



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date: July 29, 2020

Department: Community Services Agenda Planning Date: 7/23/20 Time required: 10min

Audio/Visual aids

Contact: Jason Schneider Phone: 906.930.9321

Department Head Signature:

TITLE Close Public Hearing to consider Community Development Block Grant application to Business Oregon for expanding PPE production and take no further action.

Issue, Description & Background Marion County had the opportunity to expand PPE production through a partnership with a local business and financial support from a Community Development Block Grant. Due to recent developments, the business is not in a position to move forward with the partnership.

Financial Impacts: None.

Impacts to Department & External Agencies None.

Options for Consideration: None.

Recommendation: Take no further action and close the Public Hearing.

List of attachments: Business Oregon's CDBG Emergency Funding one sheet and Method of Distribution

Presenter: Jason Schneider

Copies of completed paperwork sent to the following: (Include names and e-mail addresses.)

Copies to:

Community Development Block Grant

In response to the economic impact of the COVID-19 pandemic, the Community Development Block Grant (CDBG) program has been highlighted as a vehicle to provide financial relief to states, communities, and businesses. The CDBG program is somewhat flexible and could counter some of the financial impacts from the current crisis.

The tables here outline the modified structure of our CDBG grant programs that we are proposing to accommodate COVID-19 related response. This breakdown also lists current funds available in these grant programs. These changes are all within Business Oregon's authority to make, with no statutory or other modifications needed.

Business Oregon manages this federal funding for non-urban ("Non-Entitlement") cities and counties throughout Oregon. These communities include most rural areas. Larger communities get federal CDBG funding directly* from HUD and allocate it for their own region. So for all these programs, funding through Business Oregon CDBG grants are limited to those non-urban communities.

**Communities that get CDBG funding directly from HUD include:*

Oregon tribes, urban cities (Albany, Ashland, Beaverton, Bend, Corvallis, Eugene, Grants Pass, Gresham, Hillsboro, Medford, Portland, Redmond, Salem, and Springfield) and metro counties

Emergency Small Business & Micro-Enterprise Assistance Grant	
Total Availability	\$2,000,000
Grant Maximum/ applicant	\$ 150,000
Eligible Applicant	Non Entitlement Cities/ Counties
Program Objective	Assistance to Small Businesses/ Micro-Enterprise to: <ul style="list-style-type: none"> - New businesses or business expansion to create jobs and manufacture medical supplies necessary to respond to COVID-19. - Avoid job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons. - Provide technical assistance, grants and other financial assistance to establish, stabilize, and expand microenterprises that provide medical, food delivery, cleaning, and other services to support home health and quarantine. - The Emergency Business Assistance grant program is intended to; <ul style="list-style-type: none"> o Help businesses remain solvent through the crisis and be ready/able to rebuild and/or reopen. o Fill specific cash flow gaps in businesses' larger efforts to scale down, reduce expenses, and take any additional defensive measures to survive the crisis.
Performance measure	Performance measure of assisting at least: <ul style="list-style-type: none"> - One (1) Low to Moderate Income job created/retained for every \$2,500 awarded to the applicant. Or, - One (1) microenterprise for every \$10,000 awarded to the applicant.
Project Completion Period	All activities must be completed and the Project Completion Report submitted within 12 months from contract execution with the department.
Method of Distribution	Will be available through a published Notice Of Funding Availability (NOFA). There will be no deadline for the application, funds will be awarded to the first eligible project and each thereafter until all funds are exhausted.
Note: The non-entitlement city/county grant recipient must sub-grant the funds to one of the following non-profit organizations: <ul style="list-style-type: none"> • For Small Business Assistance: a statewide or local economic development non-profit organization certified and experienced in providing/ administering small business financing programs (Including but not limited to: EDA, SBA, USDA, CDFI). • For microenterprises businesses: secure services of a microenterprise support organization experienced in providing/ administering small business/ micro-enterprise financing programs. 	

Community Development Block Grant



	Special Economic Development Assistance	Buildings (including Public Facilities) and Improvements	Public Services
Total Availability	\$ 1,750,000		
Grant Maximum/ applicant	\$ 500,000	\$ 500,000	\$ 50,000
Eligible Applicant	Non Entitlement Cities/ Counties		
Program Objective	<p>This grant program is dedicated to support new businesses or business expansion to create jobs and manufacture medical supplies necessary to respond to infectious disease.</p> <p>Eligible Activities:</p> <ul style="list-style-type: none"> • Acquisition • Clearance • Construction • Expansion • Rehabilitation • Machinery & Equipment • Working Capital 	<p>This grant program is dedicated to accommodate facilities necessary to respond to infectious disease, such as:</p> <ul style="list-style-type: none"> • Construct a facility for testing, diagnosis, or treatment. • Rehabilitate a community facility to establish an infectious disease treatment clinic. • Acquire and rehabilitate, or construct, a group living facility that may be used to centralize patients undergoing treatment. • Rehabilitate a commercial building or closed school building to establish an infectious disease treatment clinic, e.g., by replacing the HVAC system. • Acquire, and quickly rehabilitate (if necessary) a motel or hotel building to expand capacity of hospitals to accommodate isolation of patients during recovery. • Make interim improvements to private properties to enable an individual patient to remain quarantined on a temporary basis. 	<p>This grant program is dedicated to provide new or quantifiable increased public services in response to infectious disease.</p> <ul style="list-style-type: none"> • Carry out job training to expand the pool of health care workers and technicians that are available to treat disease within a community. • Provide testing, diagnosis or other services at a fixed or mobile location. • Increase the capacity and availability of targeted health services for infectious disease response within existing health facilities. • Provide equipment, supplies, and materials necessary to carry-out a public service. • Deliver meals on wheels to quarantined individuals or individuals that need to maintain social distancing due to medical vulnerabilities
Project Completion Period	All activities must be completed and the Project Completion Report submitted within 12 months from contract execution with the department.		
Method of Distribution	COVID-19 Emergency Assistance applications for these three criteria are accepted year-round through a separate application process from the normal bi-annual application round.		



Community Development Block Grant

———— **2020** ————

Proposed Method of Distribution

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



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Subject to HUD approval

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Introduction

Administration of State of Oregon CDBG Program

- Business Oregon (department) 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, and tribes 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) 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: 1) benefiting low- and moderate-income persons; 2) prevention or elimination of slums or blight; or 3) 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 percent of the area median (adjusted by household size). "Moderate income" means income equal to or less than 80 percent of the area median (adjusted by household size). Applicable income limits are determined by HUD on an annual basis for all Oregon counties and metropolitan statistical areas.

- Business Oregon's Mission is Prosperity for all Oregonians. We endeavor to achieve that mission through our Vision to invest in Oregon businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy.

Method of Distribution (MOD)

- Oregon's 2020 CDBG program is 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 2020 program year that begins January 1, 2020, are described within this 2020 Method of Distribution.
- The state expects to receive approximately \$12 million in new federal funds during 2020 for grants to non-entitlement cities and counties for eligible projects.
- The CDBG funds covered by this Method of Distribution include 2020 funds and may include unobligated funds from a prior 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 2020 Method of Distribution.

Instructions on How to Use the Method of Distribution

No single chapter is a stand-alone chapter. The entire Method of Distribution must be read and used in its entirety to obtain the necessary program information and requirements.

Oregon Administrative Rule

This Method of Distribution provides information to assist eligible entities prepare grant applications and is adopted as part of Oregon Administrative Rule (OAR) 123-080-0030 (3) by reference.

