit Where the project is used to meet a quality standard or measurably improve quality, report the number of households that no longer only have access to a substandard facility or infrastructure (as defined by the local community) | Amount of money leveraged from other federal, state, local and private resources) | The amount of money leveraged from all other funding sources. |
| | | | Number of persons, households or units assisted (pick the one most appropriate to your project – pick only one) | Number of persons having access to more affordable facilities and services including the percentage of low and moderate income persons which benefit from the improvements. |
| | | | Number of low and moderate-income persons served by the project. | Number of persons benefiting from new or improved facilities including the percentage of low and moderate income persons which benefit from the improvements. |
| | | | Number of communities assisted, | Number of persons benefiting from new or improved facilities including the percentage of low and moderate income persons which benefit from the improvements. |
| | | | Race, ethnicity, disability (current categories for beneficiary reporting still apply) | |

Publicly Owned Off-Site Infrastructure

| Objective | Outcome (Pick One) | Indicators | Performance Measures | State Measurement |
|---------------------------|--|---|---|---|
| Decent Affordable Housing | Sustainability/ Promoting Livable or Viable Communities | Number of renter and owner occupied units created: <ul style="list-style-type: none"> • Number subsidized by federal, state, or local program • Number occupied by elderly (head of household or spouse age 60 or older) • Number of units made handicapped accessible | Amount of money leveraged from other federal, state, local and private resources) | The amount of money leveraged from all other funding sources. |
| | | | Number of persons, households or units assisted (pick the one most appropriate to your project – pick only one) | Number of persons having access to more affordable facilities and services including the percentage of low and moderate income persons which benefit from the improvements. Number of units created. |
| | | | Number of communities assisted. | Number of persons benefiting from new or improved housing including the percentage of low and moderate-income persons which benefit from the improvements. |
| | | | Race, ethnicity, disability (current categories for beneficiary reporting still apply) | |

Chapter 12 Public Community Facilities

Oregon Community Development Block Grant (CDBG) funds can be used for the acquisition, rehabilitation and construction of facilities needed to provide shelter or services to persons with special needs.

Maximum Grant Amount

The maximum grant amount for a single community facility project is either \$500,000 or \$800,000, depending upon the facility type. The \$500,000 or \$800,000 per project limitation covers both final design and construction necessary to complete community facility projects. A city or county may not separate a single project into phases, such as building one portion of the facility now, and then building the remaining portion later, in order to exceed the grant limit per project. These grant limits are explained in more detail later in this chapter.

Combination – (Multi Use) Facilities

Under special circumstances the Department may consider funding combination facilities. An applicant must demonstrate the following to be considered for such funding:

- The applicant has successfully administered prior CDBG projects (e.g. complied with federal and state program requirements, few monitoring findings and concerns and no unresolved findings or concerns).
- The combination facility must only house eligible community facility activities identified within this 2008 Method of Distribution.

Applicants requesting combination facility funding will not receive two grants for the project. The combination facility will not be considered two separate projects and the applicant will only be eligible for the maximum grant associated with the highest use of the facility. Grants for combination facilities will only be awarded at the Department's discretion.

A combination facility will not be considered two separate projects and the applicant will only be eligible for the maximum grant associated with the highest use of the facility. Application's will be rated and ranked based upon the highest use of the facility. Use is defined as "clients served". If the number of clients served by each type of facility included in the combination facility are equal, the highest use will be determined by the facility type that most closely meets HUD's priority of ending chronic homelessness and hunger.

National Objective

All public/community facility projects must meet one of the three National Objectives. All proposed projects are expected to meet the national objective of providing "principal benefit to low and moderate income persons." When using the low and moderate-income national objective, applicants must submit supportive documentation identified in Chapter 3.

TYPE 1 Projects

Maximum Grants of \$800,000 are available only for the facilities contained within the list below. These facilities rarely produce a reliable or sufficient revenue stream to repay a loan. Most of these listed facilities are owned and operated by nonprofit organizations and are not facilities normally financed through local bond elections.

| Facility/Project Type | National Objective the Project must qualify under |
|---|---|
| Shelters for Victims of Domestic Violence | Low and Moderate Income – Limited Clientele |
| Emergency or Homeless Shelters | Low and Moderate Income – Limited Clientele |
| Head Start Centers | Low and Moderate Income – Limited Clientele |
| Transitional Housing | Low and Moderate Income – Limited Clientele |
| Shelters or workshops for people with disabilities | Low and Moderate Income – Limited Clientele |
| Health clinic operated by a nonprofit organization | Low and Moderate Income – Area Wide Benefit |
| Mental Health Treatment centers | Low and Moderate Income – Limited Clientele |
| Drug and Alcohol Treatment facilities | Low and Moderate Income – Limited Clientele |
| Full Service Senior Centers (Includes kitchen and minimum meals service five days/week) | Low and Moderate Income – Limited Clientele |

TYPE 2 Projects

Maximum grants of \$500,000 are available only for the facilities contained within the list below. Generally, these types of facilities provide services to the community in general and which may have a greater possibility of generating loan repayment revenue through space rental, service fees, or derive public support through taxes or user charges.

| Facility/Project Type | National Objective the Project must qualify under |
|--|---|
| Community Centers - (All community centers. These facilities are open to the entire population of a defined area and contain kitchen facilities for serving meals. The facility must be owned by the applicant and constructed on land owned by the applicant. Refer to Chapter 5 for a definition of publicly owned.) | Low and Moderate Income – Area Wide Benefit |
| Food Banks | Low and Moderate Income – Limited Clientele |
| Adult Learning Centers – Adult retraining for unemployed persons to enter the workforce. (The facility must be owned by the applicant and constructed on land owned by the applicant. Refer to Chapter 5 for a definition of publicly owned.) | Low and Moderate Income – Limited Clientele |
| Fire Stations | Low and Moderate Income – Area Wide Benefit |
| Libraries | Low and Moderate Income – Area Wide Benefit |

Definitions

- Head Start Programs - Persons 0-5 years of age.
- Child – Persons 6-12 years of age.
- Youth – Persons from 6-18 years of age.
- Adult – Persons 18 years of age and older.
- Senior – Persons 60 years of age and older.

Eligible Activities

CDBG funds may be used for the following activities:

- Property acquisition (including appraisal costs), clearance and disposition by the city or county grant recipient;
- Construction, rehabilitation, reconstruction or installation of improvements;
- Purchase and installation of equipment that is a fixed and integral structure to the building;
- Architectural and Engineering services. Refer to Chapter 5 for limits;
- Relocation assistance to meet federal requirements;
- Administrative services needed to ensure federal requirements for the grant project are met. Refer to Chapter 5 for more information; and,
- Construction contingencies. Refer to Chapter 5 for more information.

NOTE: Any preliminary engineering/planning documents, construction engineering documents (plans and specifications) and construction oversight in projects funded in full or in part with CDBG funds must be prepared and stamped or conducted by a registered professional architect or engineer licensed to do work within the State of Oregon.

Matching Funds Requirement

There is no minimum match requirement. However, all project funds necessary to complete the proposed project must be available and committed at the time the application is received by the Department. If any necessary funds are not committed, the applicant must provide clear and convincing evidence as part of its application showing that all project funds, needed for the project will, be secured within 4 months following the date of grant contract execution. Refer to the "Readiness to Proceed" definition in Chapter 5 for more details.

Financial Review

All applications will undergo a financial review. All financial reviews will be conducted to determine the funding package to be offered. The grant, if awarded must be the minimum necessary, in combination with other resources, to ensure the completion of the project. Any project determined by the Department to not be financially feasible will not be funded.

If an applicant (county or city) is the owner and operator of the facility, the applicant's financial records will be analyzed for ability to service debt.

If an applicant (county or city) is applying on behalf of a nonprofit or other entity and the nonprofit or other entity will be the owner and operator of the facility and the applicant has no responsibility for providing said service, then that nonprofit's or other entity's financial records will be analyzed for the ability to service debt.

If an applicant (county or city) is responsible for providing said service (such as mental health), whether or not the applicant is contracting out the operation of the facility to a nonprofit or another entity, the applicant’s financial records will be analyzed for the ability to service debt.

