

STATE OF OREGON
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PERFORMANCE EVALUATION REPORT

Grant #B-02-DC-41-001
for the period
January 1, 2006 to December 31, 2006

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

2002 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.

Accomplishments for activities that meet the Slum and Blight or Urgent Need national objectives are to be reported in a separate narrative.

One recipient of 2002 funds addressed the Slums and Blight on a Spot Basis National Objective. The City of Newberg received \$300,000 for the Butler Property Cleanup and Remediation project that demolished an existing structure and completed soil remediation and testing instrumentation to monitor the effectiveness of environmental cleanup activities.

NOTE: The Dalles project, grant number C02006, for downtown American Disability Act (ADA) improvements did not meet the federal national objective of serving low and moderate income. In calendar year 2005 the state requested a voluntary reduction of \$150,000 from the 2006 fiscal year allocation. This reduction was approved by HUD.

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 FY 2002 funds in accordance, as much as possible, with the targets set in the 2002 Annual Action Plan for the Oregon Consolidated Plan.

CATEGORY	FUNDING TARGETS- \$ AMOUNT	FUNDING TARGETS %	ACTUAL FUNDING- \$ AMOUNT	ACTUAL FUNDING- %
Community Facilities	6,112,030	40.0%	5,039,609.09**	30.5%
Public Works	6,112,030	40.0%	8,838,450.91**	53.1%
Housing Rehabilitation: Sub Grant to OHCS	3,000,000*	20.0%	2,720,000*	16.4%
Totals	\$15,224,060	100.0%	\$16,598,060	100.0%

* Of this amount, Oregon Housing and Community Services (OHCS) awarded \$2,720,000 in project awards to sub-recipients for Housing Rehabilitation and Housing Centers Categories. A balance of \$280,000 will be added to the target allocation for housing categories awards in the 2003 program year and a like amount deducted from combined Public Works and Community Facilities Categories target allocations.

** In 2002, Brownfield Redevelopment and Downtown Revitalization projects were moved from Community Facilities to Public Works. Oregon Economic and Community Development Department (OECD) awarded \$13,878,060 in project awards from 2002 allocation funds to sub-recipients, which includes \$1,374,000 in float funding. Float funding is not a targeted category. The Oregon CDBG Program awarded 100% of its activities awards within the 15 month Timely Distribution period for the 2002 Federal Grant.

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

The state’s proposed method of distribution for 2003 Community Development Block Grant funds has some significant changes from the 2002 program year.

A. Due to Legislative and Governor’s Executive direction, the Oregon Community Development Block Grant Program Guidelines for 2003 will include additional emphasis on economic development. Within the Community Facility Category, the program will be expanded to include business incubators eligible for a maximum \$600,000 grant. The maximum grant for senior centers with full kitchen and meal service will be increased from \$300,000 to \$600,000. A new Category of Economic Development for

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Microenterprise Assistance will be established as a pilot program with a funding target of \$300,000. In addition, input will be solicited during the year for other potential activities to enhance economic development that could be implemented during the 2004 program year.

- B. Application threshold criteria will be modified to eliminate the 15% local cash match requirement for Public Works Category projects, except for Brownfield Redevelopment and Downtown Revitalization projects, since water and sewer project eligibility is tied to compliance issues and the fact that almost all public works system improvement projects require additional assistance beyond the State's Block Grant maximum of \$750,000. Community Facility projects and Brownfield Redevelopment and Downtown Revitalization projects will continue to require a 15% local match in the form of debt financing, cash or property donations.
 - C. The sub grant to Oregon Housing and Community Services (OHCS) will be expanded to include regional housing centers in addition to housing rehabilitation projects. The overall funding level to OHCS for housing related activities will be increased based on the recommendation of the Governor's Community Development Forum and the anticipated increase in the State's overall allocation.
 - D. A standard criterion to measure how affordable future public works water and/or sewer rates are relative to the prevailing income of residents—a community-wide “ability-to-pay” test will be adopted as follows: To be eligible for a grant, the projected annual residential rate for the public water or sewer system by the completion date of the requested type of grant (preliminary engineering and planning, final engineering, or construction, including design/build) must be at or above 1.25 % of the median household income (from the most recent Census) of the area to be served by the upgraded system, as adjusted annually for changes in inflations since the most recent Census. For 2003 awarded projects, this will turn out to be 1.35% of the area's 2000 median household income. For 2004 and succeeding years, the formula will be adjusted similarly to reflect annual changes in inflation.
 - E. In 2002, all applications for public works projects (preliminary engineering and planning, final engineering, or construction, including design/build) were required to have a financial review to determine the funding package to be offered, which could be comprised of all loan, combinations of loan and grant, or all grant funds. For 2003, grants of up to \$30,000 may be offered for preliminary engineering/planning activities, without first considering the ability of the applicant to repay a loan as long as all other threshold requirements and financial feasibility review criteria are met.
3. Evaluate the extent to which the program benefited low- and moderate-income persons. For the selected benefit period (2000-2001-2002), 94.1% of the state's CDBG funds were obligated to activities benefiting low- and moderate-income persons. Of the funds obligated under the state's 2002 program, 95.3% benefit low-

and moderate-income persons. As of December 31, 2006, all of the 2002 Federal Grant project funds are obligated to recipients.

B. Summary of Activities and Results from Technical Assistance Funding

The state's 2002 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, 2006, all \$157,980 of the 1% funds from the 2002 allocation been expended.