Contact the Department

Contact Business Oregon for more information at 503-986-0123

Commonly Used Acronyms

ADA	Americans with Disabilities Act
AOC	Association of Oregon Counties
ART	Application Ranking Team
BOLI	Bureau of Labor and Industries
CDBG	Community Development Block Grant
CF	Community-type Facilities
CFR	Code of Federal Regulations
CWA	Clean Water Act
DEQ	Department of Environmental Quality
DOL	U.S. Department of Labor
EA	Environmental Assessment
EO	Executive Order (Federal)
ERR	Environmental Review Record
HCDA	Housing and Community Development Act
HRRLF	Housing Rehabilitation Revolving Loan Fund
HUD	U.S. Department of Housing and Urban Development
LEP	Limited English Proficiency
LOC	League of Oregon Cities
MOU	Memorandum of Understanding
NEPA	National Environmental Policy Act
OAR	Oregon Administrative Rule
OMB	Office of Management and Budget (Federal)
ORS	Oregon Revised Statutes
PDT	Project Development Team
PNIF	Project Notification and Intake Form
PPC	Program and Policy Coordinator
PW	Public Works
RDO	Regional Development Officer
RE	Responsible Entity
ROF	Release of Funds
RPM	Regional Project Manager
RROF	Request for Release of Funds
SDWA	Safe Drinking Water Act
SHPO	State Historic Preservation Office
TDD	Telecommunication Device for the Deaf
THPO	Tribal Historic Preservation Office
URA	Uniform Relocation Assistance and Real Property Acquisition Policies Act

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 2016-2020 State of Oregon Consolidated Plan for Housing and Community Development. The 2016-2020 Consolidated Plan has been approved by the U.S. Department of Housing and Urban Development (HUD). The 2020 Method of Distribution is the fourth annual update to the 2016-2020 Consolidated Plan and has been developed with participation from HUD, Business Oregon and the public input received during the 30-day public comment period.

Priorities

Section 106(d)(2)(C)(iii) of the Housing and Community Development Act (HCDA) prohibits a state from declaring certain statutorily eligible activities as ineligible for funding under the state's program, but allows a state to establish funding priorities among the types of eligible activities. The state of Oregon's funding priorities for 2020 are described within the 2020 Method of Distribution (MOD). In accordance with the HCDA the state will consider applications for funding consistent with the identified funding priorities within the 2020 MOD.

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) that will be eligible for funding under the state's program. These priorities are described within the 2020 MOD. The priorities eligible for funding under Oregon's 2020 Community Development Block Grant program are:

Programs offered through Business Oregon

1. **Microenterprise Assistance Public Services:** Recruitment, screening and providing classroom training to microenterprise owners and persons developing microenterprises.
2. **Public Works:** Public water and wastewater system improvements.
3. **Community/Public Facilities:** Community facilities that rarely produce a reliable or sufficient revenue stream to repay a loan.
4. **Community Capacity/Technical Assistance:** Grants for local capacity building.
5. **Emergency Projects:** Projects arising from bona fide emergencies.
6. **Housing Rehabilitation:**
 - a. **Type One**—Regional Housing Rehabilitation Revolving Loan Fund.
 - b. **Type Two**—Regional Housing Rehabilitation Grant Fund.

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% of the yearly funding allocation), the department intends to award available new 2020 funds, unobligated prior year funds, program income (if any) and recaptured grant funds from prior year grants to projects in the following categories: Public Works (53%) (Design Only or Construction Only), Regional

Housing Rehabilitation (25%), Community/Public Facilities (20%), and Microenterprise Assistance (2%). Please note, no more 30% of the Public Works allocation will be awarded to Design-Only projects.

The projected annual allocation for 2020 is \$13,162,331. After deducting the allowable state administration funds and the State Technical Assistance 1% set aside, Business Oregon will have approximately \$12,667,460 available to fund projects. Based on current funding priorities and allocation percentages, the breakdown would be as follows: Public Works - \$6,766,754; Regional Housing Rehabilitation - \$3,191,865; Community/Public Facilities - \$2,533,492; and Microenterprise Assistance - \$255,349. The table below reflects the actual funding received in 2019, the projected funding for 2020, and the targeted allocations for the project funding categories.

Funding Information	2019	Target %	2020	Target %
Annual Allocation from HUD	\$13,162,331 (Note 1)		\$ 13,162,331 (Note 2)	
State Administration 2% (The required match for these funds comes from the Special Public Works Fund (SPWF).	263,247		263,247	
State Administration \$100,000—no match funds	100,000	N/A	100,000	
State Technical Assistance Set-Aside 1%	131,623		131,623	
Annual Allocation Available for Projects	\$12,667,460		\$12,667,460	
Program Income (Note 3)	\$0		\$0	
Recaptured Funds	\$0 (Note 4)		100,000	
ESTIMATED TOTAL AVAILABLE FOR PROJECTS	\$12,667,460		\$12,767,460 (Note 5)	
Public Works (Note 6)	\$6,713,754	53%	\$6,766,754	53%
Regional Housing Rehabilitation	\$3,166,865	25%	\$3,191,865	25%
Community/Public Facilities	\$2,533,492	20%	\$2,553,492	20%
Microenterprise Assistance	\$253,349	2%	\$255,349	2%

Note 1 Total 2019 CDBG allocation.

Note 2 Total 2020 Projected CDBG allocation

Note 3 When received, program income is allocated to projects using the target percentages identified above, after taking 2% for state administration.

Note 4 Actual as of December, 2019.

Note 5 Unobligated amounts from 2019 will be added to this figure.

Note 6 No more than 30% of the Public Works allocation will be awarded to Design Only projects.

Target Funding

Business Oregon has no control over the type and quantity of applications submitted for funding under the program. Therefore, after each calendar quarter Business Oregon conducts a regular review to determine if funds need to be moved from one funding category to another to address program needs. Target funding is used to give the department investment flexibility. Targeted

funding 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. On a yearly basis, at a minimum, Business Oregon will conduct a target review to determine if funds need to be moved from one category to another to address program needs.

Program Year (PY)

The state of Oregon's 2020 program year is from January 1 thru December 31, 2020.

Funds Remaining after December 31, 2019

On January 1, 2020, any un-obligated or recaptured PY2019 funds, earlier program year funds or program income will be applied in conformance with the HUD approved PY 2019 target percentages and will be awarded in accordance with either the proposed or HUD approved 2020 Method of Distribution.

Recaptured Funds and Program Income

The state anticipates the receipt of approximately \$100,000 of recaptured funds and \$0 of program income during 2020.

Recaptured funds are those funds that are returned to the department through closeout of a grant, termination for cause or other means.

Recaptured funds on hand, where a grant recipient had to re-pay funds to the state, will be returned to the U.S. Treasury and recorded as such in IDIS. Once they are credited back to the state, they will be awarded/obligated in conformance with the MOD.

Program income are 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. Program income will be disbursed before funds are requested from the U.S. Treasury.

Compliance Requirements:

The state has two requirements which must be met: 1) 24 CFR 570.494(b)(2) and 2) 24 CFR Part 570.494(b)(1) which requires each state to obligate and announce (excluding state administration) 100% of each annual grant within 15 months of the state signing its grant agreement with HUD to Units of General Local Government (UGLG's). To comply with the requirements Business Oregon prioritizes its obligation and announcement of CDBG funds as follows:

- CDBG awards will be obligated and announced from the current annual grant within 15 months of the state signing the grant agreement with HUD (24 CFR Part 494(b)(1));
- Any recaptured funds and program income on hand will be expeditiously obligated and announced in accordance with (24 CFR Part 570.494(b)(2)).

Any recaptured funds and program income received by the state will be tracked and disbursed to projects eligible for funding under the 2020 Method of Distribution. Funds received after December 31, 2019, will be disbursed as described above. 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.

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 (Albany, Ashland, Beaverton, Bend, Corvallis, Eugene, Grants Pass, Gresham, Hillsboro, Medford, Portland, Redmond, Salem, and Springfield) and counties (Clackamas, Multnomah, Washington) are not included in the state's 2020 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 directly apply for CDBG funds from the state's non-entitlement CDBG program since they receive their own CDBG allocation directly from HUD. In addition, tribes are considered sovereign entities and as such are not considered a unit of general local government under the state's authority. An eligible non-entitlement city or county may apply for CDBG funds for projects that benefit both tribal and non-tribal members. However, state CDBG funds can only be used for the portion of the project that will benefit the non-tribal members.

Table A, within this Chapter, lists each city and county that may be eligible to apply for 2020 Oregon CDBG funds under the low- and moderate-income area wide national objective.

Applications on Behalf of 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 water districts, 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 application sponsorship. The respective city or county where the system is located must sponsor the application for an "other public or nonprofit organization."

