

STATE OF OREGON
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PERFORMANCE EVALUATION REPORT

Grant #B-03-DC-41-001
for the period
January 1, 2005 to December 31, 2005

Prepared By:
Oregon Economic and Community Development Department
Community Development Division

2003 ACTIVITY REPORT

Narrative for Accomplishments

Instructions for the 1994 PER (CPD-94-23) require states to report accomplishment measures (*e.g.*, persons benefited) only for activities that address the Low- and Moderate-Income national objective. Proposed Accomplishments are reported for each funded activity that addresses the Low-and-Moderate-Income national objective. Actual Accomplishments are reported for Administratively Closed and Closed projects.

Accomplishments for activities that meet the Slum and Blight or Urgent Need national objectives are to be reported in a separate narrative. There were no projects funded in 2003 under the Slum and Blight or Urgent Need national objectives.

Part II Narrative Requirements

A. Statutory Requirements of Section 104(e)

1. Assess the relationship of the use of funds to the state's objective. Explain the nature of and reasons for any changes in the program objectives.

The state obligated its Program Year 2003 funds for activities in accordance, as much as possible, with the targets set in the 2003 Annual Action Plan for the Oregon Consolidated Plan, as amended.

CATEGORY	FUNDING TARGETS- \$ AMOUNT	FUNDING TARGETS %	ACTUAL FUNDING- \$ AMOUNT*	ACTUAL FUNDING- %
Community Facilities	5,962,030	37.0%	9,020,811.73	56.3%
Sub Grant to OHCS:				
Housing Rehabilitation	3,357,040	21.0%	3,357,040.00	21.0%
Housing Centers	450,000	3.0%	702,000.00	4.2%
Public Works	5,962,030	37.0%	4,865,448.27	30.0%
Microenterprise Assistance	300,000	2.0%	300,000.00	2.0%
Totals	\$16,031,100	100.0%	\$18,245,300.00	113.5%

* During Program Year 2003, about six months were available out of the 12- month period to make awards. Included in the Actual Funding Amount is a \$2,214,200 Community Facilities Float Fund award to Columbia County that will generate program income of like amount no later than the end of Program Year 2006. On December 31, 2003, \$1,342,043.27 was available for applications pending and will be carried forward for award in 2004 once the 2004 Program Year Method of Distribution is approved. Of this balance, \$55,345 is reserved for a pending Microenterprise Assistance award, \$7,450 is reserved for Housing Rehabilitation award and the remaining balance of \$1,279,248.27 is reserved for pending projects in the Community Facilities and Public Works Categories to be awarded within the 15 month Timely Distribution period.

2. Indication of how the state would change the program as a result of its experience.

The state's proposed method of distribution for 2004 Community Development Block Grant funds has some significant changes from the 2003 program year.

A. Due to the refocus of the Oregon Economic and Community Development Department (OECDD) under direction from statutory changes by the 2003 Legislature and various Governors Executive Orders, OECDD modified the Oregon Community Development Block Grant Program Guidelines for 2004 to include a targeted emphasis on Economic Development in addition to maintaining the pilot program for Microenterprise Assistance. Previous economic development activities under the Community Facilities and Public Works Categories were moved to the new Economic Development Category.

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Activities under the Economic Development Target Category are limited to a maximum award of \$750,000 and only for activities that meet the Income Jobs national objective through (1) acquiring, developing, or improving real property, or (2) extending publicly owned infrastructure to serve industrial/commercial areas. In addition, input will be solicited during the year for other potential activities to enhance economic development that could be implemented under the 2005 program year.

- B. Funding allocations for the Public Works and Public/Community Facilities Categories will be reduced by like amounts from the 2003 targets in order to target funds for the Economic Development Category.
 - C. The overall funding level to OHCS for the Housing Rehabilitation Category is increased due to an expected increase in the State's overall CDBG allocation for the 2004 Program Year.
3. Evaluate the extent to which the program benefited low- and moderate-income persons. For the selected benefit period (2003-2004-2005), 97.7% of the state's CDBG funds were obligated to activities benefiting low- and moderate-income persons. Of the funds obligated under the state's 2003 program, \$16,552,644.73, or 97.9% of project funds benefit low- and moderate-income persons. As of December 31, 2005, all of the project funds were obligated to recipients from the 2003 Federal Grant, which includes \$1,770,959 as a Float Fund Award to Columbia County for a Community Facilities project.

