

CDBG Times NEWSLETTER

House adopts FY08 HUD Appropriations Measure—Increases CDBG funding and Discusses CDBG Reform

On Tuesday, July 24, the U.S. House passed HR 3074 – the FY 2008 funding bill that provides funding for the Department of Transportation, HUD and other agencies. The bill did not get approved without significant controversy. In fact the Administration noted that it will veto the House passed spending bill, labeling it an "irresponsible and excessive level of funding" in the bill. The bill provides for:

- CDBG \$4.180 billion, (an increase of approximately \$225 million from current funding and \$1 billion above the Administration's request.)
- HOME \$1.757 billion
- Homeless Programs \$1.561 billion

The Administration continues to support lower levels of funding for HUD and reduced funding for CDBG specifically—advocating instead for the CDBG Reform Proposal they forwarded to Congress, however no member of either chamber has surfaced to introduce the CDBG reform legislation. *It is clear that the HUD CDBG reform proposal, which would modify the CDBG formula, will not be considered by Congress this year.*

OECD Second Quarter Competitive Application Round

OECD received 14 applications in the second quarter competitive application round that ended June 29, 2007. All but one application were deemed complete and submitted to the CDBG rating and ranking committee for review.

Funding recommendations from the rating and ranking committee were forwarded to the CDBG Senior Management Review Committee, which in turn made its recommendations to the OECD Director on August 22, 2007. The OECD Director concurred with the funding recommendations shortly thereafter.

Following is a summary of the 13 complete applications that will be funded: senior center expansion, domestic violence shelter, head start facility, food bank warehouse, public water system/treatment improvements, public wastewater system improvements, downtown revitalization, microenterprise assistance programs, and economic development revolving loan funds. The financial information below covers those 13 applications plus one grant increase for a previously funded project:

STATUS OF 2007 CDBG FUNDS					
Program Income	\$24,988.47	\$24,988.47	\$8,532.65	\$2,437.90	\$60,947.49
Recaptured Funds	\$332,677.46	\$332,677.46	\$113,597.18	\$32,456.36	\$811,408.46
2007 HUD Allocation	\$4,342,374.23	\$3,625,340.82	\$1,378,532.00	\$413,559.45	\$9,759,806.00
TOTAL 2007 FUNDS	\$4,700,040.16	\$3,983,006.75	\$1,500,661.83	\$448,453.71	\$10,632,161.95
Less Amount Awarded for the 1st Quarter	-\$1,250,000.00	-\$297,100.00	-\$750,000.00	-\$345,000.00	\$2,642,100.00
Less Total Awards for the 2nd Quarter	-\$2,679,000	-\$2,475,000	-\$1,500,000	-\$165,000	-\$6,819,000
Remaining Balance for 2007 Program Year	\$771,040.16	\$1,210,906.75	-\$749,338.67	-\$61,546.29	\$1,171,061.95

OECD Third Quarter Competitive Application Round

OECD will accept applications during the third quarterly competitive application round for the remaining \$1,171,061 of CDBG funds. All applications must be received by September 28, 2007.

Oregon Housing & Community Services Prepares 2007 Regional Housing Rehabilitation Awards

No later than mid September 2007, Oregon Housing & Community Services (OHCS) will be announcing the 2007 Regional Housing Center awards. OHCS awards both CDBG and other funds to support regional housing centers. For more information, contact Julie Marshall at OHCS (see contact information provided at the end of this newsletter.)

Oregon Water and Wastewater Infrastructure “Moving Your Project Forward” Workshops 2007

Is your community working on a drinking water and/or wastewater infrastructure project? Could you use some help with the steps necessary to move forward with project funding? If yes, then come participate in the “Moving Your Project Forward” workshop nearest to you! Each of four (4) local workshops is designed to provide the opportunity to network with other communities, to share your experiences with projects, and obtain information on the following:

- The importance of drinking water protection, water quality, and public health
- Up to date information on source water assessments and resources for protection
- Responsibilities for sustainable management of water and wastewater systems
- How best to plan and develop water and wastewater infrastructure projects
- How to better manage your water or wastewater system like a business
- Details of grant and loan funding programs, how to access these funds and other resources to help move your project forward

September 18, 2007	Bandon	City Library, 1204 11th Street, SW
September 20, 2007	Klamath Falls	Klamath County Fairgrounds & Event Center, 3531 South 6 th Street
October 19, 2007	LaGrande	City Library, 2006 Fourth Street
October 25, 2007	Cannon Beach	City Hall, Council Chambers, 163 E Gower St.

A workshop agenda and online registration are available at <http://www.rcac.org/>. For more information on workshops contact Chris Marko at RCAC: (503) 228-1780, by cell phone (503) 975-7618, or e-mail at cmarko@rcac.org.