TABLE O

| 2008 Public/Community Facilities Activities Eligibility, Activity Type, and Maximum Grant Awards | |
|---|--|
| Final Design and Construction | |
| Grant Maximum | The only limitation to the size of these grants is the limit of \$500,000 or \$800,000, depending on type of project. (Including all prior Community Development Block Grant awards for preliminary engineering/ architectural and planning and final design and construction for the same project.) |
| Project Activities to be Funded | Final Engineering/Architectural designs, bid specifications and updated cost estimates Financial Feasibility Information Environmental Review of project Construction and Construction contingencies Construction engineering/architectural services and project management Acquisition of property/permanent easements Grant administration and audit |
| Project Completion Period | All activities must be completed and the Project Completion Report submitted within 36 months from contract execution with the Department. |
| Note: Contracts with recipients of combining final design and construction grants into one award will have a contract condition prohibiting the Department from releasing construction funds until the recipient provides evidence that all necessary construction funding to complete the project has been secured and, if applicable, regulatory agency approvals have been received. These grants are not considered (design/build) grants. | |

Final Design and Construction Grants (These grants are not considered (design/build) grants)

Grant funds are available to help the applicant prepare the final design and to construct the proposed public/community facility project. The maximum grant per project will be \$500,000 or \$800,000, depending on the type of facility, less any previous preliminary engineering/architectural and planning CDBG grant award(s). Grants will be awarded for the minimum amount considered necessary to provide the improvements needed.

The most common activities for design and construction grants are:

- Project description, including an explanation of the basis for the size and or capacity of the proposed facility;
- Final Engineering/Architectural design and bid specifications. Refer to Chapter 5 for more information;
- Detailed cost estimates;
- Identification of permits and approvals necessary to construct the project, including a schedule with a realistic review and approval process for each;
- Financial Feasibility Information;
- Maps showing both the general and specific location of the project and tax lots or parcels in the project area;

- Environmental review of the proposed project, compliance with National Environmental Policy Act (NEPA) and other applicable federal authorities. Implementation of the U.S. Department of Housing and Urban Development regulations;
- Grant Administration/Audit. Refer to Chapter 5 for more information;
- Construction;
- Bid Process;
- Engineering/Architectural construction management. Refer to Chapter 5 for more information;
- Construction Contingencies. Refer to Chapter 5 for more information;
- Acquisition of real property or permanent easements, appraisals;
- Preparation of as-built drawings; and,
- Preparation of operation and maintenance manuals.

Outcome and Performance Measures:

Each applicant must address how their project meets the objective(s), outcome(s), indicators and performance measures identified below:

Public/Community Facility Projects

| Objective (Pick One) | Outcome (Pick One) | Indicators | Performance Measures | State Measurement |
|---|---|---|---|---|
| <ul style="list-style-type: none"> • Decent Housing • Suitable Living Environment | <ul style="list-style-type: none"> • Availability/Accessibility • Affordability | Number of households assisted with: <ul style="list-style-type: none"> • New access to service or benefit • Improved access to service or benefit • Where the project is used to meet a quality standard or measurably improve quality, report the number of households that no longer only have access to a substandard facility or infrastructure (as defined by the local community) Homeless /Emergency Shelter activities: <ul style="list-style-type: none"> • Number of homeless persons given overnight shelter. • Number of beds created in overnight shelter or other emergency housing. | Amount of money leveraged from other federal, state, local and private resources) | The amount of money leveraged from all other funding sources. |
| | | | Number of persons, households or units assisted (pick the one most appropriate to your project – pick only one) | Number of persons having access to more affordable facilities and services including the percentage of low and moderate income persons which benefit from the improvements. |
| | | | Number of low and moderate-income persons served by the project. | Number of systems brought up to environmental/safety standards or upgraded. |
| | | | Number of communities assisted. Race, ethnicity, disability (current categories for beneficiary reporting still apply) | Number of persons benefiting from new or improved facilities including the percentage of low and moderate income persons which benefit from the improvements. |

Chapter 13 Regional Housing Rehabilitation

General Description

Oregon Community Development Block Grant funds are used by nonentitlement cities and counties to implement this Regional Housing Rehabilitation program. A regional housing rehabilitation program enables low-and moderate-income homeowners to fund repairs and upgrades to their homes using local construction contractors. The homes must be owned and occupied by low and moderate-income homeowners.

A minimum of three municipalities must collaborate on a joint service area to be eligible for funding. The jurisdiction that applies and receives an award incurs the responsibility for the grant funds. Only one city or county may take the lead as the grant applicant. Joint applications submitted for review in which two or more units of local government are equally responsible will not be accepted. A formal written agreement must specify each municipality's commitment to the housing rehabilitation grant application. Typically assistance is provided in the form of loans secured by the property title.

Although the grant is awarded to a city or county applicant, the project must be subgranted to a certified nonprofit subgrantee serving their regional collaboration. Loan repayments must go back to the nonprofit's regional revolving loan fund to help subsequent eligible homeowners. The regional collaboration is expected to have a formal organizational structure. Loans funded from this grant must be dedicated to provide additional housing rehabilitation upon repayment.

Program Structure

Community Development Block Grant funds are regulated by 24 CFR Part 570.489(e) (2) (ii). The program requires the city or county grant recipients to subgrant with an eligible nonprofit organization meeting the requirements of the Housing and Community Development Act 105 (a) (15) to carry out the housing rehabilitation program. A subgrant agreement between the municipality and the nonprofit must ensure compliance with state and federal Community Development Block Grant requirements. The city or county grant recipient retains ultimate responsibility for ensuring that all CDBG program requirements are met.

The subgranted program management services include performing the daily accounting, client eligibility processing, and construction management duties. The nonprofit is the lender of the initial loans and is responsible for all program decisions. All loan portfolios must be repaid to the subgrantee certified under 105(a) (15) of the HCDA.

Subgrant Requirement

City or county grant recipients must sub-grant the funds to a qualified 501(c) (3) or (c) (4) nonprofit organization to carry out a regional program consistent with 105(a) (15) of the Housing and Community Development Act (HCDA). The city or county grant recipient must enter into a subgrant agreement with an eligible nonprofit to implement and carryout the regional housing rehabilitation program. The city or county must meet with the partners of their regional collaboration at least annually to review program activities and assess what is necessary to ensure a sustainable loan fund for their regional collaboration.

All federal CDBG compliance requirements assigned to the sub-grantee remain the obligation of the original city or county grant recipient until the State's administrative closeout of the grant. No formal procurement process is necessary by the city or county since the grant recipient subgrants the funds to an eligible nonprofit.

The nonprofit responsible to carryout the program must be in control of the revolving loan fund.

The subgranted nonprofit is responsible for performance of the housing rehabilitation project. This entity will be the owner of all program policies and procedures. They will be responsible for these activities, but not limited to: loan determinations, control of loan portfolios, compliance with all state and federal requirements, construction oversight, owner of future loans and repayments, and fiscal accountability for all CDBG funds.

This nonprofit manages the grant fund for the purpose of housing rehabilitation. Any income generated by the loans (repayments and interest) is repaid to the same nonprofit carrying out the program. The nonprofit carrying out the program is responsible for administering the housing rehabilitation revolving loan fund.

Eligible Nonprofit Subgrantee

The nonprofit must meet the following requirements of a certified subgrantee by the department.

- Documentation from the Internal Revenue Service (IRS) that certifies the nonprofit organization is organized under 501(c)(3) or (c)4 of the IRS Code.
- Documentation that the organization must have as one of its primary purposes (as outlined in its bylaws, article of incorporation or charter) to provide affordable housing that is decent, safe and sanitary for low and moderate income Oregonians.
- Documentation that the organization serves the development needs of the communities in the non-entitlement areas of the state and is carrying out a neighborhood revitalization, community economic development, or energy conservation project in accordance with 105(a)(15) of the HCDA.
- The sub-granted nonprofit must comply with all CDBG requirements.
- This nonprofit must be named as the lender of all loans against property titles.
- All loan repayments must be received and reconveyed by the nonprofit.

Housing Rehabilitation Activities

Construction, rehabilitation, reconstruction, or the installations of improvements are primary housing rehabilitation activities. Deferred maintenance upgrades eligible for funding include electrical, plumbing, roofing, siding, insulation, weatherization, and dry rot repairs. Purchase and installation of integral structural fixtures may include permanent affixed equipment such as heating systems, hot water heaters, light fixtures and built-in appliances. Eligible health and safety concerns are activities including lead, water, and asbestos tests, inspections and assessments. Eligible homes will have HUD, Section 8, housing quality standards inspections resulting in substandard conditions. No indirect costs are allowed under the program. Ineligible activities are costs associated with providing Regional Housing Center services. All cash requests will be processed on a reimbursement basis for direct costs.

National Objective

All housing rehabilitation projects must meet the housing/direct benefit federal national objective as identified in 24 CFR 570.483(b)(3). Household occupants must have incomes below the federal low- and moderate-income limit (80% of the median family income as adjusted by family size). Refer to Chapter 3 for more information.

Maximum Grant Amount

The maximum grant in this category is \$400,000. No more than two applications from a regional housing rehabilitation program area may be submitted per grant cycle. A region submitting more than one application should specify a funding priority for each application. Grant funding will be limited to one grant per regional revolving loan fund area to achieve geographic distribution as well as sustainability. Due to the over subscription of applications awards may be for less than this maximum.