B. Summary of Activities and Results from Technical Assistance Funding

The state's 2003 program included the use of CDBG funds for the technical assistance allowed by Section 811 of the Housing and Community Development Act of 1992. As of December 31, 2005 none of the \$166,300 1% funds from the 2003 allocation had been expended.

Part III Compliance with Applicable Civil Rights Laws

A. Applicant and Beneficiary Ethnicity/Race Information

In accordance with the 1994 PER instructions, the state will provide data on all applicants and beneficiaries in projects funded from each grant allocation. Information must be reported for each project activity and must indicate the number of persons benefiting by ethnicity and racial groups as defined by U.S. Census. The ethnicity and racial group categories from the 2000 Census were expanded from the required data that needs to be collected under the 1994 PER instructions. Once, Housing and Urban Development amends the 1994 PER instruction to require the addition of this revised ethnicity and racial group information collected during the 2000 census it will be included in the PER report for all projects administratively closed after the date of Housing and Urban Developments revised PER instruction.

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RACE GROUP	Total from FY 2003 Grant	Total from Program Income	Combined Total
White not Hispanic	125	0	125
Hispanic	4	0	4
American Indian/Alaskan Native	8	0	8
Black not Hispanic	2	0	2
Asian and Pacific Islander	1	0	1
TOTAL	140	0	140

Ethnicity/Race data is tabulated for all administratively closed or closed projects in the non-entitlement areas of the state using FY 2003 funds. Five projects awarded in 2003 were administratively closed during the reporting period. When these projects are administratively closed, the ethnicity/race data will be reported in successive year's PERs 2003 Grant Year Activity Reports as indicated in the table above for each project and totaled for all projects funded with 2003 grant year funds.

B. Summary of state's reviews of recipient's civil rights performance

The State reviews the civil rights performance of its 2003 recipients as part of its regular monitoring procedures. These include either an on-site review or an internal file/ desk audit of all projects. A standardized monitoring checklist is used for this process. 2003 grant year recipients monitored during the reporting period generally complied with the civil rights performance requirements for Community Development Block Grant recipients. There are no findings or corrective/remedial actions to report.

C. State and local efforts, actions and results in affirmatively furthering fair housing.

Three state agencies administer programs that serve to further fair housing for Oregon's people.

The Oregon Economic and Community Development Department (OECD), which administers Community Development Block Grant funds for the state's non-metropolitan cities and counties, educates its recipients about their fair housing responsibilities in several ways including: 1) presentations at workshops, 2) an updated comprehensive Grant Management Handbook, 3) provision of informational handouts, posters, and brochures, and individual technical assistance, as needed or requested, and 4) sending recipients notices of workshops or conferences which address fair housing issues.

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The Oregon Housing and Community Services Department (OHCS) is active in the promotion of fair housing. They operate many programs, including HOME. Owners of projects assisted by OHCS are required to develop marketing plans that include outreach activities targeted to minorities and other protected classes. The first component of the fair housing planning process is to review impediments to fair housing choice in the public and private sectors. A copy of the study was included with the 1997 Annual Performance Report. OHCS is in the process of updating the Analysis of Impediments to Fair Housing in order to revise the Action Plan to Affirmatively Further Fair Housing for incorporation into the next five year Consolidated Plan for Oregon.

The Bureau of Labor and Industries Civil Rights Division (BOLI) is responsible for investigation and resolution of fair housing complaints are handled in Oregon. BOLI processes all cases involving alleged discrimination based on race/color, religion, sex, physical or mental handicap, marital status, and national origin. The agency does not investigate situations involving discrimination based on family status but does assist individuals to file complaints with HUD.

Local fair housing efforts of state recipients using 2003 funds include but are not limited to: publicizing fair housing laws, participating in local fair housing events, displaying posters, distributing brochures, and being a participating sponsor of the Fair Housing Council of Oregon display and training sessions.