Counties considering applying on behalf of another government body are encouraged to enter into an intergovernmental agreement with the government body, identifying the roles and responsibilities of each to ensure the county has proper authority to achieve compliance with the federal CDBG program requirements during the project. Counties also are encouraged to request a meeting with the department for technical assistance and to explain the county's responsibilities under a CDBG grant in projects of this nature.

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 the contract with the state. Joint applications where 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, Regionalized food bank warehouse/ distribution facility and regional microenterprise assistance programs.

Note: If the project overlaps municipal boundaries, attach a draft of an intergovernmental cooperation agreement that lays out the duties and obligations of each entity. If the project benefits a region such as a Housing Rehabilitation, Micro-Enterprise or Regionalized food-bank facility projects, attach an executed participation agreement between the jurisdictions that are benefitting from the project.

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 area (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" 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. 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.

Low- and Moderate- Income Data

Periodically, HUD provides the state with updated Low- and Moderate-Income Statistical Data (LMISD). This data, reflected in the table to follow, reflects the percentages of low and moderate income persons within a specific statistical area. Part of the criteria for CDBG funding eligibility for an area-wide project is the jurisdiction must be 51% or more LMI. For further information or assistance on the Table below, please contact one of the agency's Regional Development Officers.

Table A–2020 Low- and Moderate-Income Data

City/County	2020 LMISD	City/County	2020 LMISD	City/County	2020 LMISD
Baker County	40.71%	Deschutes County	38.85%	Jacksonville	29.20%
Baker City	45.08%	La Pine	60.98%	Phoenix	47.87%
Greenhorn	0.00%	Sisters	42.41%	Rogue River	52.87%
Haines*	56.40%	Douglas County	41.75%	Shady Cove	62.27%
Halfway	63.49%	Canyonville	54.78%	Talent	48.07%
Huntington	52.31%	Drain*	52.30%	Jefferson County	41.39%
Richland	68.57%	Elkton	51.11%	Culver	36.17%
Sumpter	57.14%	Glendale	58.75%	Madras	54.09%
Unity	40.00%	Myrtle Creek	48.01%	Metolius	61.50%
Benton County	48.68%	Oakland	47.10%	Josephine County	46.16%
Adair Village	43.98%	Reedsport	57.56%	Cave Junction	63.57%
Monroe	63.70%	Riddle	50.00%	Klamath County	43.37%
Philomath	49.62%	Roseburg	40.27%	Bonanza	62.38%
Clatsop County	41.53%	Sutherlin	49.65%	Chiloquin	77.30%
Astoria	43.15%	Winston	47.43%	Klamath Falls	47.92%
Cannon Beach	40.89%	Yoncalla	45.89%	Malin	55.48%
Gearhart	41.44%	Gilliam County	45.16%	Merrill	47.73%
Seaside	57.38%	Arlington	48.74%	Lake County	50.07%
Warrenton	46.47%	Condon	49.07%	Lakeview	50.40%
Columbia County	46.36%	Lonerock	75.00%	Paisley	37.68%
Clatskanie	56.34%	Grant County	41.10%	Lane County	43.25%
Columbia City	44.31%	Canyon City	36.36%	Coburg	33.04%
Prescott	27.27%	Dayville	36.67%	Cottage Grove	47.92%
Rainier	57.65%	Granite	80.00%	Creswell	35.86%
Scappoose	36.90%	John Day *	57.3% *	Dunes City	31.23%
St. Helens	51.65%	Long Creek	34.29%	Florence	49.73%
Vernonia	51.05%	Monument*	56.90%	Junction City	50.09%
Coos County	42.67%	Mt. Vernon*	58.40%	Lowell	36.70%
Bandon	50.33%	Prairie City	49.36%	Oakridge	47.58%
Coos Bay	45.22%	Seneca*	56.60% *	Veneta	45.48%
Coquille	56.64%	Harney County	47.27%	Westfir	53.57%
Lakeside	40.52%	Burns	54.15%	Lincoln County	39.66%
Myrtle Point	36.25%	Hines	36.73%	Depoe Bay	32.53%
North Bend	39.71%	Hood River County	34.93%	Lincoln City	45.55%
Powers	67.11%	Cascade Locks	61.43%	Newport	43.89%
Crook County	45.91%	Hood River	41.96%	Siletz	54.76%
Prineville	55.33%	Jackson County	42.26%	Toledo	38.70%
Curry County	41.09%	Butte Falls	54.55%	Waldport	45.10%
Brookings	39.00%	Central Point	36.77%	Yachats	33.33%
Gold Beach	39.43%	Eagle Point	40.98%		
Port Orford	56.15%	Gold Hill	46.86%		

*Indicates results of income surveys conducted in accordance with CDBG requirements. Income Survey results are valid for five years from the date the survey was completed.

Table A–2020 Low- and Moderate-Income Data

City/County	2020 LMISD	City/County	2020 LMISD	City/County	2020 LMISD
Linn County	41.77%	Heppner	46.29%	North Powder	71.84%
Brownsville	35.26%	Ione	35.29%	Summerville	18.75%
Halsey	35.84%	Irrigon	33.18%	Union	51.12%
Harrisburg	42.08%	Lexington	28.95%	Wallowa County	39.52%
Idanha*	70.00%	Polk County	35.61%	Enterprise	39.62%
Lebanon	49.76%	Dallas	40.82%	Joseph	48.28%
Lyons	28.94%	Falls City*	53.77%	Lostine	36.51%
Mill City	47.19%	Independence	48.57%	Wallowa	62.14%
Millersburg	25.68%	Monmouth	50.46%	Wasco County	38.80%
Scio	33.13%	Willamina	55.43%	Antelope	100.00%
Sodaville	34.25%	Sherman County	46.15%	Dufur	39.06%
Sweet Home	47.96%	Grass Valley	63.64%	Maupin	37.72%
Tangent	43.35%	Moro	59.46%	Mosier	41.05%
Waterloo	18.87%	Rufus	56.25%	Shaniko	100.00%
Malheur County	47.19%	Wasco	56.98%	The Dalles	40.58%
Adrian*	57.22%	Tillamook County	39.37%	Wheeler County	44.32%
Jordan Valley	45.16%	Bay City	35.15%	Fossil	46.15%
Nyssa	44.22%	Garibaldi	43.87%	Mitchell	58.33%
Ontario	57.88%	Manzanita	37.65%	Spray	61.54%
Vale*	62.45%	Nehalem	23.53%	Yamhill County	49.42%
Marion County	41.94%	Rockaway Beach	40.98%	Amity*	54.22% *
Aumsville	39.40%	Tillamook	52.59%	Carlton	44.12%
Aurora	18.49%	Wheeler	53.62%	Dayton	52.76%
Detroit	37.50%	Umatilla County	38.62%	Dundee	37.99%
Donald	24.66%	Adams	24.32%	Lafayette	51.90%
Gates	48.39%	Athena	42.45%	McMinnville	55.34%
Gervais	39.61%	Echo	37.41%	Newberg	52.92%
Hubbard	46.74%	Helix	39.02%	Sheridan	71.76%
Idanha*	70.00%	Hermiston	43.29%	Willamina	55.43%
Jefferson	51.89%	Milton Freewater	57.73%	Yamhill	32.59%
Keizer	37.98%	Pendleton	36.04%		
Mill City	47.19%	Pilot Rock	43.05%		
Mt. Angel	36.62%	Stanfield	40.18%		
Scotts Mills	31.52%	Ukiah	50.00%		
Silverton	29.41%	Umatilla*	54.7%		
St. Paul	20.78%	Weston	37.93%		
Stayton	42.85%	Union County	42.67%		
Sublimity	33.33%	Cove	44.63%		
Turner	29.11%	Elgin	47.21%		
Woodburn	55.09%	Imbler	26.98%		
Morrow County	36.60%	Island City	42.24%		
Boardman	49.55%	LaGrande	44.55%		

*Indicates results of income surveys conducted in accordance with CDBG requirements. Income Survey results are valid for five years from the date the survey was completed.