Timely Completion

Regional Housing Rehabilitation Programs will partly be evaluated by their available funds. Programs with an open grant contract over two years old by the application due date with unexpended grant funds will not compete as well as programs with timely completion. The State will determine open grant balances for each regional collaboration that submits an application. OHCS will check undisbursed fund balances on its internal tracking system on the first day applications may be submitted to establish open grant balances. Contracts will be for a two-year term and may not exceed amendments for a third year. Refer to Chapter 2 for more information on application limits.

Program Management

Program management services are performed by the subgrantee for the city or county grant recipient. Subgrantees typically develop or prepare such items as: application procedures, process applications, verification of program eligibility, notices of loan approvals, filing of trust deeds, construction oversight, owners certification that improvements were accepted and other necessary documents. These are explained in more detail in Chapter 5.

Grant Administration

Grant administration services ensure that the federal and state grant contract requirements are met for the project. These are explained in more detail in Chapter 5 of this Method of Distribution.

Outcome and Performance Measures:

Decent affordable housing as a housing program that meets individual family needs is our objective. Sustainability as a project that promotes livability by improving neighborhoods is our desired outcome. The amount of money leveraged from other sources is also a factor.

Each applicant must address how their project meets the objective(s), outcome(s), indicators and performance measures identified below:

| Objective | Outcome (Pick One) | Indicators | Performance Measures | State Measurement |
|---------------------------|--|---|---|---|
| Decent Affordable Housing | Sustainability/ Promoting Livable or Viable Communities | Number of owner occupied units rehabilitated or improved: <ul style="list-style-type: none"> Number using lead safe working practices (Pre-1978 units, where \$5,000 or more of rehab work is to be complied and any lead safe practices were used.) Number subsidized by federal, state, or local program Number occupied by elderly (head of household or spouse age 60 or older) Number of units made handicapped accessible | Amount of money leveraged from other federal, state, local and private resources) | The amount of money leveraged from all other funding sources. |
| | | | Number of persons, households or units assisted (pick the one most appropriate to your project – pick only one) | Number of persons having access to more affordable facilities and services including the percentage of low and moderate income persons which benefit from the improvements. |
| | | | Number of low and moderate-income persons served by the project. | Number of units rehabbed. |
| | | | Number of communities assisted, | Number of persons benefiting from new or improved housing including the percentage of low and moderate-income persons, which benefit from the improvements. |
| | | | Race, ethnicity, disability (current categories for beneficiary reporting still apply) | |

HUD funds CDBG using an appropriation from congress. Congress is interested in gathering outcome and performance measures. If awarded, your data collection system will be evaluated to ensure project beneficiary statistical data is captured prior to issuance of contract.

Contact for More Information:

You are encouraged to contact Oregon Housing & Community Services, Single Family Section, CDBG Program Analyst Ernest Kirchner by phone at 503-986-2136 or by email to Ernest.Kirchner@hcs.state.or.us for more information on the CDBG housing rehab program.

OHCS Application Procedures for Regional Housing Rehabilitation

Application

Regional Housing Rehabilitation is to provide funds to repair owner occupied homes for income eligible families. The Regional Housing Rehabilitation Program is awarded on an annual competitive application process. Funding is contingent upon a grant agreement between Housing and Urban Development and the State of Oregon. Application forms are in the following section and are also available from the Oregon Housing and Community Services web site.

Award Process

The anticipated award process shall be as follows:

1. Regional Housing Rehabilitation applications must be received at OHCS Salem office between January 7 and February 28, 2008.
2. Applications will be ranked on a point basis.
3. Grant awards may be less than the maximum possible to achieve greater geographic distribution and/or due to HUD funding levels.
4. Funding decisions will be made after completion of review by the Executive Committee and approval by the Director.
5. OHCS will take approximately 60 days to review the applications and announce awards.
6. Funding Award Letters will be sent to all applicants informing them of funding decisions.
7. Any funds recaptured or not awarded through the competitive funding cycle may be awarded to: applications originally considered incomplete; applications submitted in response to additional requests for proposals; unanticipated local project needs, or added to existing grant agreements.

State Review

A complete application must be signed by the highest elected official of the applicant or their authorized official. All questions must be answered and all attachments included. Applications must be in proper order and all exhibits properly labeled. Number each page sequentially. Each Section 7 scored category must fully respond for full credit. Attachments may substantiate your response, but will not be rated separately. All applications will be reviewed for minimum threshold requirements. Applications that do not meet the threshold review will not be considered for funding. The State will factor any open grant balance into each region's need. OHCS will record each open grant fund balance on January 7, 2008. The application review of any nonprofit managing a regional housing rehabilitation project will include that balance in the scored category Nonprofit Program Management-Readiness to Proceed. Over lapping or noncontiguous boundaries for the regional housing rehabilitation loan fund will be discouraged. Complete applications that meet minimum threshold requirements will be ranked on the following criteria. The maximum score from each evaluator is 100 points.

2008 COMMUNITY DEVELOPMENT BLOCK GRANT
 REGIONAL HOUSING REHABILITATION APPLICATION
 (Submit original and 3 copies with all attachments)

This application is available on our website at www.oregonbond.us

Contact: Ernie Kirchner, Program Analyst
 Oregon Housing and Community Services
 725 Summer Street NE, Suite B
 Salem, Oregon 97301
 (503) 986-2136 Ernie.Kirchner@hcs.state.or.us



| | |
|--|--|
| <p>SECTION 1: Applicant Information:</p> <p>Municipality: Mailing Address: City, State Contact Person: Phone: Fax: Email Address:</p> | <p>SECTION 2: Nonprofit Information:</p> <p>Agency: Mailing Address: City, State Contact Person: Phone: Fax: Email Address:</p> |
|--|--|

| | |
|---|---|
| <p>SECTION 3: Project Information:</p> <p>Project Title: Regional Revolving Loan Fund Name:</p> <p>Define your service area for this application: Number of housing units to be rehabilitated:</p> <p>Rehabilitation cost per unit: Number of low-income people to benefit:</p> | <p>SECTION 4: Project Costs:</p> <p>CDBG funds requested: Rehabilitation: Management: Administration: Leverage funds: Regional Revolving Loan Fund cash balance:</p> <p>Total project budget:</p> |
|---|---|

SECTION 5: MUNICIPAL CERTIFICATION:

The highest elected official or duly authorized individual certifies that all information is valid and accurate. This application is duly authorized by the governing body. The proposed project could not be accomplished without this grant funding.

Signature _____

Title _____

Name _____

Date _____

SECTION 6: PROJECT SUMMARY This Section is not scored.
(Use a maximum of one half page for each brief description)

Brief Description of Need:

Brief Description of Solution:

SECTION 7: PROJECT INFORMATION: THE STATE INTENDS TO AWARD USING THE FOLLOWING SCORED CRITERIA.
Attach a separate narrative for each following scored category. Rating will be based on the individual response given for each separate section category.

A. NONPROFIT PROGRAM MANAGEMENT - READINESS TO PROCEED (25 POINT MAXIMUM)

Briefly describe the nonprofit management entity.
Describe what the nonprofit has done to prepare for this grant award.
What steps have been taken to initiate this project?
Identify your methodology for monitoring construction.
Unless this is a new regional area, tell how this grant will work with your regional revolving loan fund.
How will the existing regional revolving loan funds leverage this grant?

B. REGIONAL COLLABORATION (30 POINT MAXIMUM)

Please describe the regional collaboration, including but not limited to the following information. What group process is used by the participating municipalities in your local collaboration efforts? Who are the members of your regional collaboration and what are their titles? When did you last meet? Attach regional collaboration minutes from calendar year 2007. When will the members of the collaboration next meet? Provide details on how your nonprofit partner participated in municipal planning for this grant. How would this grant fit in your local housing goals?
Describe your efforts with your collaboration partners toward developing a sustainable regional revolving loan fund for owner occupied housing rehabilitation. What is your revolving loan fund balance?
Specify how this grant would contribute to a regional revolving loan fund.

C. DEMONSTRATED NEED (10 POINT MAXIMUM)

The State intends to award points based on a clear and compelling list of prospective clients. Describe the project service area. Include a list of at least 25 homeowners, addresses, and primary items in need of repair as Exhibit G. Provide information on how and when the list was obtained or updated. Describe the basis for accuracy of the listed information and any preliminary eligibility review work performed.

D. TARGETED NEED (10 POINT MAXIMUM)

The State intends to award points based on a priority for documented health or safety deficiencies. Qualified documentation is required to support any point score in this category. Specify if any federal or state agencies validated a critical health or environmental concern. If the health or safety target was determined locally, then provide the minutes from the public process and include supporting expert opinion as Exhibit E.