In 2003, the Oregon Economic and Community Development Department and Oregon Housing & Community Services continued their contracts with the Oregon Fair Housing Council (FHCO) (July 1,2002-June 30, 2003 and July 1, 2003-June 30, 2004) established to provide activities to assist the State to implement the State's Fair Housing Plan. Each agency contributed \$24,250 to FHCO to continue fair housing activities beginning July 1, 2002 through June 30, 2003 and \$25,000 for the July 1, 2003-June 30, 2004 period. These activities include conducting the annual statewide Fair Housing poster contest involving elementary schools; publishing a Fair Housing newsletter; providing fair housing advice and information to service agencies and local government; conducting public outreach to inform residents about fair housing rights and responsibilities; collecting complaints and providing information to individuals facing housing discrimination; and displaying the Fair Housing exhibit around the state.

D. Summary of State and Recipient Actions to Use Minority and Women-Owned Businesses in Carrying out CDBG-funded Activities

The state encourages grantees to make contracts awarded under CDBG grants available to minority and women-owned businesses. Through the Grant Management Handbook and training given to recipients, the state describes the various ways that contracting opportunities can be made available to minority and women-owned businesses. Some examples include dividing larger contracts into smaller portions that can be bid on by smaller firms, or directly soliciting proposals or bids from lists of certified minority and women-owned businesses.

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The Grant Management Handbook (rev. March 2001) provides forms that grant recipients use to collect and report their efforts to the state. The state will report in future PERs, for each allocation, on the use of minority and women-owned businesses, and on Section 3 activities by its recipients.

E. Equal Employment Opportunity Data for the Oregon Economic and Community Development Department

The Oregon Economic Development Department maintains the employment data required by the Equal Employment Opportunity Commission (EEOC) on an EEO-4 form. The form is not included in this report but is available from the department.

Part IV Additional Requirements for the Consolidated Annual Performance Report (CAPER) End of Program Year Reporting. **This section contains the actual accomplishments by the state for the 2003 Calendar Year and will not be amended to reflect transactions that did not occur in 2003.**

A. Assessment of the Consolidated Plan Strategic Vision and the Three-to Five Year Goals and Objectives

The following is intended to report on the results of the state's work to address Strategies of the 2001-2005 Consolidated Plan. Only those strategies and performance measures that impact the CDBG program are included in this section. The other strategies and measures will be reported on elsewhere in the CAPER.

Strategy One: Promote an adequate supply of quality, affordable, appropriate rental housing for very low-, low- and moderate-income individuals and families, including persons with special housing needs.

Performance measurement: Assist in the development of approximately five annual rental housing (50 total units) projects targeted toward households at 80% or below the Median Family Income through the investment of CDBG funds for off-site infrastructure improvements.

Results: In 2003, no CDBG Off-site infrastructure projects were funded due to lack of complete applications. For comparison purposes, in 2002 three projects were funded supporting 67 low/mod income rental units, which was 17 units greater than the annual goal of 50 units.

Strategy 2: Maintain and preserve in good condition the supply of affordable housing units.

Performance Measurement: Assist approximately 6-8 communities to carry out housing rehabilitation projects targeted to families at 80% or below Median Family Income. Use OHCS funding to augment the CDBG funds and develop regional housing centers to serve people in rural communities.

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Results: Eleven (11) Regional Housing Rehabilitation Programs were funded in 2003 for single-family home rehabilitation projects within the lead applicant's jurisdiction. Each Regional Program consists of at least three city and/or county jurisdictions. These Programs are expected to fund rehabilitation of 172 single-family homes within the lead applicant's jurisdiction as indicated below:

Recipient	Grant Amount	Number of Units
Benton County	\$300,000	8
Coos County	\$300,000	25
Douglas County	\$300,000	13
Josephine County	\$300,000	13
Klamath County	\$300,000	18
Linn County	\$300,000	14
City of Madras	\$300,000	18
Marion County	\$300,000	12
City of McMinnville	\$300,000	15
Morrow County	\$300,000	13
City of St. Helens*	\$357,040	23
TOTAL	\$3,357,040	172

* \$349,590 is from 2003 grant with \$7,450 from recaptured 2000 and 2001 grant funds.