Limits on Applications

To assist the state in complying with federal requirements pertaining to the timely distribution and expenditure of funds the 2020 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 Project Notification and Intake Forms (PNIF's) approved from a city or county with three or more open grants. This includes jurisdictional grants, i.e. housing rehabilitation.

Age and Expenditure of Funds Requirements

1. City/County—Before an application is invited or a PNIF is approved by the department all cities and counties with open grants must comply with the following requirements for their existing open grants:

Table B –Age and expenditure table

One Year Grants (microenterprise assistance) After contract execution date	Requirement	Multi-Year Grants (All other grants) After contract execution date	Requirement
1 year old	Microenterprise Grants – 70% of the funds must be drawn down	1 years old	60% of the funds must be drawn down
2 years old or more	Microenterprise Grants – The jurisdiction is ineligible to apply for any new grant unless this project is administratively closed	2 years old	100% of the funds must be drawn down
		3 years old or more	The jurisdiction is ineligible to apply for any new grant unless this project is administratively closed.

2. Microenterprise Assistance Service Provider—a service provider administering a microenterprise assistance program on behalf of a grant recipient, which includes the entire service area of the microenterprise assistance program, can only have one open

grant from the CDBG program, unless that open grant is meeting the same age and expenditure requirements applicable to cities and counties identified above.

If the one open grant is meeting the age and expenditure requirements, microenterprise service provider can work with an eligible city/county to apply for a second grant. Under no circumstances will more than two open grants per eligible non-profit's microenterprise assistance program, which includes the entire service area, be awarded.

3. Housing rehabilitation projects are exempted for this requirement in the 2020 Funding Year.

Unresolved Performance Issues

Cities and counties with unresolved 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: Community Facilities and Housing Rehabilitation. Also, no more than two applications from the remaining funding categories 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 to disaster recovery grant funding received through special allocations from the U.S. Department of Housing and Urban Development.
- New Emergency Projects (not previously awarded) are not subject to any of the "Limits on Applications" requirements.
- Counties that have received a CDBG public works grant on behalf of a public body such as a sanitary district or water district, including water supply authorities, or other political subdivisions of the state and organizations operated on a not-for-profit basis may be granted an exception to any of the "Limits on Application" requirements due to the complexity of the governing/legal jurisdictional issues encountered in administering a grant that is benefitting an outside government body over which the recipient has no governing authority. Exceptions will be granted at the sole discretion of the Business Oregon after a thorough review by Business Oregon staff.

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Chapter 3 – National Objectives

There are three federal national objectives for the Community Development Block Grant (CDBG) Program. However, the state of Oregon only qualifies projects for funding under two of the three national objectives. **All projects and the 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.
- **Urgent Need**–This must be a bona fide emergency declared by the Governor or President of the United States. CDBG funds are generally not available for 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. The community must be able to document there is no financial ability to repair the threat.

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 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. With the exception of the “Jobs” objective, the remaining three objectives (Area Wide, Limited Clientele and Housing) are described in the following sections.

Area Wide Qualification (LMA)

1. The Area Wide Qualification applies to 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 conterminous 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 proposed by the applicant and approved by the state is the entire area served by that activity.
2. 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 and pre-approved by Business Oregon.
3. An activity that serves an area that is not primarily residential in character will not qualify under this criterion, as determined by Business Oregon.
4. The Area Wide Qualification also applies to 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 (LMA)

1. All applicants must provide a map with their application showing the proposed project's entire service area. Community facility projects qualifying under this national objective must also provide written documentation such as a policy or other document demonstrating 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 the 2020 Low and Moderate Income Survey Data (LMISD) data. See Table A in Chapter 2 of this handbook.

Applicants for area-wide benefit projects that have been determined to be eligible activities for funding under the CDBG program by Business Oregon will use a special income survey in the following situations:

- a. **Boundary**—The geographic area where beneficiaries live does not generally coincide with census geography;
- b. **Economic Changes**—2020 LMISD (effective April 1, 2019) data shows that less than 51 percent of the persons in an area are low and moderate income but the applicant believes that local economic conditions are significantly different. Compelling evidence, such as a mill/plant closing or other documentation must be presented by the potential applicant to substantiate that an income survey is necessary;
- c. **Non-Economic Changes**—2020 LMISD (effective April 1, 2019) data shows that less than 51 percent of the persons in an area are low and moderate income but the applicant believes that local non-economic conditions are significantly different. Documentation of natural or human made disasters or other compelling evidence must be presented by the potential applicant to substantiate that an income survey is necessary; or
- d. **Demographic Changes**—There is compelling evidence that current community income characteristics are significantly different from the most current LMISD data provided by HUD. The 2020 LMISD data was derived from 2010-2015 American Community Survey (ACS) data and published by HUD in March 2016. For example, a community with a substantial increase in population and new housing construction after 2012 cannot be assumed to have the same percentage of low- and moderate-income persons.

Population growth (increase or decrease) may be documented by comparing population data from the 2020 LMISD to the most current 2013 Portland State University (PSU) population estimate issue in the most recent PSU release.

All surveys must be conducted in compliance with HUD Community Planning and Development (CPD) Notice 14-013 dated September 25, 2014, and any other more current methodology developed by HUD. A copy of the survey methodology and a sample questionnaire is available by 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 Business Oregon Regional Development Officer (RDO) **prior to beginning the survey**.

Business Oregon-approved income surveys will be valid and usable for up to five (5) years, after approval. If economic, non-economic or demographic changes occur during this five (5)-year period that would directly affect the low-moderate income data of a community and the applicant has a project determined to be an eligible activity for funding under the CDBG program, the applicant may contact Business Oregon to discuss the possibility of conducting an income survey.

In accordance with HUD CPD Notice 14-013, the HUD issued American Community Survey (ACS) derived LMISD must be used “to the fullest extent feasible” unless it can be documented that the data does not provide enough information regarding the income levels in the service area. In this case, a survey may be necessary. For projects determined to be CDBG eligible, surveys will be approved for the conditions identified in paragraphs a, b, c, and d above.

As soon as updated or revised LMISD data is published by HUD, the most current LMISD data must be utilized by the program, and will be immediately effective.

Limited Clientele Qualification (LMC)

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.*

Four possible “tests” document that beneficiaries of limited clientele facilities are principally low and moderate income. More than one test may be required, depending upon the project to be funded.

To qualify for the limited clientele national objective, an activity must benefit a limited clientele, at least 51 percent of whom are low- and moderate-income persons. The activity must meet one or more of the following tests:

Test 1–Limited Clientele Based on Presumed Benefit–It must benefit a clientele who are generally **presumed** to be principally low and moderate-income persons. Activities **must exclusively** serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons whose income meets the low to moderate test:

- **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. Are unable to perform one or more functional activities or need 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 considered disabled by Medicare or receive Supplemental Social Security Income (SSI) are considered to have a disability (severe disability).
- **Homeless persons**—Individuals or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - a. Has a primary nighttime residence that is a public or private place not meant for human habitation;
 - b. Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, hotels, and motels paid for by charitable organizations or by federal, state, and local government programs); or
 - c. Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
 - **Illiterate adults;**
 - **Persons living with AIDS;** and
 - **Migrant farm workers.**

Test 2—Limited Clientele Based on Household Size and Income Eligibility—If the facility does not serve a clientele that consists exclusively of presumed low- and moderate-income persons, it must: Require information on household size and income from every client so that it is evident that at least 51 percent of the clientele are persons whose household income does not exceed the low- and moderate-income limit. The Community Facility User Form must be completed using income limits in Table D; or

- Have income eligibility requirements that limit the activity exclusively to low- and moderate-income persons; or

Test 3—Limited Clientele Based on Nature and Location of the Facility—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 criteria under the state's program is a rarity.)

On February 15, 2008, the state received guidance from HUD that food bank/warehouses can qualify as meeting the LMI national objective on the basis of the nature of the service and the location where the services are provided. Food bank projects will no longer have to collect household size and income data to demonstrate compliance with the federal national objective. On May 7, 2008, the department researched and approved of this approach.