E. APPLICANT GRANT ADMINISTRATION (25 POINT MAXIMUM)

Briefly describe the relevant grant experience of the city/county including but not limited to the following information. Identify the city/county grant administrator(s) that will be responsible for this grant. What are

their credentials and experience in grant administration? Identify the official to act as the certifying officer for this grant. Identify the city/county member of the regional collaboration group and detail their participation. Identify if there were any findings or concerns related to prior awards.

SECTION 8: EXHIBIT ATTACHMENTS TO APPLICATION

Every application must have exhibits attached in the following order. Number all attachment pages (example: Exhibit A-1).

EXHIBIT A: MAP of the defined area for rehabilitation project and the regional loan fund area.

EXHIBIT B: State of Oregon Housing & Community Services Certified Sub-Grantee certification form. If your nonprofit has not become a Certified Sub-Grantee, then contact OHCS for guidance.

EXHIBIT C: POLICIES AND PROCEDURES for the regional housing rehabilitation program that will apply.

EXHIBIT D: REGIONAL COLLABORATION prove that at least three municipalities strategize for your regional housing rehabilitation program. Include meeting minutes, membership lists, and the titles of members for calendar year 2007. If the other municipal partners have no loan portfolios or program income, then describe their commitment to the regional housing rehabilitation approach.

EXHIBIT E: NEED DOCUMENTATION: your list of at least 25 interested home owners that need your housing rehabilitation program. Put an asterisk by each name requesting help for a targeted need. Include a copy of your client intake form/screening form including eligibility income limits.

EXHIBIT F: NATIONAL OBJECTIVE: Housing Rehabilitation provides a direct benefit as referenced in 24 CFR 570.483(b)(3). The 2008 Program Guidelines describe the National Objective in Chapter 3. Document how you will ensure that only income qualified households will benefit.

EXHIBIT G: CITIZEN PARTICIPATION PLAN: The 2008 Program Guidelines, **Chapter 6**, has programmatic details for citizen participation requirements stipulated in 24 CFR 570.486. You must use the provided Public Notice and Notice of Public Hearing. Attach the following support documents: public hearing notice, affidavit of publication, and minutes. Next, attach a list of contacted organization(s) in your community that advocate for low and moderate-income persons. If any of them requested assistance developing eligible CDBG project concepts, describe their request and any assistance you provided. If your municipality has a significant number of non-English speaking residents, detail how were they informed about this grant application.

Chapter 14 Regional Housing Centers

General Description

Oregon Community Development Block Grant funds are used by nonentitlement cities and counties to implement this regional housing center program. A regional housing center program enables low and moderate-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 requirement of Center activity as is special efforts to assist minority families achieve homeownership.

A minimum of three municipalities must collaborate on a joint service area to be eligible for funding. The jurisdiction that applies and receives an award incurs the responsibility for the grant funds. Only one city or county may take the lead as the grant applicant. Joint applications submitted for review in which two or more units of local government are equally responsible will not be accepted. A written agreement must specify each municipality's collaborative commitment to promote, support and participate in the Center activities.

Program Structure

Community Development Block Grant funds are regulated by 24 CFR Part 570.489(e) (2) (ii). The program requires the city or county grant recipients to subgrant with an eligible nonprofit organization. A subgrant agreement between the municipality and the nonprofit must ensure compliance with state and federal Community Development Block Grant requirements. The city or county grant recipient retains ultimate responsibility for ensuring that all CDBG program requirements are met. The subgranted nonprofit is responsible for providing a single housing resource and reference point for the region.

The subgranted program management services include the daily operation of the Center including but not limited to the development and implementation of a Work and Marketing Plan to assist with housing and homeownership issues within the region.

Subgrant Requirement

City or county grant recipients must sub-grant the funds to a qualified 501(c) (3) or (c) (4) nonprofit organization to carry out a regional program consistent with 105(a) (15) of the Housing and Community Development Act (HCDA). The city or county grant recipient must enter into a subgrant agreement with an eligible nonprofit to implement and carry out the regional housing center program.

All federal CDBG compliance requirements assigned to the sub-grantee remain the obligation of the original city or county grant recipient until the State's administrative closeout of the grant. No formal procurement process is necessary by the city or county since the grant recipient subgrants the funds to an eligible nonprofit.

The subgranted nonprofit is responsible for performance of the regional housing center project. This entity will be the owner of all program policies and procedures. The Center will develop a "One-Stop Shop" by providing direct services or establishing and maintaining links with other single family housing programs, developing a plan that identifies all resources available and a method to relay and follow up on referrals. They will be responsible for the fiscal accountability for all CDBG funds.

Eligible Nonprofit Subgrantee

The nonprofit must meet the following requirements of a certified subgrantee by the department.

- Documentation from the Internal Revenue Service (IRS) that certifies the nonprofit organization is organized under 501(c)(3) or (c)4 of the IRS Code.
- Documentation that the organization must have as one of its primary purposes (as outlined in its bylaws, article of incorporation or charter) to provide affordable housing that is decent, safe and sanitary for low and moderate income Oregonians.
- Documentation that the organization serves the development needs of the communities in the non-entitlement areas of the state and is carrying out a neighborhood revitalization, community economic development, or energy conservation project in accordance with 105(a)(15) of the HCDA.
- The sub-granted nonprofit must comply with all CDBG requirements.

Regional Housing Center Activities

Home buyer education, down payment programs, homelessness prevention, rental assistance, credit counseling, foreclosure prevention counseling, and referral to weatherization, housing rehabilitation, and energy and emergency housing assistance programs are eligible Center activities. The Center will conduct outreach and marketing activities, targeted to low and moderate-income families, minorities, single women with children and residents of low income neighborhoods. Eligible activity costs associated with providing regional housing center services include: salaries, taxes and insurance benefits for staff providing information and referral services; rent including utilities; office supplies directly related to the operation of the center; mileage reimbursement specifically related to providing the information and referral services; marketing costs limited to advertising and printing costs; and in-state staff training to include mileage and lodging. The mileage and lodging rates cannot exceed the states' reimbursement rate. Grant administration activities to ensure federal and State contract requirements are met are also eligible. All cash requests will be processed on a reimbursement basis for direct costs.

Centers must be accessible to pedestrians and compliant with Americans with Disabilities Act standards. A current website and toll free phone number must be established. Signage must identify the Center at the street level main entrance. The Center will be staffed a minimum of 20 hours per week with hours posted at the main entrance.

National Objective

All regional housing center projects must meet the national objective benefiting low to moderate-income persons based on family size and income. Centers must document all clientele served to ensure at least 51% or more are low to moderate persons. Refer to Chapter 3 for more information.

Maximum Grant Amount and Term

| | | |
|--------------------------------|----------|---------------|
| First and second grant awards: | \$60,000 | One-year term |
| Third year and beyond: | \$48,000 | Two-year term |

Contract terms: January 1st through December 31st.

Timely Completion

Regional housing center grants must be administratively closed within 90 days of the termination date of the contract. All costs to be reimbursed must be incurred during a one or two consecutive 12-month period. Any unspent funds will be recaptured. Refer to Chapter 2 for more information on application limits.

Grant Administration

Grant administration services ensure that the federal and state grant contract requirements are met for the project. These are explained in more detail in Chapter 5 of this Method of Distribution.

Outcome and Performance Measures:

Each applicant must address how their project meets the objective(s), outcomes(s), indicators and performance measures identified below:

| Objective | Outcome | Indicators | Performance Measures | State Measurement |
|---------------------------|----------------------------|--|---|---|
| Decent Affordable Housing | Availability/Accessibility | Number of persons assisted: <ul style="list-style-type: none"> • With new access to a service. • With improved access to a service. • Where the project is used to meet a quality standard or measurably improve quality, report the number of households that no longer only have access to a substandard facility or infrastructure (as defined by the local community) | Amount of money leveraged from other federal, state, local and private resources) | The amount of money leveraged from all other funding sources. |
| | | | Number of persons, households or units assisted (pick the one most appropriate to your project – pick only one) | Number of persons having access to more affordable housing services including the percentage of low and moderate-income persons, which benefit. |
| | | | Number of communities assisted | Number of persons benefiting from new or improved housing services including the percentage of low and moderate-income persons, which benefit. |
| | | | Race, ethnicity, disability (current categories for beneficiary reporting still apply) | |

HUD funds CDBG using an appropriation from congress. Congress is interested in gathering outcome and performance measures. If awarded, your data collection system will be evaluated to ensure project beneficiary statistical data is captured prior to issuance of contract.

Contact for More Information:

You are encouraged to contact Oregon Housing & Community Services, Single Family Section, CDBG Program Analyst Julie Marshall by phone at 503-986-2090 or by email to julie.marshall@hcs.state.or.us for more information on the CDBG housing center program.

