



September 3, 2008

To: City Councils, County Boards of Commissioners, Councils of Governments, Economic Development Districts and Interested Organizations and Individuals

From: Lynn Schoessler, Deputy Director

Subject: Proposed *2009 Community Development Block Grant Guidelines*—Request for Comments

A copy of the proposed *2009 Method of Distribution Community Development Block Grant Program Guidelines* is available on the department's web site at: econ.oregon.gov. Please take time to review this message and the Guidelines. If you are unable to download a copy of the guidelines we will gladly forward a copy to you upon request.

The state of Oregon expects to have approximately \$14 million in federal funds for award to rural cities and counties in the year 2009. The money comes from the federal Community Development Block Grant Program administered through the U.S. Department of Housing and Urban Development. These grant funds must be awarded under a system with published rules and criteria, which are adopted following an opportunity for public comment.

The department is proposing changes to the program guidelines adopted for year 2009 funds. The attached "Summary of Significant Changes Proposed for 2009" describes the proposed changes. Your comments and suggestions will help us to improve service in 2009.

The deadline for written comments is October 3, 2008. You can send your comments and suggestions in writing, either by letter or e-mail. Letters should be addressed to: Mary Baker, Community Development Division, Oregon Economic and Community Development Department, PO Box 866, Klamath Falls, OR 97601. E-mail responses can be sent to: mary.a.baker@state.or.us

Thank you for your interest and participation in this very important process. If you have questions, please call Mary Baker at 541-882-1340.

GOVERNOR THEODORE R. KULONGOSKI

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Oregon Economic and Community Development Department
Community Development Block Grant Program

Summary of Significant Changes Proposed for 2009

Comments Requested:

Please review the following summary and the proposed “Method of Distribution” (program guidelines) for the 2009 Community Development Block Grant program. Comments and suggestions are encouraged and welcomed.

Comment Period and Public Hearing

Comments on the proposed *2009 Community Development Block Grant Method of Distribution* can be submitted either orally, in writing or by e-mail. **The 30-day comment period ends at 5:00 pm on October 3, 2008.** Please address written comments by letter to Mary Baker, Community Development Division, Oregon Economic and Community Development Department, PO Box 866, Klamath Falls, OR 97601 or by e-mail to mary.a.baker@state.or.us

Public Hearing Date: September 24, 2008
Time: 12:00 noon
Location: OECD
775 Summer Street NE, Suite 200
Salem, Oregon 97301
Conference Room 201

Please call the department at 503-986-0123 about specific project ideas or proposals for which funding assistance is needed.

Summary of Proposed Changes for 2009

General Program Changes

- **Elimination of Local Infrastructure Inventory Requirement-** Applicants will no longer be required to describe in the “Need” section how their project fits into the new local Infrastructure Inventory process.
- **Increase in the amount allowed for Labor Standards Compliance—**The maximum amount allowed for labor standards compliance was increased from \$6,000 to \$7,000.
- **The Project Notification and Project Intake form** located in Chapter 7 was replaced with the form that is currently being used by the department.

Funding Category Changes (Refer to the specific chapter in the proposed *2009 Method of Distribution* for more detailed information about each funding category.)

1. **The Economic Development: (Chapter 9)**
 - a. **The Type One Economic Development** category, consisting of publicly owned projects to acquire, develop and construct improvements to real property and publicly owned projects to extend infrastructure to serve industrial or commercial developments has been eliminated. Due to the complexity of the federal requirements, associated with these projects and the difficulty locating projects that can satisfy these requirements, this category is in little to no demand from units of general local government. To demonstrate this point, over the last five years the state has only funded one project under this category, for \$441,666.
2. **Regional Microenterprise Assistance: (Chapter 10)**
 - a. No changes are proposed.
3. **Public Works: (Chapter 11)**
 - a. The need for a completed user rate study was re-emphasized as a by-product of any **Type One Water and Wastewater Preliminary Engineering and Planning grant**.
 - b. **The Type Two Brownfield Redevelopment** category was eliminated from the program. Due to the difficulty of a project proponent's ability to meet the federally required five-year continued use requirement this category is in little to no demand from units of general local government. To demonstrate this point, over the last five years the state has only funded two projects under this category, totaling \$506,925.
 - c. **The Type Four Off-Site Infrastructure for New Affordable Housing** category was eliminated from the program. Due to the complexity of the federal requirements and locating projects that can satisfy these requirements, this category has experienced no demand from units of general local government. To demonstrate this point, since the category was added back into the program in 2007, the state has not funded any project under this category.
 - d. **Change in Terminology**—The "Affordability Rate" has been modified to "Threshold Rate."
4. **Public/Community Facilities: (Chapter 12)**
 - a. The eligibility of **Family Resource Centers** was added back into the program. These multi-service centers must function as a community center in that, they must be open to the entire population of a defined service area, that is comprised of 51% or more low- and moderate-income persons in order to meet the federal national objective of low and moderate income on an "area wide benefit" basis.
 - b. **Food Banks** can now qualify for funding by meeting the federal national objective of low- and moderate-income on a "nature and location" basis. Meaning these facilities will no longer have to collect family size and income information from the clientele of the food bank or the pantries served by the food bank.
5. **Regional Housing Rehabilitation: (Chapter 13)**
 - a. The application submission timeline is moved from February 17 to March 2, 2009.

- b. An applicants conference will be conducted by Oregon Housing and Community Services on December 4, 2008.
6. **Regional Housing Centers: (Chapter 14)**
- a. The application submission timeline is moved from May 1 to May 15, 2009.
 - b. **Limits on Applications**—The Regional Housing Center age and expenditure requirements were amended to accommodate this funding category’s timelines.
7. **Emergency Projects: (Chapter 16)**
- a. The 25% of the 2008 annual allocation set-aside implemented with the amended *2008 Method of Distribution* was eliminated.