Microenterprise Exception—A microenterprise assistance project is limited to owners of microenterprises and persons developing microenterprises who are low- and moderate-income persons based upon the household 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 (LMC)

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:

- **Test 1–Limited Clientele Based on Presumed Benefit**

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: 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

- **Test 2–Limited Clientele Based on Household Size and Income**

Documentation that at least 51 percent of the clientele are persons whose household 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 household incomes above and below the low- and moderate-income limits. The summary must be based on information about the household size and household 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 each member of the household. If a household does not provide the required information, its members must be assumed to be above the income limits.

Individual information forms gathered by the applicant 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 also must certify in the application that, if funded, it will ensure that household 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
- c. 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
- d. **Test 3–Limited Clientele Based on Nature and Location of the Facility**
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 household 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 percent 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 (LMH)

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 occupied by a low- and moderate-income household, and if the structure contains more than two dwelling units, at least 51 percent of the units must be occupied by low- and moderate-income households.

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 funded through programs monitored by Oregon Housing and Community Services or HOME-assisted and the requirements of 24 cfr 92.252 or 24 cfr 92.254 of this title are met.

Housing Documentation (LMH)

For each activity carried out for the purpose of rehabilitating or constructing housing that 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 are compared against the household size and income chart contained in Table D.

Urgent Need

To comply with this national objective a project must be designated to alleviate existing conditions that 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 18 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 carry out 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 are not available.

Table C National Objective - Low and Moderate Income

Type of National Objective	Definition of National Objective
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.)
Limited Clientele – in general – 24 CFR 570.483(b)(2)(ii)	Definition–The activity benefits a specific group(s) of low- and moderate-income persons (excludes housing). 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, and each user must be income qualified.)
Presumed Limited Clientele – 24 CFR 570.483 (b)(2)(ii)(A) Test 1 – Limited Clientele based on Presumed Benefit.	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 – 60 years of age and older, Homeless Shelters, Domestic Violence Shelters, etc.
Household Size and Income – Eligibility Limited Clientele – 24 CFR 570.483 (b)(2)(ii)(C) or 24 CFR 570.483 (b)(2)(ii)(B) Test 2 – Limited Clientele based on Household Size and Income and Test 3 – Limited Clientele based on Income Eligibility.	Definition – Activities require information on household size and income that confirm at least 51% of clientele are low- and moderate- income. Information on household size and income can be determined by clients completing the Community Facility User Certification Form (Test 2) or have income eligibility requirements (Test 3). Examples: Head Start Centers and Microenterprise Assistance.
Nature and Location – Limited Clientele – 24 CFR 570.483(b)(2)(ii)(D) Test 4 – Limited Clientele based on Nature and Location of the facility.	Definition – Facility of such a nature, and be in such a location, that it may be concluded that the facility’s clientele will be primarily low- and moderate-income persons. Example: Food Banks and Head Start 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/or occupied by low- and moderate- income persons. All applicants must household size and income qualify. Example: housing rehabilitation.
Urgent Need – 24 CFR 570.483(d)	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. 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.

Table D – 2020 Low and Moderate Income Limits

- Effective April 1, 2019 - Income Limits by Household Size

Periodically, HUD provides the state with updated Low- and Moderate Income Limits by household size. This data, reflected in the table to follow, reflects the income limits per household size by County. For further information or assistance on the Table below, please contact one of the agency's Regional Development Officers.

County	Median Household Income estimate for 2018	Income Level Note 1	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6-Person Household	7-Person Household	8-Person Household
Baker	\$55,500	Low	\$20,150	\$23,000	\$25,900	\$28,750	\$31,050	\$33,350	\$35,650	\$37,950
		Moderate	\$32,200	\$36,800	\$41,400	\$46,000	\$49,700	\$53,400	\$57,050	\$60,750
Benton Note 2	\$83,700	Low	\$29,300	\$33,500	\$37,700	\$41,850	\$45,200	\$48,550	\$51,900	\$55,250
		Moderate	\$46,900	\$53,600	\$60,300	\$66,950	\$72,350	\$77,700	\$83,050	\$88,400
Clatsop	\$64,700	Low	\$22,650	\$25,900	\$29,150	\$32,350	\$34,950	\$37,550	\$40,150	\$42,750
		Moderate	\$36,250	\$41,400	\$46,600	\$51,750	\$55,900	\$60,050	\$64,200	\$68,350
Columbia Note 3	\$87,900	Low	\$30,800	\$35,200	\$39,600	\$43,950	\$47,500	\$51,000	\$54,500	\$58,050
		Moderate	\$49,250	\$56,250	\$63,300	\$70,300	\$75,950	\$81,550	\$87,200	\$92,800
Coos	\$51,400	Low	\$20,150	\$23,000	\$25,900	\$28,750	\$31,050	\$33,350	\$36,650	\$37,950
		Moderate	\$32,200	\$36,800	\$41,400	\$46,000	\$49,700	\$53,400	\$57,050	\$60,750
Crook	\$56,800	Low	\$20,150	\$23,000	\$25,900	\$28,750	\$31,050	\$33,350	\$35,650	\$37,950
		Moderate	\$32,200	\$36,800	\$41,400	\$46,000	\$49,700	\$53,400	\$57,050	\$60,750
Curry	\$53,400	Low	\$20,150	\$23,000	\$25,900	\$28,750	\$31,050	\$33,350	\$35,650	\$37,050
		Moderate	\$32,200	\$36,800	\$41,400	\$46,000	\$49,700	\$53,400	\$57,050	\$60,750
Deschutes Note 2	\$78,600	Low	\$26,800	\$30,600	\$34,450	\$38,250	\$41,350	\$44,400	\$47,450	\$50,500
		Moderate	\$42,850	\$49,000	\$55,100	\$61,200	\$66,100	\$71,000	\$75,900	\$80,800
Douglas	\$56,200	Low	\$20,900	\$23,850	\$26,850	\$29,800	\$32,200	\$34,600	\$37,000	\$39,350
		Moderate	\$33,400	\$38,200	\$42,950	\$47,700	\$51,550	\$55,350	\$59,150	\$63,000
Gilliam	\$55,900	Low	\$20,450	\$23,350	\$26,250	\$29,150	\$31,500	\$33,850	\$36,150	\$38,500
		Moderate	\$32,700	\$37,350	\$42,000	\$46,650	\$50,400	\$51,150	\$57,850	\$61,600
Grant	\$54,500	Low	\$20,150	\$23,000	\$25,900	\$28,750	\$31,050	\$33,350	\$35,650	\$37,950
		Moderate	\$32,200	\$36,800	\$41,400	\$46,000	\$49,700	\$53,400	\$57,050	\$60,750
Harney	\$49,400	Low	\$20,150	\$23,000	\$25,900	\$28,750	\$31,050	\$33,350	\$35,650	\$37,950
		Moderate	\$32,200	\$36,800	\$41,400	\$46,000	\$49,700	\$53,400	\$57,050	\$60,750
Hood River	\$70,700	Low	\$24,750	\$28,300	\$31,850	\$35,350	\$38,200	\$41,050	\$43,850	\$46,700
		Moderate	\$39,600	\$42,250	\$50,900	\$56,550	\$61,100	\$65,600	\$70,150	\$74,650
Jackson Note 2	\$66,300	Low	\$22,700	\$25,950	\$29,200	\$32,400	\$35,000	\$37,600	\$40,200	\$42,800
		Moderate	\$36,300	\$41,450	\$46,650	\$51,800	\$55,950	\$60,100	\$64,250	\$68,400
Jefferson	\$55,000	Low	\$20,150	\$23,000	\$25,900	\$28,750	\$31,050	\$33,350	\$35,650	\$37,950
		Moderate	\$32,200	\$36,800	\$41,400	\$46,000	\$49,700	\$53,400	\$57,050	\$60,750
Josephine	\$48,800	Low	\$20,150	\$23,000	\$25,900	\$28,750	\$31,050	\$33,350	\$35,650	\$37,950
		Moderate	\$32,200	\$36,800	\$41,400	\$46,000	\$49,700	\$53,400	\$57,050	\$60,750
Klamath	\$51,400	Low	\$20,150	\$23,000	\$25,900	\$28,750	\$31,050	\$33,350	\$35,650	\$37,950
		Moderate	\$32,200	\$36,800	\$41,400	\$46,000	\$49,700	\$53,400	\$57,050	\$60,750