OHCS Application Procedures for Regional Housing Center

Application

The Regional Housing Center Program is awarded on an annual competitive application process. Funding is contingent upon a grant agreement between Housing and Urban Development and the State of Oregon. Application forms are in the following section and are also available from the Oregon Housing and Community Services web site.

Award Process

The anticipated award process shall be as follows:

1. Housing Center applications must be received at OHCS Salem office between April 1 and May 30, 2008.
2. Applications will be ranked on a point basis.
3. Grant awards may be less than the maximum possible to achieve greater geographic distribution and/or due to HUD funding levels. Alternate fund sources may be used to augment CDBG funds.
4. Funding decisions will be made after completion of review by the Executive Committee and approval by the Director.
5. OHCS will take approximately 60 days to review the applications and announce awards.
6. Funding Award Letters will be sent to all applicants informing them of funding decisions.
7. Any funds recaptured or not awarded through the competitive funding cycle may be awarded to: applications originally considered incomplete; applications submitted in response to additional requests for proposals; unanticipated local project needs, or added to existing grant agreements.

State Review

A complete application must be signed by the highest elected official of the applicant or their authorized official. All questions must be answered and all attachments included. Applications must be in proper order and all exhibits properly labeled. Number each page sequentially. Each Section 7 scored category must fully respond for full credit. Attachments may substantiate your response, but will not be rated separately. All applications will be reviewed for minimum threshold requirements. Applications that do not meet the threshold review will not be considered for funding. Complete applications that meet minimum threshold requirements will be ranked on the following criteria. The maximum score from each evaluator is 90 points for an initial application, 100 points for subsequent applications.

2008 COMMUNITY DEVELOPMENT BLOCK GRANT
 REGIONAL HOUSING CENTER APPLICATION
 (Submit original and 3 copies with all attachments)

This application is available on our website at www.oregonbond.us

Contact: Julie Marshall, Program Analyst
 Oregon Housing and Community Services
 725 Summer Street NE, Suite B
 Salem, Oregon 97301
 (503) 986-2090 Julie.Marshall@hcs.state.or.us



Initial Application Subsequent Application

| | |
|--|--|
| <p>SECTION 1: Applicant Information:</p> <p>Municipality: Mailing Address: City, State Contact Person: Phone: Fax: Email Address:</p> | <p>SECTION 2: Nonprofit Information:</p> <p>Agency: Mailing Address: City, State Contact Person: Phone: Fax: Email Address:</p> |
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| | |
|---|--|
| <p>SECTION 3: Project Information:</p> <p>Project Title: Define your service area for this application:</p> <p>Total Number of Persons to be Served: Total Number of Low/Moderate Persons to be Served: Number of Persons to be Served within Entitlement Area: Number of Low/Moderate Persons to be Served within Entitlement Area:</p> | <p>SECTION 4: Project Costs:</p> <p>CDBG funds requested: Public Service: Administration: Leverage funds: Total project budget:</p> |
|---|--|

SECTION 5: MUNICIPAL CERTIFICATION:

The highest elected official or duly authorized individual certifies that all information is valid and accurate. This application is duly authorized by the governing body. The proposed project could not be accomplished without this grant funding.

Signature _____

Title _____

Name _____

Date _____

SECTION 6: PROJECT SUMMARY This Section is not scored.
(Use a maximum of one half page for each brief description)

Brief Description of how the regional housing center will serve low/moderate persons:

Brief Description of how the regional housing center will deliver services:

SECTION 7: PROJECT INFORMATION: THE STATE INTENDS TO AWARD USING THE FOLLOWING SCORED CRITERIA.
Attach a separate narrative for each following scored category. Rating will be based on the individual response given for each separate section category.

A. NONPROFIT PROGRAM MANAGEMENT - READINESS TO PROCEED (35 POINT MAXIMUM)

Briefly describe the nonprofit management entity, including but not limited to the following information.

Describe what the nonprofit has done to prepare for this grant award.

List all the services to be provided by the Center as a direct provider.

Identify all partnering agencies with the services they provide.

Attach a comprehensive Work Plan with deliverables and milestones.

Include a clear and viable Marketing Plan to promote and provide services.

Describe in detail how your Work and Marketing Plans will achieve your objective of increased homeownership. How will you track results?

Describe the location(s) of the Center. How is it visible and accessible to pedestrians and compliant with American with Disabilities Act standards?

List hours of operation.

If initial application, provide a timeline for startup and delivery of services.

F. REGIONAL COLLABORATION (30 POINT MAXIMUM)

A minimum of three municipalities must clearly document support of the regional housing center. Attach an executed agreement designating which city or county that will take the lead as the grant applicant. The agreement must specify the contributions each partner will make in support of the Center. Include both in kind and monetary contributions.

Describe the interactions that will take place between the Center and its partners.

Attach the minutes of your last meeting. When will you next meet? What is the group process for soliciting feedback?

How does the regional housing center support the housing goals within the region?

G. DEMONSTRATED NEED (10 POINT MAXIMUM)

Attach a map of the defined area for the center.

Document the need for the type of services to be offered. Include public meetings, surveys or studies that identified the need.

What are the short and long term objectives to meet this need?

If other entities are providing the same services, or if service area overlaps, explain the purpose of the Center. What makes the Center unique from other service providers?

H. OUTCOMES AND REPORTING (10 POINT MAXIMUM- SUBSEQUENT APPLICATIONS ONLY)

Did the Center complete the outcomes and objectives based on your Work and Marketing Plan from your most recent grant? If not, describe why the Center was not able to complete and what you will do to achieve success with the new grant.

I. APPLICANT GRANT ADMINISTRATION (15 POINT MAXIMUM)

Briefly describe the relevant grant experience of the city/county, including but not limited to the following information.

Identify the city/county grant administrator(s) that will be responsible for this grant.

What are their credentials and experience in grant administration?

Identify if there were any findings or concerns related to prior awards.

SECTION 8: EXHIBIT ATTACHMENTS TO APPLICATION

Every application must have exhibits attached in the following order. Number all attachment pages (example: Exhibit A-1).

EXHIBIT A: WORK AND MARKETING PLANS.

EXHIBIT B: REGIONAL COLLABORATION EXECUTED AGREEMENT. MINUTES OF LAST MEETING

EXHIBIT C: MAP of defined area for the regional housing center.

EXHIBIT D: REGIONAL HOUSING CENTER BUDGET: Attach a completed budget listing all sources of financial support including other grants, donations and fees.

EXHIBIT E: POLICIES AND PROCEDURES for the regional housing center program including a sample "Intake" form.

EXHIBIT F: State or Oregon Housing & Community Services Certified Sub-Grantee certification form. If your nonprofit has not become a Certified Sub-Grantee, then contact OHCS for guidance.

EXHIBIT G: The 2008 Program Guidelines describe the National Objective in Chapter 3. Document how the Center will ensure that only income qualified persons will benefit.

EXHIBIT H: CITIZEN PARTICIPATION PLAN: The 2008 Program Guidelines, *Chapter 6*, has programmatic details for citizen participation requirements stipulated in 24 CFR 570.486. You must use the provided Public Notice and Notice of Public Hearing. Attach the following support documents: public hearing notice, affidavit of publication, and minutes. Next, attach a list of contacted organization(s) in your community that advocate for low and moderate-income persons. If any of them requested assistance developing eligible CDBG project concepts, describe their request and any assistance you provided. If your municipality has a significant number of non-English speaking residents, detail how were they informed about this grant application.

Chapter 15 Community Capacity/Technical Assistance

Community Development Block Grant (CDBG) 1% funds will be used to make grants for the development of local capacity and to provide technical assistance to units of general local government and nonprofits (IRS documentation of 501c(3) or c(4) status) and to fund state administration of the program.

Maximum Grant

The maximum grant cannot exceed the states annual allocation for this category.

Project Eligibility

All funds will be used for projects that comply with HUD Community Planning and Development Notice CPD 99-09. The State has used and will continue to use un-obligated prior year One-Percent (1%) funds for local capacity development and technical assistance projects in accordance with the requirements of CPD 99-09.

Beginning in Fiscal Year (FY) 2004, states may spend up to \$100,000 + 3% of their annual HUD allocation on state administrative costs and spend \$0 on Technical Assistance, or they could spend up to 3% of the annual allocation on technical assistance and \$0 on state administration costs beyond the \$100,000 automatic allowance. The Department will reserve the right to use all flexibility provided by the program.