These workshops are being conducted as part of the USDA Rural Development (RD) Technitrain Program, a Rural Community Assistance Partnership (RCAP) network Pproject. The workshops are **sponsored in partnership by:** Rural Community Assistance Corporation (RCAC) funded by USDA Rural Development (RD); Oregon Economic and Community Development Department (OECD); Oregon Department of Environmental Quality (DEQ); Oregon Department of Human Services (DHS) Drinking Water Program; U.S. Environmental Protection Agency (EPA); Indian Health Services (IHS); Oregon Association of Water Utilities (OAWU); and South Central Oregon Economic Development District (SCOEDD).

Uniform Relocation Assistance & Real Property Acquisition Policies Act (URA) & §104(d) of the Housing and Community Development Act

Take the URA/§104(d) Challenge!!

The URA and §104(d) requirements must be followed when acquiring real property or displacing persons for a project or program receiving HUD financial assistance. The URA regulations at 49 CFR Part 24 must be addressed when the project involves property acquisition, demolition, or rehabilitation. The §104(d) regulations at 24 CFR Part 42 must be addressed when the project involves demolition of housing units or conversion of low-income housing units such that the units are no longer available to low-income persons. When §104(d) requirements apply to a project, it is in addition to the URA requirements.

Use the HUD Handbook 1378, available at <http://www.hud.gov/offices/cpd/library/relocation/policyandguidance/handbook1378.cfm>, to find answers to these questions. (Or turn the page for answers to the quiz.) Handbook 1378 is a valuable reference for anyone working on or contemplating a CDBG funded project, and the on-line version is continually being updated to reflect the Uniform Act (URA) Final Rule dated January 4, 2005 and other changes. For assistance with determining how to address URA and §104(d) during project development and implementation, you may also contact your OECD regional coordinator or the CDBG policy and program coordinators.

Are the following statements True or False?!	True	False
1. Under URA, we must look at the entire project from start to finish. Even if the phase that is CDBG funded does not trigger URA, the Act applies if any other part of the project involves acquisition, demolition, or rehabilitation.		
2. The acquisition requirements of URA can be triggered retroactively, e.g. city/county acquired property and/or displaced residents and then later came in for CDBG funding. HUD recommends that we look at whether the property was specifically acquired for the project, i.e. did the city/county have a particular project in mind when they made the purchase?		
3. For determining the applicability of relocation assistance and replacement housing payments, we need to look at whether the building was vacant at the time of application.		
4. A city/county going down a "not subject to" (voluntary) acquisition path cannot change course during the process to condemning the property in question as this violates URA.		
5. If a city/county says that it has a willing seller, then the "not subject to" (voluntary) acquisition requirements definitely apply.		
6. One way for a city/county to avoid URA is to have a non-profit acquire the property needed for a project. URA does not apply to non-profits.		
7. Under URA, a "displaced person" must have a legal right to be in the building to be eligible for relocation assistance and replacement housing payments.		
8. Under URA, relocation assistance for "displaced persons" does not cover personal property that is stored in a building that will be acquired, demolished, or rehabilitated. The person owning that personal property is not entitled to assistance if not residing in the building.		
9. A replacement housing unit must be "comparable" to the unit it replaces which means decent, safe, sanitary, and functionally equivalent. Functionally equivalent generally means the same # of bedrooms, the same basic features (e.g. fireplace before, then also one now), similarly desirable location, typical size/improvement for area, currently available and within person's financial means.		
10. URA sets limits based on family size and income on the monthly replacement housing payment required for displaced persons.		
11. If the city/county does not identify the "comparable" units upfront, then the person being displaced can identify the comparable units. This can result in the city/county having to pay a higher monthly replacement housing payment based upon the unit(s) selected by the displaced person, even if those units are more costly than need be to find a truly "comparable" unit.		
12. URA relocation benefits do not apply to businesses.		
13. Under 104(d), the low-income units removed can be replaced with new, low-income units at a different site or on the same site.		
14. The required time period for payment of monthly housing replacement payments is the same under URA and 104(d).		

Answers (True/False)
1. True. URA has long arms. OECDD must pay particular attention to how a potential grant recipient has or will address the URA when reviewing a CDBG application. The Department will ask questions as necessary during threshold review.
2. True. HUD recommends that we look at whether the property was specifically acquired for the project, i.e. did the city/county have a particular project in mind when they made the purchase? The OECDD practice is to look at date of intake (i.e. formal notification regarding project proposal and intent to seek funds) as the date when the city/county determined intent to use CDBG funds for the project.
3. False. HUD recommends that we look at what has happened in the building during the year before acquisition. Was the building empty for a year before acquisition? If not, then need to ask why/when tenants left? If reason is to facilitate the project, then URA/104(d) may apply.
4. True. If a city/county even threatens to use eminent domain, then the acquisition is subject to the requirements for "subject to" (non-voluntary) acquisitions.
5. False. Having a "willing seller" does not always equate to a "not subject to" (voluntary) acquisition. Questions to ask are was there any threat made in conversations with the seller to use eminent domain? Was the property necessary for the project, i.e. no real alternative to securing it?
6. False. If a non-profit acquires a property, the acquisition can be subject to URA if the property is to be used for a federally assisted project. The "not subject to" (voluntary) acquisition process would apply given that non-profits do not have the ability to use eminent domain to acquire property.
7. True. Illegal aliens, squatters, etc. are not eligible.
8. False. Under URA, a "displaced person" can include only personal property that is located such that it has to be moved. The person owning that personal property and with a legal right to have it there may be entitled to assistance.
9. True. Replacement units must truly be comparable to the units that are being demolished, rehabilitated, or converted.
10. False. The replacement housing payment under URA is essentially a "gap" payment, i.e. paying the difference in cost between the unit that was occupied to one that can be secured. The monthly payment is whatever it takes to get the person in a "comparable" unit.
11. True. It is critical that the city/county identify the comparable units.
12. False. Apply to residential and business relocations.
13. True. For ex., the project could be removal of dilapidated units on site and replacement on the same site with a new building. Or if the project is a new community facility, it could involve replacement units on a different site.
14. False. 42 months under URA and 60 months under 104(d)