County	Median Household Income estimate for 2018	Income Level Note 1	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household	6-Person Household	7-Person Household	8-Person Household
Lake	\$46,700	Low	\$20,150	\$23,000	\$25,900	\$28,750	\$31,050	\$33,350	\$35,650	\$37,950
		Moderate	\$32,200	\$36,800	\$41,400	\$46,000	\$49,700	\$53,400	\$57,050	\$60,750
Lane Note 2	\$64,900	Low	\$22,750	\$26,000	\$29,250	\$32,450	\$35,050	\$37,650	\$40,250	\$42,850
		Moderate	\$36,350	\$41,550	\$46,750	\$51,900	\$56,100	\$60,250	\$64,400	\$68,550
Lincoln	\$54,500	Low	\$20,150	\$23,000	\$25,900	\$28,750	\$31,050	\$33,350	\$35,650	\$37,950
		Moderate	\$32,200	\$36,800	\$41,400	\$46,000	\$49,700	\$53,400	\$57,050	\$60,750
Linn	\$68,600	Low	\$23,000	\$26,250	\$29,550	\$32,800	\$35,450	\$38,050	\$40,700	\$43,300
		Moderate	\$36,750	\$42,000	\$47,250	\$52,500	\$56,700	\$60,900	\$65,100	\$69,300
Malheur	\$51,400	Low	\$20,150	\$23,000	\$25,900	\$28,750	\$31,050	\$33,350	\$35,650	\$37,950
		Moderate	\$32,200	\$36,800	\$41,400	\$46,000	\$49,700	\$53,400	\$57,050	\$60,750
Marion Note 3	\$69,400	Low	\$24,300	\$27,800	\$31,250	\$34,700	\$37,500	\$40,300	\$43,050	\$45,850
		Moderate	\$38,850	\$44,400	\$49,950	\$55,500	\$59,950	\$64,400	\$68,850	\$73,300
Morrow	\$62,400	Low	\$21,850	\$25,000	\$28,100	\$31,200	\$33,700	\$36,200	\$38,700	\$41,200
		Moderate	\$34,950	\$39,950	\$44,950	\$49,900	\$53,900	\$57,900	\$61,900	\$65,900
Polk Note 3	\$69,400	Low	\$24,300	\$27,800	\$31,250	\$34,700	\$37,500	\$40,300	\$43,050	\$45,850
		Moderate	\$38,850	\$44,400	\$49,950	\$55,500	\$59,950	\$64,400	\$68,850	\$73,300
Sherman	\$67,000	Low	\$23,450	\$26,800	\$30,150	\$33,500	\$36,200	\$38,900	\$41,550	\$44,250
		Moderate	\$37,550	\$42,900	\$48,250	\$53,600	\$57,900	\$62,200	\$66,500	\$70,800
Tillamook	\$55,800	Low	\$20,150	\$23,000	\$25,900	\$28,750	\$31,050	\$33,350	\$35,650	\$37,950
		Moderate	\$32,200	\$36,800	\$41,400	\$46,000	\$49,700	\$53,400	\$57,050	\$60,750
Umatilla	\$65,600	Low	\$21,250	\$24,300	\$27,350	\$30,350	\$32,800	\$35,250	\$37,650	\$40,100
		Moderate	\$34,000	\$38,850	\$43,700	\$48,550	\$52,450	\$56,350	\$60,250	\$64,100
Union	\$60,800	Low	\$21,300	\$24,350	\$27,400	\$30,400	\$32,850	\$35,300	\$37,700	\$40,150
		Moderate	\$34,100	\$38,950	\$43,800	\$48,650	\$52,450	\$56,450	\$60,350	\$64,250
Wallowa	\$59,000	Low	\$20,650	\$23,600	\$26,550	\$29,500	\$31,900	\$34,250	\$36,600	\$38,950
		Moderate	\$33,050	\$37,800	\$42,500	\$47,200	\$51,000	\$54,800	\$58,550	\$62,350
Wasco	\$57,000	Low	\$22,000	\$25,150	\$28,300	\$31,400	\$33,950	\$36,450	\$38,950	\$41,450
		Moderate	\$35,200	\$40,200	\$45,250	\$50,250	\$54,300	\$58,300	\$62,350	\$66,350
Wheeler	\$51,200	Low	\$20,150	\$23,000	\$25,900	\$28,750	\$31,050	\$33,350	\$35,650	\$37,950
		Moderate	\$32,200	\$36,800	\$41,400	\$46,000	\$49,700	\$53,400	\$57,050	\$60,750
Yamhill Note 3	\$87,900	Low	\$30,800	\$35,200	\$39,600	\$43,950	\$47,500	\$51,000	\$54,500	\$58,050
		Moderate	\$49,250	\$56,250	\$63,300	\$70,300	\$75,950	\$81,550	\$87,200	\$92,800

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 household with a gross income of no more than 50 percent of the area median income. A Moderate-Income person is a member of a household 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 2017 estimated median household income for non-metropolitan counties in Oregon is \$53,300.

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

Note 3: This county is part of a Primary Metropolitan Statistical Area (PMSA). The income limits are based on the median household income for the entire PMSA including local governments that are not eligible for the state-administered CDBG program. For example, the median household 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).

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 2020 Method of Distribution, and in a format similar to the tables below in point #5. **Note:** Do not duplicate beneficiary reporting. Each user of the service can only be counted once per calendar year.

Instructions:

- Only one program should be shown in each line of Table E. 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.
- Attach a copy of Community Facility User Certification Form(s) (intake or client screening forms) containing the requisite household size and income limits for the clientele in each program.
- 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.
- Prospective applicants are encouraged to consult with department staff at the earliest stages of project development concerning the documentation required for Limited Clientele Projects.
- Identify the Race and Ethnicity of the total beneficiary’s services by the facility during the reporting period.

	White (non-Hispanic)	Hispanic	Total
White			
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
	<p>___ Household size and income information are collected from all clientele and at least 51% are LMI. (2)</p> <p>___ Clientele must be LMI to receive service. (2)</p> <p>___ Clientele are presumed to be LMI. Classification _____ (3)</p> <p>___ Clientele are LMI by Nature and Location of Facility.</p>				
	<p>___ Household size and income information are collected from all clientele and at least 51% are LMI. (2)</p> <p>___ Clientele must be LMI to receive service. (2)</p> <p>___ Clientele are presumed to be LMI. Classification _____ (3)</p> <p>___ Clientele are LMI by Nature and Location of Facility.</p>				
	<p>___ Household size and income information are collected from all clientele and at least 51% are LMI. (2)</p> <p>___ Clientele must be LMI to receive service. (2)</p> <p>___ Clientele are presumed to be LMI. Classification _____ (3)</p> <p>___ Clientele are LMI by Nature and Location of Facility.</p>				
	<p>___ Household size and income information are collected from all clientele and at least 51% are LMI. (2)</p> <p>___ Clientele must be LMI to receive service. (2)</p> <p>___ Clientele are presumed to be LMI. Classification _____ (3)</p> <p>___ Clientele are LMI by Nature and Location of Facility.</p>				
TOTALS					
PERCENTAGE (LMI users)/(total users) X 100 = %		% LMI		% LMI	

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 household size and income and ethnicity/race of the persons who use the __ [insert name of facility] _____. Your answers will be treated confidentially.

HOUSEHOLD SIZE—The HUD definition of household is, 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.

NOTE: A household is defined as all persons occupying the same housing unit regardless of **their** relationship to each other. If there is more than one family residing within the housing unit, each family must complete a separate Community Facility User Certification Form.

Check the appropriate box for your household size:

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

Annual Household Income—Annual household income is defined as, the total income earned before taxes by all household members, including job earnings (wages, salary, tips, bonuses, commissions), interest, dividends, child support, alimony, welfare, social security, disability, unemployment, retirement payments, net income from business activities, farms, rents, royalties, trusts, estates, and any other income received regularly by all household members.