Eligible Activities

Eligible activities for these funds include:

- Giving workshops on applying for and implementing CDBG programs;
- Writing technical assistance handbooks or developing assistance in other media;
- Compiling infrastructure needs of the non-entitlement jurisdictions;
- The purchase of appropriate materials and equipment including computers and software for units of general local government to aid in developing and sustaining increased capacity;
- Funding attendance by units of general local government and nonprofit personnel at workshops and academic courses that will enable the attendees to improve their capacity to implement a CDBG project;
- State staff time provided for technical assistance sessions to assist potential applicants for State CDBG funds learning the application process;
- Training of State staff to provide technical assistance on specific aspects of the CDBG program;
- Assistance to further fair housing;

- Plan and implement community revitalization strategies;
- Development and implementation of a community development certified practitioner certification program; and,
- State administration.

Ineligible Activities

Ineligible activities include:

- Local administration expenses not related to community development; and,
- Any activity that cannot be documented as meeting a technical assistance need.
- CDBG 1% funds cannot be used to fund any activity that is otherwise already eligible for funding under this MOD.

Matching Funds Requirement

There is no minimum match requirement. However, all project funds necessary to complete the proposed project must be available and committed at the time the application is received by the Department. If any necessary funds are not committed, the applicant must provide clear and convincing evidence as part of its application showing that all project funds, needed for the project will, be secured within 4 months following the date of grant contract execution. Refer to the "Readiness to Proceed" definition in Chapter 5 for more details.

Applications Accepted

Applications are accepted year round - Contact a Regional Coordinator for assistance and more information.

STEP 1 - (Initial Contact/Project Concept)

The project proponent must contact the Department prior to submitting an application. One of the Departments Regional Coordinators (RC) will be assigned to work with the project proponent to develop and review the proposed concept. The potential applicant must submit a written proposal explaining the need and the technical assistance to be provided. This proposal must identify how the funds would be used, a scope of work, the deliverables, time lines for completion etc. The Notification and Intake Form, included at the end of Chapter 7, can be used for this purpose, but is not required.

STEP 2 – (Review)

The RC and CDBG Program and Policy Coordinators will review the information from the proponent to ensure it meets the following eligibility requirements:

- The project is eligible under CPD 99-09 and this MOD;

- The costs are eligible under the CDBG program;
- The applicant is unable to finance the activity on its own;
- Other sources of funds are not available to carryout the activity; and,
- The project is ready to proceed.

STEP 3 – (Processing)

Concepts will be reviewed by the RC for completeness and preparation of the initial staff report. The initial staff report will be reviewed by the Infrastructure Manager and the CDBG Program and Policy Coordinator for final recommendation. This final recommendation will be forwarded to the Community Development Division Manager for review and approval.

STEP 4 – (Decision)

The final Community Development Division Manager approved recommendation will be forwarded, if applicable, the Department Director for review and approval. The Department Director has the ability to delegate the entire decision making process to the Community Development Division Manager if needed.

The Department reserves the right to not fund any application, which it deems not eligible, properly developed or not ready to proceed. All funding decisions made by the Community Development Division Manager and/ or if applicable, Department Director are final.

STEP 5 – (Notification)

The Department shall notify project proponents, in writing, of their funding status approximately 60 days after receipt of a compete concept for funding.

Financial Review

No financial review is conducted for these projects.

Chapter 16 Emergency Projects

The State may use CDBG funds at any time during the program year to provide grants to eligible applicants for projects arising from bona fide emergencies. To be considered a bona fide emergency the situation must be:

- Officially declared by the Governor as a “State of Emergency” needing immediate action; and/or,
- A Presidential declared federal disaster declaration has been issued for the event.

CDBG Emergency project funds may only be used to repair or mitigate damages that were a direct result of the qualifying disaster.

The federal regulations apply to a project as soon as there is clear intent to use CDBG funds. The State defines “intent to use CDBG funds” as the date the Department receives an intake/project concept. From this point forward all the Federal and State CDBG program requirements apply to the project.

Available Funds

For 2008, funds available for emergency grants will be limited to 25% of the State’s annual allocation from the U.S. Department of Housing and Urban Development.

Priority

In the event that an emergency grant is needed while one or more projects are on the backup funding list, the emergency project will have priority.

Maximum Grant

The maximum grant per project will be \$500,000.

The maximum grant for projects receiving federal disaster funds is also limited to the amount required by the local government to match the federal disaster grant funding.

Matching Funds Requirement

There is no minimum match requirement. However, all project funds necessary to complete the proposed project must be available and committed at the time the application is received by the Department. If any necessary funds are not committed, the applicant must provide clear and convincing evidence as part of its application showing that all project funds, needed for the project will, be secured within 4 months following the date of grant contract execution. Refer to the “Readiness to Proceed” definition in Chapter 5 for more details.

Financial Review

All applications will undergo a financial review to assure that the grant is the minimum necessary, in combination with other resources, to ensure the completion of the project. In addition to determining that the applicant is unable to finance the activity on its own and other sources of funds are not available to carry out the activity.

National Objective

Prior to awarding an emergency project grant, the State must determine that the proposed use of grant funds will meet the urgent need national objective as defined by 24 CFR Part 570.483(d). Refer to Chapter 3 for more information. The Housing and Community Development Act of 1974, as amended and promulgated, further assists in determining eligible activities.

Urgent Need

This national objective requires a project to be designated to alleviate existing conditions the local government certifies and the State determines:

- Pose a serious and immediate threat to the health or welfare of the community (Governor declared “State of Emergency” or Presidential declared disaster, through FEMA declaration);
- Recently became urgent (Application must be received within 12 months from the date of the Presidential or Governor disaster declaration);
- The applicant is unable to finance the activity on its own; and,
- Other sources of funds are not available to carryout the activity.

Urgent Need Documentation

The applicant must submit written certification of the following to the State:

- A description of the nature and degree of seriousness/urgency of the conditions requiring assistance.
- Eligibility certification from the applicants governing body that the CDBG activity is designated to address an urgent need.
- The timeline of the development of the urgent need condition.
- Evidence confirming that other financial resources to alleviate/remedy the situation are not available.
- A description of how the proposed project addresses a need identified in the applicable jurisdictions hazard mitigation plan and/or hazard element of the local land use plan.

Eligible Projects

The proposed project must be for activities eligible under Section 105(a) of the Housing and Community Development Act. The portions of the Act, applicable to the States program and “Urgent” need projects, are listed below.

- **105(a)(1)** the acquisition of real property (including air rights, water rights, and other interests therein) which is (A) blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth; (B) appropriate for rehabilitation or conservation activities; (C) appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development; (D) to be used for the provision of public works, facilities, and improvements eligible for assistance under this title; or (E) to be used for other public purposes;
- **105(a)(2)** the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements;
- **105(a)(3)** code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public or private improvements or services to be provided, may be expected to arrest the decline of the area;
- **105(a)(4)** clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for reconstruction or rehabilitation, and reconstruction or rehabilitation, of privately owned properties, and including the renovation of closed school buildings);
- **105(a)(5)** special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons;
- **105(a)(6)** payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by activities under this title;
- **105(a)(7)** disposition (through sale, lease, donation, or otherwise) of any real property acquired pursuant to this title or its retention for public purposes;
- **105(a)(8)** provision of public services, including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, energy conservation, welfare or recreation needs, if such services have not been provided by the unit of general local government (through funds raised by such unit, or received by such unit from the State in which it is located) during any part of the twelvemonth period immediately preceding the date of submission of the statement with respect to which funds are to be made available under this title, and which are to be used for such services, unless the Secretary finds that the discontinuation of such services was the result of events not within the control of the unit of general local government;
- **105(a)(9)** payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of activities assisted under this title;