Eminent Domain Restrictions in Senate THUD Bill for FY08

The Senate THUD Appropriations bill, as approved by the Senate Appropriations Committee, contains a provision similar to the FY06 Appropriations bill which would prohibit the use of CDBG funds for economic development projects where eminent domain is used by the local government in conjunction with the CDBG funded project. The provision states that federal funds may not be used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use. Projects considered to have exclusive public uses such mass transit, railroad, airport, seaport or highway projects, utility projects which benefit or serve the general public (including energy-related, communication-related, water-related and wastewater-related infrastructure), other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public, Brownfield Revitalization Act (Public Law 107-118) shall be considered a public use for purposes of eminent domain. Public use shall not be construed to include economic development that primarily benefits private entities.

Labor Standards Enforcement Guide

In August 2007, OECDD prepared a labor standards enforcement guide. Grant recipients interested in obtaining this guide can contact the department's Regional Coordinator for their area for a copy. Regional Coordinator contact information is available at the end of this newsletter.

Need more information about the program?

The 2007 Method of Distribution (MOD) is available on the Department's web site at econ.oregon.gov/ECDD/programs/07CDBGguidelines.pdf or by calling the department's Regional Coordinator for your area. The MOD contains the CDBG program requirements, funding priorities, project and applicant eligibility information, application procedures and a description of the project categories.

Oregon Economic & Community Development Department Staff				
(All categories, except Regional Housing Rehabilitation and Regional Housing Centers, see OHCS table for contact information about these categories.)				
Region	Counties	Coordinator	E-mail	Phone
Northwest Region	Clackamas, Columbia, Multnomah and Washington (<i>non-entitlement areas only</i>)	Janet Hillock	janet.a.hillock@state.or.us	503-229-5222
	Clatsop and Tillamook	Vicki Goodman	vicki.goodman@state.or.us	503-842-4045
Valley/Mid Coast	Marion, Yamhill	Michelle Billberry	michelle.billberry@state.or.us	503-986-0142
	Benton, Lincoln, Linn	Louise Birk	louise.r.birk@state.or.us	503-986-0130
	Lane, Polk	Jacki Yoder	jacki.k.yoder@state.or.us	503-986-0067
Southwest Region	Coos, Curry, North Douglas	Becky Bryant	becky.a.bryant@state.or.us	503-986-0096
	South Douglas, Jackson, Josephine	Fumi Schaadt	fumi.schaadt@state.or.us	503-986-0027
Central Region	Gilliam, Sherman, Wasco, Wheeler (Hood River)— Microenterprise projects statewide	Beverly Kupperman	beverly.kupperman@state.or.us	503-986-0133
	Crook, Deschutes, Jefferson, Klamath, Lake	Mike Solt	mike.solt@state.or.us	541-388-6201
Eastern Region	Baker, Grant, Harney, Malheur	Gary Viehdorfer	gary.w.viehdorfer@state.or.us	503-986-0099
	Hood River, Morrow, Umatilla, Union, Wallowa	Del Little	del.l.little@state.or.us	503-986-0261
Program and Policy Coordinators	Statewide non-entitlement areas	Mary Baker	mary.a.baker@state.or.us	541-779-9685
		Christine Valentine	christine.valentine@state.or.us	503-986-0132
Community Development Division Interim Manager	Statewide non-entitlement areas	Ann Hanus	ann.hanus@state.or.us	503-986-0135

Oregon Housing and Community Services (OHCS) Staff				
Program	Counties	Coordinator	E-mail	Phone
Regional Housing Rehabilitation	Statewide non-entitlement areas	Ernest Kirchner	ernest.kirchner@state.or.us	503-986-2136
Regional Housing Centers		Julie Marshall	Julie.marshall@state.or.us	503-986-2090
Single-Family Programs Manager	Statewide	Dona Lanterman	dona.lanterman@state.or.us	503-986-2120