Results: In 2003, Eleven (11) Regional Housing Centers were funded to provide Information and Referral Public Services regarding affordable housing programs serving the low/mod income population of the jurisdictions participating in each Regional Housing Center Program. These Centers are expected to serve 6,969 low/mod income clients as indicated below:

Recipient	Grant Amount	Number of LMI
City of Bend	\$70,000	641
Benton County	\$70,000	100
Columbia County	\$70,000	500
Coos County	\$70,000	200
Douglas County 02	\$70,000	350
Douglas County 03	\$70,000	156
Jackson County 02	\$42,000	812
Jackson County 03	\$30,000	3,000
Klamath County	\$70,000	400
City of St. Helens	\$70,000	490

City of Madras	\$70,000	320
TOTAL	\$702,000	6,969

Strategy 4: Support and facilitate an active and effective regional Continuum of Care planning and delivery system focusing on a comprehensive approach to housing and service delivery to people who are homeless and near homeless.

Performance Measurement: Fund a maximum of 10 projects per year, (for example: homeless facilities, Headstart, senior centers, transitional facilities, facilities for abused children or severely disabled adults) that serve persons at 80% or less of Median Family Income.

Results: 9 projects were funded in 2003 that help carry out this strategy.

Facility / Project Type	Number
Medical Clinic Services	5
Senior Centers	2
Child Development Centers-Headstart	2
Total	9

Strategy 5: Identify and address the barriers to affordable rental housing, support services, and shelters.

Objective 1 Performance Measurement: Statewide Fair Housing Plan published separately by spring 2002.

Objective 2 Performance Measurement: Support fair housing education and outreach activities that increase compliance with all aspects of existing law through continued sponsorship of regional fair housing workshops and the annual Fair Housing Conference as outlined in the Fair Housing Action Plan.

Performance Measurement: Increase the collaboration on fair housing issues between the housing industry organization, OHCS, OECDD, and fair housing advocacy groups as outlined in the Fair Housing Action Plan.

Results: In 2003, OECDD continued to support fair housing activities by providing funds to the Fair Housing Council of Oregon (FHCO) (see description of work in Part III.C. of this 2003 report), printing fair housing brochures and providing them to CDBG recipients and the Fair Housing Council, and requiring grant recipients to take actions to further fair housing in rural communities.

Strategy 8: Support community infrastructure planning and project development to accommodate sustainable economic growth and non-housing community development.

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Performance Measurement: Reinforce development of well-planned projects in approximately 20 communities per year for project development, through the application process, workshops, and technical assistance.

Performance Measurement: Assisting or making 10 CDBG awards per year to improve primarily water and sewer systems that bring systems into compliance to correct health hazards and/or enhance community economic development.

Results: In 2003, 24 CDBG awards were made to city and county jurisdictions. Of these, thirteen (13) were for various community infrastructure and economic development projects, including, two (2) for water system improvement projects, three (3) for wastewater system improvement projects, one (1) for combined water and wastewater system improvements, two (2) for fire station improvement projects, four (4) for micro enterprise assistance, one (1) for a business incubator and one (1) for a downtown revitalization project. In addition, as of December 31, 2003 there were 25 potential CDBG projects being developed with the help of OECD staff. Applications are expected for these projects during 2004.

Strategy 9: Actively seek opportunities to use state investments to help people achieve a higher quality of life and to help communities achieve a higher level of livability and sustainability.

Performance Measurement: Continue holding "One Stop" meetings to coordinate state, federal, and local funding strategies for specific infrastructure and community development projects. Begin holding as many of these meetings at the regional level as possible, rather than solely in Salem. The measure will be a report on the number of meetings held."

Results: During 2003, monthly "one stop" meetings were held in Salem to discuss projects with communities along with other state and federal funders. These meetings were held with cities, counties, special districts and economic development organization and were attended by many community officials and staff. Meetings were held in Salem due to restrictions placed on state department travel budgets because of state budget problems. In 2001, the department had initiated efforts to conduct most "one-stops" in communities through out the state. In the future when state budget problems are resolved, it is hoped to be able to resume "one-stop" meetings around the state since they were received well by local partners.

Performance Measurement: Where possible, standardize funding program policies and application forms to improve the accessibility of state and federal funding programs to users. The measure will be a report on the specific actions taken.