1. Fair Housing Training. A technical assistance grant was awarded to the Oregon Fair Housing Council to support workshops designed to educate communities and landlords on fair housing issues and requirements.
2. Fair Housing Posters and Brochures. The state printed updated fair housing posters and brochures and distributed them to the Fair Housing Council of Oregon and city and county grant recipients.
3. Actions to Further Fair Housing – The department hired a private consultant to prepare the analysis of impediments and fair housing action plan. This plan is being provided to local cities and counties as tool in identifying and planning for and removing impediments to fair housing choices within their communities.
4. Grant Recipient Technical Assistance Materials. The state procured professional services for the update and development of a new grant management/technical assistance handbook. This handbook is distributed to all grantees as a source of technical assistance in complying with all the Community Development Block Grant program requirements.
5. Northwest Economic Development Sponsorship and Course. A grant was provided to the Washington State Community Trade and Economic Development Department for training scholarships. The scholarships are offered to rural Oregon community representatives who want to attend this training.
6. Association of Idaho Cities. The department sponsored the Northwest Community Development Institute. This effort helps to train rural community development professional in Oregon, Idaho and Washington.
7. Oregon Brownfields Conference. A small amount of technical assistance funds was used to help support the annual brownfields conference. People attend the meeting from many communities, particularly from rural areas. The conference offers useful information for communities trying to help clean up contaminated sites in order to accommodate community development.
8. Development of Applicants Handbook. A grant was awarded to a professional consultant to conduct research for the development of the 2006 applicants handbook, in accordance with CPD notice 99-09, Section III, Item C(3).

Part III Compliance with Applicable Civil Rights Laws

A. Applicant and Beneficiary 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.

RACE GROUP	Total from FY 2002 Grant	Total from Program Income	Combined Total
White not Hispanic	42,324	0	42,324
Hispanic	5,828	0	5,828
American Indian/Alaskan Native	772	0	772
Black not Hispanic	237	0	237
Asian and Pacific Islander	504	0	504
TOTAL	49,665	0	49,665

Ethnicity/Race data is tabulated for all administratively closed or closed projects in the non-entitlement areas of the state using FY 2002 funds. Twenty-four projects funded in whole or in part with 2002 grant funds were administratively closed during the reporting period ending December 31, 2006, creating a total of fifty projects either administratively closed or closed. The ethnicity/race data are reported for these projects. When the rest of the open projects are administratively closed, the ethnicity/race data will be reported in successive year's PERs 2002 Grant Year Activity Reports as indicated in the table above for each project and totaled for all projects funded with 2002 grant year funds.

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

The State reviews the civil rights performance of its 2002 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. 2002 grant year recipients monitored during the reporting period generally complied with the civil rights performance requirements for Community

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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 (OECDD), 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.

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 2002 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 2002, the Oregon Economic and Community Development Department and Oregon Housing & Community Services continued their contracts with the Oregon Fair Housing Council (FHCO) (July 1,2001-June 30, 2002) 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. 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.

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 calendar year 2002 and will not be amended to reflect transactions that did not occur in 2002.**

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.

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Results: Three CDBG Off-site infrastructure projects were funded in 2002. The projects will support the development of 67 units of affordable housing. The projects are located in Dallas (40 units), Island City (11 units) and Sutherlin (16 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.

Results: Nine (9) projects were funded in 2002. The projects are expected to fund rehabilitation of 238 units.

Recipient	Grant Amount	Number of Units
Coos County	\$300,000	35
Deschutes County	\$300,000	30
City of Gervais	\$300,000	25
Jackson County	\$300,000	25
City of Lowell	\$350,000	31
City of Lyons	\$250,000	23
City of Newport	\$300,000	31
City of Stayton	\$250,000	13
City of Union	\$300,000	25
TOTAL	\$2,650,000	238

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: 18 projects were funded in 2002 that help carry out this strategy.

Facility / Project Type	Number
Emergency Services	1
Senior Centers	3
Child Development Centers	3
Removal of architectural barriers in public facilities	11
Total	18

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 2002, 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 of this 2002 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.

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: 37 CDBG awards were made in 2002. Of these, three (3) were for water system improvement projects and eight (8) were for wastewater system improvement projects and three (3) were for downtown revitalization projects. In addition, as of December 31, 2002 there were 17 potential CDBG projects being developed with the help of OECDD staff. Applications are expected for these projects during 2003.

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."

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Results: During 2002, thirty one (31) “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 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), 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: Progress was made in this area in 2002 to create electronic forms for 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 will be replaced with the final 2003 CDBG Program Guidelines when approved by federal Department of Housing and Urban Development. During 2003, the Department plans to work on placing the CDBG Grant Management Handbook on the website in time for the 2004 program year.

The Oregon Economic and Community Development Department is currently developing 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.

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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: Three grant awards were made in the 2002 program period that clearly support local capacity and leadership building. The awards were from Community Development Block Grant Technical Assistance for Capacity Building.

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%)
Northwest Community Development Institute, Boise, Idaho	Scholarships for Institute attendance	\$3,000 (CDBG 1%)
Brownfields Conference	Scholarships for conference attendance	\$10,000 (CDBG 1%)

In addition to the above grants, the Oregon Economic and Community Development Department is providing base funding to both Oregon Downtown Development Association and Rural Development Initiatives, Inc. for the work those organizations to do increase local capacity for planning, decision-making and project implementation. For the 2001-2003 biennium, Oregon Downtown Development will receive \$400,000 and Rural Development Initiatives will receive \$500,000. The organizations are working under contracts with the department that have specific work programs aimed at helping 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

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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/.