- **105(a)(11)** relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate;
- **105(a)(12)** activities necessary (A) to develop a comprehensive community development plan, and (B) to develop a policy-planning-management capacity so that the recipient of assistance under this title may more rationally and effectively (i) determine its needs, (ii) set long-term goals and short-term objectives, (iii) devise programs and activities to meet these goals and (iv) evaluate the progress of such programs in accomplishing these goals and objectives, and (v) carry out management, coordination, and monitoring of activities necessary for effective planning implementation;
- **105(a)(14)** provision of assistance including loans (both interim and long term) and grants for activities which are carried out by public or private nonprofit entities, including (A) acquisition of real property; (B) acquisition, construction, reconstruction, rehabilitation, or installation of (i) public facilities (except for buildings for the general conduct of government), site improvements, and utilities, and (ii) commercial or industrial buildings or structures and other commercial or industrial real property improvements; and (C) planning;
- **105(a)(15)** assistance to neighborhood-based nonprofit organizations, local development corporations, nonprofit organizations serving the development needs of the communities in nonentitlement areas, or entities organized under section 301(d) of the Small Business Investment Act of 1958 to carry out a neighborhood revitalization or community economic development or energy conservation project in furtherance of the objectives of section 101(c) of this title, and assistance to neighborhood-based nonprofit organizations, or other private or public nonprofit organizations, for the purpose of assisting, as part of neighborhood revitalization or other community development, the development of shared housing opportunities (other than by construction of new facilities) in which elderly families (as defined in section 3(b)(3) of the United States Housing Act of 1937) benefit as a result of living in a dwelling in which the facilities are shared with others in a manner that effectively and efficiently meets the housing needs of the residents and thereby reduces their cost of housing;
- **105(a)(17)** provision of assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods) that (A) creates or retains jobs for low- and moderate-income persons; (B) prevents or eliminates slums and blight; (C) meets urgent needs; (D) creates or retains businesses owned by community residents; (E) assists businesses that provide goods or services needed by, and affordable to, low- and moderate-income residents; or (F) provides technical assistance to promote any of the activities under subparagraphs (A) through (E);
- **105(a)(19)** provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities, which assistance shall not be considered a planning cost as defined in paragraph (12) or administrative cost as defined in paragraph (13);
- **105(a)(20)** housing services, such as housing counseling, in connection with tenant-based rental assistance and affordable housing projects assisted under title II of the Cranston-Gonzalez National Affordable Housing Act, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and other services

related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in housing activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act;

- **105(a)(22)** provision of assistance to public and private organizations, agencies, and other entities (including nonprofit and for-profit entities) to enable such entities to facilitate economic development by (A) providing credit (including providing direct loans and loan guarantees, establishing revolving loan funds, and facilitating peer lending programs) for the establishment, stabilization, and expansion of microenterprises; (B) providing technical assistance, advice, and business support services (including assistance, advice, and support relating to developing business plans, securing funding, conducting marketing, and otherwise engaging in microenterprise activities) to owners of microenterprises and persons developing microenterprises; and (C) providing general support (such as peer support programs and counseling) to owners of microenterprises and persons developing microenterprises;
- **105(a)(23)** activities necessary to make essential repairs and to pay operating expenses necessary to maintain the habitability of housing units acquired through tax foreclosure proceedings in order to prevent abandonment and deterioration of such housing in primarily low- and moderate-income neighborhoods;
- **105(a)(24)** provision of direct assistance to facilitate and expand homeownership among persons of low and moderate income (except that such assistance shall not be considered a public service for purposes of paragraph (8)) by using such assistance to (A) subsidize interest rates and mortgage principal amounts for low and moderate-income homebuyers; (B) finance the acquisition by low- and moderate-income home buyers of housing that is occupied by the homebuyers; (C) acquire guarantees for mortgage financing obtained by low- and moderate-income homebuyers from private lenders (except that amounts received under this title may not be used under this subparagraph to directly guarantee such mortgage financing and grantees under this title may not directly provide such guarantees); (D) provide up to 50 percent of any down payment required from low or moderate-income homebuyer; or (E) pay reasonable closing costs (normally associated with the purchase of a home) incurred by low- or moderate-income home buyers; and
- **105(a)(25)** lead-based paint hazard evaluation and reduction, as defined in section 1004 of the Residential Lead-Based Paint Hazard Reduction Act of 1992.

Ineligible Projects/Costs

- Buildings for the general conduct of government
- Typical government expenses
- Political activities
- Purchase of equipment that is not fixed and integral
- General operating and maintenance expenses
- New housing construction
- Income payments - a series of subsistence type grant payments for food, clothing, housing, (rent and mortgage) or utilities. Note: Under the entitlement regulations 24 CFR Part 570.207(b)(4) allows emergency grant payments made over a period of three consecutive months directly to a provider of

such items or services on behalf of an individual family. One time grants for such purposes may be authorized under the category of public services.

- Pre-award costs. Refer to Chapter 5 for more information.

Eligible Costs

- Grant Administration, as detailed in Chapter 5.
- Program Management, as detailed in Chapter 5. (Restricted in use to revolving loan fund projects).
- Preparation of the environmental review for the proposed project in compliance with National Environmental Policy Act (NEPA) and other applicable federal authorities implemented by HUD. Refer to Chapter 4 and 5 for more information.
- Architectural/engineering design, oversight and construction management, including as-builts and operation and maintenance manuals, as detailed in Chapter 5.
- Construction and construction contingencies, as detailed in Chapter 5.
- Work write-up and bidding expenses for eligible projects.
- Public services
- Housing Rehabilitation
- Appraisals and acquisition of real property, including permanent easements, clearance and disposition. Refer to Chapter 4 for more information.
- Relocation Assistance to meet federal requirements. Refer to Chapter 4 for more information.
- Construction, rehabilitation, reconstruction or installation of improvements
- Purchase and installation of equipment that is fixed and integral.
- Clearance – Demolition of buildings and improvements, removal of demolition products (rubble) and other debris.
- Legal services
- Costs associated with labor standards monitoring. Refer to Chapter 4 and 5 for more information.
- Pre-agreement costs, requested in accordance with the requirements contained in Chapter 5.

Applications Accepted

Emergency project applications are accepted year round - Contact a Regional Coordinator for assistance and more information. Complete applications for emergency projects must be received by the Department within **12 months** of either the Governors declaration or a Presidential disaster declaration of emergency for the event creating the emergency.

STEP 1 - (Initial Contact/Project Concept)

The project proponent must contact the Department prior to submitting an application. One of the Departments Regional Coordinators (RC) will be assigned to work with the project proponent to develop and review the proposed concept. A “One Stop” meeting will be scheduled if warranted or requested by the proponent. The potential applicant must officially submit a Project Notification and Intake Form to the Department. The RC will then route the form for internal agency comment. A copy of the project Notification and Intake Form is included at the end of Chapter 7.

STEP 2 – (Invite Application)

The RC will inform the proponent and the unit of general local government (city or county) about the Departments review of the project Notification and Intake Form. The RC will invite a unit of general local government to submit an application for 2008 CDBG Emergency Project funding upon determination that:

- The project is eligible under 105(a) of the HCDA;
- The project will meet the urgent need national objective;
- The costs are eligible under the CDBG program;
- The applicant is unable to finance the activity on its own;
- Other sources of funds are not available to carryout the activity; and,
- The project meets the readiness to proceed criteria contained in Chapter 5.

STEP 3 – (Application)

One signed original and two copies (3 total) of the complete application must be received by OECDG no later than 12 months after the disaster declaration by the President or Governor. The applicant's highest elected official must sign the application. Applications transmitted electronically or by fax will not be accepted.

STEP 4 – (Review)

The RC will review applications for completeness and prepare the initial staff report. The Infrastructure Manager and the CDBG Program and Policy Coordinator will evaluate the initial staff report for final recommendation.

STEP 5 – (Decision)

The final recommendation prepared by the Infrastructure Manager and CDBG Program and Policy Coordinator will be forwarded to the Community Development Division Manager and the Department Director for review and approval.

Ineligible, improperly developed, untimely or not ready to proceed applications will not be funded. All funding decisions made by the Department Director are final.

STEP 6 – (Notification)

The Department shall notify applicants, in writing, of their funding status approximately 60 days after receipt of a complete application.

Chapter 17 – Certified Sub-grantee Program

In an effort to reduce application submittals Oregon Economic and Community Development (OECDD) and Oregon Housing and Community Services (OHCS) are implementing the following Certified Sub-Grantee certification program.

To become certified, a sub-grantee must submit the required documentation identified within each funding category under “eligible nonprofit (sub recipient)” and evidence that the sub-grantee has a qualified grant administrator employed to manage the Community Development Block Grant sub-grants. Sub-grantees interested in the economic development revolving loan fund and microenterprise assistance categories will submit information to OECDD. Sub-grantees interested in the regional housing rehabilitation and regional housing resource centers must submit information to OHCS.

Within 30 days receipt of the information identified above the respective agency will mail a certification letter to each sub-grantee, which will either certify the sub-grantee’s eligibility or identify the items still needed for certification.

A certified sub-grantee will not have to resubmit the information identified in each funding category under “eligible nonprofit (sub-recipient)” with the application. They need only submit a copy of the State’s certification with the application.

Sub-grantee certification expires the date the State becomes aware that the certified sub-grantee no longer has a qualified grant administrator employed or the nonprofit’s by laws, charter or other documents have been amended. In this occurs, the State will issue a letter to the sub-grantee revoking their certification. A sub-grantee can become re-certified once the deficiency(s) that caused the de-certification have been rectified and the appropriate documents submitted to the State for review.