Check the appropriate box for your **household's annual total gross income *before taxes* for the most recent tax reporting year.**

	Annual Gross Income		Annual Gross Income
	\$0 to \$27,050		\$41,751 to \$44,800
	\$27,051 to \$30,900		\$44,801 to \$47,900
	\$30,901 to \$34,800		\$47,901 to \$51,000
	\$34,651 to \$41,750		\$51,000 or more
	\$44,801 to \$47,900		

Using Table D, the household income figures must be updated for the county in which the project is to occur.

Ethnicity and Race—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.

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

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

- White
- Black/African American
- Asian
- American Indian/Alaskan Native
- Native Hawaiian/Other Pacific Islander
- Two or more races
- Other

Signatures and Certifications—This information is subject to verification by the grant recipient, Business Oregon or the U.S. Department of Housing and Urban Development officials.

- **Community Facility User** (Person that completed this form)—By my signature below on this Community Facility User Certification Form, I am certifying that the information provided is valid and accurate.

Signature

Date

- **Community Facility Organization** (Entity that collected the information from the user)—The [Insert the name of organization collecting household size and income information] has reviewed the supporting documentation provided by the community facility user and has determined that the user:

___ **Meets** the HUD requirements contained in the most current Method of Distribution.

___ **Does Not** meet the HUD requirements contained in the most current Method of Distribution.

Signature

Date

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Chapter 4 – Federal Requirements

Note: Refer to Chapter 7 for a description of the environmental and Uniform Relocation Act (URA) and Real Property Assistance trigger guidance.

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 Business Oregon. The CDBG Grant Management Handbook (2017 Edition) or most current edition, can be found on the [Department's website](#). Business Oregon encourages potential applicants to review the Grant Management Handbook prior to committing to submit an application in order to familiarize themselves with the wide array of program requirements.

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.
- 1. **Conflicts Prohibited**—Generally, except for eligible administrative and personnel costs, none of the persons covered by the Conflict of Interest Requirements 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. Also, such persons may not 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.
- 2. **Exceptions to the Conflict of Interest Requirements**—Business Oregon 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 within five years after closeout (**note:** Business Oregon's definition of closeout is administrative 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 repaid to the state. In the event of a possible change of use of the funded facility, the grant recipient must contact Business Oregon prior to taking any action. More specifically, the requirements are:

- All projects having improved or acquired real property within the grant recipients' direct control (including activities undertaken by sub-grantees) that 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-grantee (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 subrecipient (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.
- **Trust Deed**— 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 or facility 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 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 also is 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 state's 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 [Oregon Procurement Information Network \(ORPIN\)](#) or Business Oregon's [Certification Office for Business Inclusion and Diversity \(COBID\)](#) 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 that 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 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 Federal Labor Standards provisions will apply, effective for all projects advertised for bid on or after January 1, 2006. Extensive labor standards requirements must be followed. More detailed information can be found in the current Grant Management Handbook.

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, which does not exceed \$35,000 received in a single year from activities, other than revolving loan funds that is retained by a unit of general local government and its sub-grantees (all funds received from revolving loan funds are considered program income, regardless of amount);

Note: Oregon defines a single year as (July 1 to June 30).

All income received from any closed housing rehabilitation grant that is not utilizing the authority of 105(a)(15) of the HCDA and is still being tracked for program income by Business Oregon is considered program income. The miscellaneous income rule does not apply to these prior housing rehabilitation grants, effective May 23, 2012.

- The funds are generated by housing rehabilitation 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 that (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 May 23, 2012.

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 \$35,000 until after the end of the applicable annual period unless it is spent in compliance with CDBG rules.

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 can be used to conduct more housing rehabilitation work.

Housing rehabilitation grants awarded under the authority of 105(a)(15) of the HCDA exemplify the exception to program income rules if all the following conditions exist: 1) the state's grant to the city or county must be sub-granted to an eligible nonprofit, 2) the nonprofit must loan funds directly to income-eligible homeowners, and 3) loan repayments made by those homeowners must be dedicated to CDBG-eligible activities such as housing rehabilitation for subsequent eligible homeowners, community economic development, neighborhood revitalization and/or energy conservation projects.

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 tenant displacement has occurred, the recipient must have documentation that the notices were received by the tenant when the grant application is submitted to the state, by means of certified mail return receipt or the tenant signed for the notice. Tenants who did not receive their notices at the project application stage may be entitled to relocation benefits under federal law. There are many notices, depending upon the details of the situation, therefore, rather than include all types of notification in the Method of Distribution, the applicant is encouraged to use the numerous examples of notices ("guide form notices") in *HUD Handbook 1378*. These are available for download from the [HUD website](#). A wide range of samples for different situations are found in the appendices.

If an owner or tenant did not receive their notice, a complaint can be filed either by contacting the HUD Region X office or by [filing a complaint online](#).

Due to the specialty calculations and detailed requirements for relocation activities, any applicant with a proposed project that involves relocation will be required by Business Oregon to hire a specialist acceptable to Business Oregon to complete the required URA relocation process.

Note: Refer to the "Note" in Chapter 7 for a brief description of the environmental and uniform relocation and real property assistance (URA) trigger guidance. More detailed information can be found in the current Grant Management Handbook.

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 three 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 570.490. The department will provide technical assistance and a Grant Management Handbook, which contains detailed record keeping information and information covering other aspects of the program's requirements.

Residential Anti-displacement and Relocation Plan

Recipients must comply with the State of Oregon's "Residential Anti-displacement and Relocation Plan" in the Grant Management Handbook, Chapter 8, Exhibit 2A.

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 and receive department approval prior to submitting an application. Donated labor can help reduce the cost of the project. However, the use of volunteers also may 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 24 CFR Part 70.3 entitled "Use of Volunteers on Projects Subject to Davis-Bacon and HUD-Determined Wage Rates." This rule is available, upon 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.

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Chapter 5 – Program Policies and Definitions

Note: Refer to Chapter 7 for a description of the environmental and Uniform Relocation Act (URA) and real property assistance trigger guidelines.

Policies

Eligible/Ineligible Costs

Activity Delivery Costs

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

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 recipient's 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:

$$\frac{\text{(CDBG Receipts)}}{\text{(Total Expenditures and Incurred Obligations)}} \\ \frac{\text{(\$100,000)}}{\text{(\$1,000,000)}} = 0.1 \qquad 0.1$$

Total Cost of A-133 Audit	\$5,000
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Eligible CDBG reimbursable portion of the audit cost

$$\text{(Total Audit Cost) x (Ratio)} \\ \text{(\$5,000) x (0.1) = \$500} \qquad \$500$$

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.

Entertainment/Refreshments

The cost of food, beverages, snacks, and any related expenses for utensils, etc., are not eligible for reimbursement under the program.

Program/Project Delivery Costs

- **Grant Administration**—For all categories that allow grant administration as an eligible activity, up to 10 percent of the grant award, but not more than \$35,000 (\$25,000 for housing rehabilitation projects) 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. Grant administration is not an eligible activity under the Microenterprise Assistance category.

In addition to the grant administration allowance the following limitations apply:

- **Federal Labor Standards Compliance**—Up to a maximum of \$20,000 per project is allowed if needed. Any amount of funds in excess of the \$20,000 must be paid for with local or non-CDBG funds. The cost associated with Bureau of Labor and Industry (BOLI) labor standards compliance must be paid for with local or non-CDBG funds
- **Environmental Review**—Up to a maximum of \$20,000 per project is allowed to prepare and complete a full environmental review record including any associated wetlands delineations, 8-step floodplain/wetlands processes, biological assessments, pedestrian survey's, SHPO/THPO communication etc., to meet all the requirements of the most current Grant Management Handbook and approved by Business Oregon, if needed. The complete record must be ready for public comment. Any amount of funds in excess of the \$20,000 must be paid for with local or non-CDBG funds.
- **Legal Fees**—There is no maximum limit on costs associated with attorney fees.
- **Audit**—See information at the beginning of this Chapter for details.
- **Property Appraisal Fees**—There is no maximum limit on costs associated with property appraisal fees related to property acquisition as long as the fee is reasonable and consistent with fees charged for projects with a similar scope of work in the local market.
- **Limited English Proficiency (LEP) Translation Services**—Up to a maximum of \$3,000 per project is allowed to translate documents into other language(s), to meet the LEP requirements. The documents that are translated must be directly needed for the successful completion of the CDBG funded project, such as procurement notices, CDBG public meeting notices, etc.
- **Cultural Resource Monitoring**—Cultural resource monitoring required by Tribes in the completion of the environmental review record and during construction is an allowable expense. There is no maximum limit on the cost associated with cultural resource monitoring to satisfy Tribal compliance as long as the fee is reasonable and consistent with fees charged for projects with a similar scope of work.
- **Funding Application Preparation**—Up to a maximum of \$7,500 per project is allowed under the Public Works, Public Water and Sewer System category to prepare funding applications to the department or other state and federal agency(s) for the next phase of the project.
- **Program Management Services** (Only applies to housing rehabilitation projects.)—Up to 20 percent of the grant award may be used for the combined costs associated with grant administration and program management. Of this amount, no more than \$25,000 may 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.