Results: The Oregon Economic and Community Development Department continued to use a standard application form and staff recommendation form originally developed in 2001 for the Community Development Block Grant Program as well as several other funding programs: Safe Drinking Water (federal), Special Public Works Fund (state), Water/Wastewater Financing (state), Port Revolving Loan Fund and Port Planning & Marketing Grants (state), Brownfields Redevelopment Fund (state),

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and Old Growth Diversification. The new form eliminates the need for applicants to fill out separate forms to request funds from different programs.

Performance Measurement: Increase the number of documents and forms available through agency websites, to give citizens and communities easier access to information. The measure will be a report on the specific actions taken.

Results: Beginning in 2002, the Oregon CDBG program began the use electronic forms for applicant and subrecipient use. Although not yet available on the department's website, electronic fillable application forms and cash reimbursement request forms were made available. As in the past, the proposed 2003 CDBG Program Guidelines were placed on the web site and were replaced with the final 2003 CDBG Program Guidelines after approval by federal Department of Housing and Urban Development. Similarly, the proposed and final 2004 CDBG Program Guidelines were also placed on the department's website. During 2004, the Department plans to work on placing the CDBG Grant Management Handbook on the website in time for the 2005 program year.

In 2003, the Oregon Economic and Community Development Department continued to develop a new project application and management database, called PRISM. The system will eventually enable applicants to prepare and submit most of their funding requests electronically and to check the status of their funding requests. At the same time, the system will provide a consistent source of information for department performance reports.

Strategy 10: Help enhance and strengthen local government capacity and that of other community groups to develop creative ways to identify, address, and manage community development projects and maximize the use of resources available to the community.

Performance Measurement: Invest state resources, including CDBG funds, in leadership training, skill building, and capacity building for local and regional organizations. The measure will be a report on the actions taken or awards made to local communities for capacity building.

Results: Four grant awards were made in the 2003 program period that clearly support local capacity and leadership building. The awards were from Community Development Block Grant Technical Assistance for Capacity Building to support attendance at community development workshops and to assist communities to meet their obligations to affirmatively further fair housing:

Grant recipient	Project Name	Grant amount/Source
Washington State Community, Trade, and Economic Development Dep't.	Scholarships for the Northwest Economic Development Course	\$5,000 (CDBG 1%)

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Northwest Community Development Institute, Boise, Idaho	Scholarships for Institute attendance	\$3,000 (CDBG 1%)
Brownfields Conference	Scholarships for conference attendance	\$10,700 (CDBG 1%)
Fair Housing Council of Oregon	Fair Housing Action Plan	\$24,500 (CDBG 1%)

In addition to the above grants, the Oregon Economic and Community Development Department operates a Competitive Community Assistance program to provide funding for a variety of activities to increase local capacity development, decision-making and project implementation. For the 2003-2005 biennium, \$600,000 is available to fund task orders requested by local communities to use contractors, selected through a competitive RFP process, to help local leaders solve locally identified problems or capitalize on locally-identified opportunities.

Performance Measurement: Use the state's Regional Community Solutions Teams to work with local officials to develop coordinated solutions to local or regional problems. These teams will be involved in helping local official find the resources to build livable communities.

Results: In 2001, By Executive Order, previous Governor Kitzhaber created the Community Solutions Team (CST) comprised of the directors of the five CST agencies: Land Conservation and Development, Oregon Housing & Community Services, Oregon Department of Transportation, Department of Environmental Quality, and Oregon Economic and Community Development Department. The Governor also created regional CST teams throughout the state composed of staff from each of the five CST agencies. The regional CST teams met at least once a month to coordinate major projects and discuss specific community projects. Team members often successfully worked together to resolve issues stemming from conflict of agency programs or regulations in a local project or situation.

In 2003, the Oregon Legislature created the Governor's Economic Revitalization Team (GERT) consisting of the previous five CST agency directors plus the directors of Oregon Department of Agriculture and Division of State Lands and authorized the staffing out of the Governor's Office. Oregon's new Governor Ted Kulongoski committed to maintaining and enhancing the collaborative approach to problem solving previously implemented by the CST program and transferred existing CST staff to the new GERT Office.

More information about Oregon's Economic Revitalization Team, including updates on regional GERT team activities can be viewed at www.gert.oregon.gov/.