Chapter 18 - Outcome and Performance Measure Reporting

SUMMARY OF CDBG PROJECTS FUNDED

During Consolidated Plan Year 2006-2010

CODE INDEX:

| OUTCOMES → | Availability/Accessibility | Affordability | Sustainability |
|-----------------------------|----------------------------|---------------|----------------|
| OBJECTIVES ↓ | | | |
| Decent Housing | DH1 | DH2 | DH3 |
| Suitable Living Environment | SL1 | SL2 | SL3 |
| Economic Opportunity | EO1 | EO2 | EO3 |

| SUMMARY | | | | | | | |
|-------------------|---|-----------------|----------------------------------|------|-----------------|---------------|------------------|
| Outcome/Objective | Funding Category | Leveraged Funds | Performance Indicators | Year | Expected Number | Actual Number | Percent Complete |
| EO3 | Economic Development | \$337,500 | Jobs Created | 2007 | 90 | | |
| EO3 | Microenterprise Assistance | \$154,551 | Microenterprises Assisted | 2007 | 198 | | |
| SL3 | Public Works – Water/Wastewater and Downtown Revitalization | \$750,636 | Persons served | 2007 | 26,854 | | |
| SL3 | Public Works – Brownfield Redevelopment | \$0 | Acres redeveloped | 2007 | \$0 | | |
| DH3 | Publicly Owned Off-Site Infrastructure | \$0 | Units created | 2007 | \$0 | | |
| SL1 | Public/Community Facilities | \$1,359,273 | Persons served | 2007 | 10,074 | | |
| SL3 | Public/Community Facilities | \$2,892,199 | Persons served | 2007 | 801 | | |
| DH1 | Public/Community Facilities | \$61,051 | Persons served (22 beds created) | 2007 | 142 | | |
| DH3 | Housing Rehabilitation | \$579,000 | Units rehabilitated | 2007 | 151 | | |
| DH1 | Housing Resource Centers | Not Collected | Persons served | 2007 | 3,668 | | |

| | | |
|-------|-------------|---|
| TOTAL | \$6,134,209 | TOTALS: <ul style="list-style-type: none"> • Jobs Created: 90 • Microenterprises Assisted: 198 • Persons Served: 441,517 • Units Rehabilitated: 151 • Acres Redeveloped: 0 • Homeless Beds Created: 12 (142 persons) |
|-------|-------------|---|

| ECONOMIC DEVELOPMENT | | | | | | |
|---|-----------------|------------------------|------|-----------------|---------------|------------------|
| Outcome/Objective | Leveraged Funds | Performance Indicators | Year | Expected Number | Actual Number | Percent Complete |
| EO3 - Economic Opportunity – Sustainability | | | | | | |
| | \$124,000 | Jobs Created | 2006 | 30 | | |
| | \$337,500 | Jobs Created | 2007 | 90 | | |
| | | | 2008 | | | |
| | | | 2009 | | | |
| | | | 2010 | | | |
| TOTAL | \$461,500 | TOTAL | | 120 | | |

| MICROENTERPRISE ASSISTANCE | | | | | | |
|---|-----------------|------------------------|------|-----------------|---------------|------------------|
| Outcome/Objective | Leveraged Funds | Performance Indicators | Year | Expected Number | Actual Number | Percent Complete |
| EO3 – Economic Opportunity – Sustainability | | | | | | |
| | \$54,250 | Microenterprises Asst. | 2006 | 88 | | |
| | \$154,551 | Microenterprises Asst. | 2007 | 198 | | |
| | | | 2008 | | | |
| | | | 2009 | | | |
| | | | 2010 | | | |
| TOTAL | \$208,801 | TOTAL | | 286 | | |

| PUBLIC WORKS - WATER AND WASTEWATER PROJECTS and DOWNTOWN REVITALIZATION PROJECTS | | | | | | |
|---|-----------------|------------------------|------|-----------------|---------------|------------------|
| Outcome/Objective | Leveraged Funds | Performance Indicators | Year | Expected Number | Actual Number | Percent Complete |
| SL3-Suitable Living Environment – Sustainability | | | | | | |
| | \$17,076,160 | Persons served | 2006 | 12,012 | | |
| | \$750,636 | Persons served | 2007 | 26,854 | | |
| | | | 2008 | | | |
| | | | 2009 | | | |
| | | | 2010 | | | |
| TOTAL | \$17,826,769 | TOTAL | | 38,866 | | |

| PUBLIC WORKS – BROWNFIELD REDEVELOPMENT | | | | | | |
|---|-----------------|------------------------|------|-----------------|---------------|------------------|
| Outcome/Objective | Leveraged Funds | Performance Indicators | Year | Expected Number | Actual Number | Percent Complete |
| SL3 – Suitable Living Environment – Sustainability | | | | | | |
| | \$31,038 | Acres redeveloped | 2006 | 0.9 | | |
| | \$0 | | 2007 | 0 | | |
| | | | 2008 | | | |
| | | | 2009 | | | |
| | | | 2010 | | | |
| TOTAL | \$31,038 | TOTAL | | 0.9 | | |

| PUBLICLY OWNED OFF-SITE INFRASTRUCTURE | | | | | | |
|---|-----------------|------------------------|------|-----------------|---------------|------------------|
| Outcome/Objective | Leveraged Funds | Performance Indicators | Year | Expected Number | Actual Number | Percent Complete |
| DH3 – Decent Housing – Sustainability | | | | | | |
| | N/A | New in 2007 | 2006 | N/A | | |
| | \$0 | Units created | 2007 | 0 | | |
| | | | 2008 | | | |
| | | | 2009 | | | |
| | | | 2010 | | | |
| TOTAL | | TOTAL | | | | |

| PUBLIC/COMMUNITY FACILITIES | | | | | | |
|---|--------------------|------------------------|------|-----------------|---------------|------------------|
| Outcome/Objective | Leveraged Funds | Performance Indicators | Year | Expected Number | Actual Number | Percent Complete |
| SL1 – Suitable Living Environment – Availability/Accessibility | | | | | | |
| | \$2,198,667 | Persons served | 2006 | 2,680 | | |
| | \$3,557,940 | Persons served | 2007 | 10,074 | | |
| | | | 2008 | | | |
| | | | 2009 | | | |
| | | | 2010 | | | |
| TOTAL | \$2,198,667 | TOTAL | | 12,754 | | |

| PUBLIC/COMMUNITY FACILITIES | | | | | | |
|---|--------------------|------------------------|------|-----------------|---------------|------------------|
| Outcome/Objective | Leveraged Funds | Performance Indicators | Year | Expected Number | Actual Number | Percent Complete |
| SL3 - Suitable Living Environment – Sustainability | | | | | | |
| | \$817,633 | Persons served | 2006 | 4,835 | | |
| | \$2,892,199 | Persons served | 2007 | 801 | | |
| | | | 2008 | | | |
| | | | 2009 | | | |
| | | | 2010 | | | |
| TOTAL | \$3,709,832 | TOTAL | | 5,636 | | |

| PUBLIC/COMMUNITY FACILITIES | | | | | | |
|---|-----------------|------------------------|------|-----------------|---------------|------------------|
| Outcome/Objective | Leveraged Funds | Performance Indicators | Year | Expected Number | Actual Number | Percent Complete |
| DH1 – Decent Housing – Availability/Accessibility | | | | | | |
| | \$124,000 | Persons served | 2006 | 250 | | |
| | \$61,051 | Persons served | 2007 | 142 | | |
| | | | 2008 | | | |
| | | | 2009 | | | |
| | | | 2010 | | | |
| TOTAL | \$185,051 | TOTAL | | 392 | | |

Special homelessness indicator: Number of beds created: 22 (2006), 12(2007)

| REGIONAL HOUSING REHABILITATION | | | | | | |
|---------------------------------------|-----------------|------------------------|------|-----------------|---------------|------------------|
| Outcome/Objective | Leveraged Funds | Performance Indicators | Year | Expected Number | Actual Number | Percent Complete |
| DH3 – Decent Housing – Sustainability | | | | | | |
| | \$877,472 | Units Rehabilitated | 2006 | 148 | | |
| | \$579,000 | Units Rehabilitated | 2007 | 151 | | |
| | | | 2008 | | | |
| | | | 2009 | | | |
| | | | 2010 | | | |
| TOTAL | \$877,472 | TOTAL | | 299 | | |

| HOUSING RESOURCE CENTERS | | | | | | |
|---|-----------------|------------------------|------|-----------------|---------------|------------------|
| Outcome/Objective | Leveraged Funds | Performance Indicators | Year | Expected Number | Actual Number | Percent Complete |
| DH1 – Decent Housing – Availability/Accessibility | | | | | | |
| | Not collected | Persons served | 2006 | 3,891 | | |
| | Not Collected | Persons served | 2007 | 3,668 | | |
| | | | 2008 | | | |
| | | | 2009 | | | |
| | | | 2010 | | | |
| TOTAL | \$ | TOTAL | | 7,649 | | |