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

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

Activity	Allowance
Grant Administration for Public Works and Community Facility projects only	10% up to a maximum of \$35,000
Grant Administration for Housing Rehabilitation projects only	10% up to a maximum of \$25,000
Federal Labor Standards Compliance	Up to a maximum of \$20,000 per project
Environmental Review	Up to a maximum of \$20,000 per project
Legal Fees	There is no maximum limit
Audit Costs	Refer to beginning of this Chapter for details
Limited English Proficiency Translation Services	Up to a maximum of \$3,000 per project
Cultural Resource Monitoring	There is no maximum limit
Funding Application Preparation (Public Works Water and Sewer only)	Up to a maximum of \$7,500 per project
Property Appraisal Fees	There is no maximum limit
Construction Contingency	Capped at 10% of the estimated construction cost
Architectural	12% of project construction and construction contingency costs combined
Engineering	20% of project construction and construction contingency costs combined
Program Management (Only applies to housing rehabilitation projects)	Up to 20% of the requested grant, plus \$20,000. This includes the \$25,000 allowance for grant administration.
Under rare circumstances, for projects involving biological assessments, archeological surveys or other required environmental studies, the department may allow the recipient to use a portion of the grant administration allowance to complete these activities. The costs must be required and reasonable, approved by Business Oregon and are limited by the amount of funds available in the recipient's grant award.	

Refer to Table F in this Chapter for more details.

Indirect Costs

Indirect costs are not allowed under the state program.

Ineligible Activities

CDBG funds cannot be used for any debt financing or takeout, fines, fees, or penalties. System development charges (including construction excise taxes), hook-up fees, and connection

charges are also not eligible for reimbursement under the federal regulations for the CDBG program. Bureau of Labor and Industry (BOLI) fees are ineligible under the program. The use of a Construction Manager/General Contractor (CMGC), also known as the design/build construction technique, is prohibited under the program.

Limitations on Architectural and Engineering Costs

The department will not approve, without explanation, grant awards that include budgets that contain more than the following percentages for architectural and engineering work regardless of whether the item is paid for with grant funds or other funding resources:

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 are generally not allowed and must be fully explained in the application. Approval to exceed the percentages can be granted on a case-by-case basis by Business Oregon. 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 project geotechnical evaluation, surveying, core samples, 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.

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 or architect licensed to do work within the state of Oregon.

Limits on Construction Contingencies

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

Pre-Award Costs

Costs incurred prior to notification of grant award 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 after a grant award has been made but prior to execution of a grant contract are not eligible for reimbursement unless there are provisions in the grant contract allowing for 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 for pre-agreement cost activities.

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 have been met.

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

Grant Contract Execution

Grant contracts must be signed by the highest elected official of the recipient and returned to the department.

Grant Contract Amendments

The department must approve and process a formal written grant contract amendment 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. Failure to gain prior approval, when needed, could result in sanctions and/or the recipient having to pay for the costs associated with the amendment. The grant recipient must request, in writing, an amendment from the department and the documentation must contain the reasons why the amendment is needed and identify the proposed revisions to the budget, timeframes, scope of work etc.

- **Project Completion Date**–Project completion date extension requests must be submitted, in writing, to the department by the recipient. The written request must contain:
 - 1) The reason(s) for the extension including identification and justification of the reasons beyond the recipients control that caused the delay;
 - 2) The actions taken by the recipient to overcome the reasons for the delay; and,
 - 3) Propose a date when all grant activities will be completed. (i.e., the extension request cannot be more than six months and must include a timeline/work plan showing that the grant can be administratively closed within the six months).
- **Budget**–A formal written grant contract amendment is required to draw funds differently than authorized in the approved CDBG grant contract budget. However, if at the time of the **last/final** disbursement request, the recipient needs to vary from the approved budget the following procedure can be used, only for the final disbursement request:
 - The amounts being changed and a brief explanation justifying the need to change or move line item amounts must be documented, with notations on the final disbursement request. The documentation can either be filed under the grant contract amendment tab or with the disbursement request in the Business Oregon project file;
 - The final changes must be in conformance with the grant administration, engineering, environmental, program management etc. allowances identified in Chapter 5 of this MOD;
 - The costs are eligible under the CDBG program; and,

- There is written communication from the Regional Project Manager to the grant recipient in the project file, attached to the final disbursement request that “Business Oregon agrees to waive the requirements in [insert precise sections in both the contract to follow the approved budget] in this instance.” The documentation can either be filed under the grant contract amendment tab or with the disbursement request.
- **Additional Funding Request** –It is the department’s sole discretion to allow additional funding to exceed the original awarded amount if the project is able to document
 - Cost increase is a byproduct of uncontrollable variance in the project.
 - The amount requested does not exceed the maximum grant amount allowed for the respective project type.

All requests that are less than 20% or the greater of \$20,000 of the previously awarded amount will be processed as an administrative change.

All requests greater than 20% of the previously awarded amount will be required to submit an application for the additional funding in the next funding cycle.

The department Director or Assistant Director has the authority to designate/assign grant contract amendment approval authority.

Mixed Use Facilities

A community/public facility that contains activities both eligible under the Method of Distribution and activities ineligible under the Method of Distribution is a mixed-use facility. 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” any of the grant funds to another entity to undertake the project activities, **except** for regional housing rehabilitation revolving loan fund activities where the department has reviewed and/or approved a sub-grant agreement. **However, the original grant recipient remains responsible for compliance with the federal and state program requirements.**

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, architects or other consultants already under contract, the recipient must provide documentation from their legal counsel showing that the procurement met state law and the procurement requirements for each grant. If necessary, all such contracts must be amended to include the required federal clauses.

Project Period (Project Completion Date)

All grants must be administratively closed within the timeframe specified in Table 8-1 found in Chapter 8, unless formally amended. The project completion period begins the date the grant

contract is fully executed. Projects that are not completed within the specified project period may be terminated and any unexpended grant funds may be recaptured by the state.

Publicly Owned Improvements/Facilities

All categories:

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.

Public/Community facilities can be owned or operated by a non-profit if there is a trust deed or recorded agreement covering the five-year restriction on change of use/continued use requirements.

Note: All temporary construction easements and real property acquisition, (including long-term leases of 50 years or more) 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.

Readiness to Proceed

All projects must meet the following readiness to proceed criteria:

Financial Assessment:

- All non-cdbg funds needed to complete the project committed to the proposed project at the time of application for CDBG funds. Applications must contain clear and convincing documentation that funds are secured and readily available for the project (i.e., Commitment letter or, for Business Oregon internal funding programs, a signed staff recommendation).
- If the applicant has received a conditional commitment from a funder, the applicant must request a waiver to Business Oregon prior to submitting an application. The following process should be followed when submitting a request for a waiver:
 - Applicant must submit a written request and submit it to the CDBG Regional Project Manager (RPM). The request should include the source of funds, status of funding request and circumstances surrounding the inability to obtain a commitment from the funder.
 - Upon receipt of the request, the CDBG (RPM) will work with the Regional Development Officer (RDO), CDBG Program and Policy Coordinator (PPC) and Finance Officer to review the request. Within 10-days of receipt of the request, Business Oregon will determine if a waiver will be granted.

- If granted, written waiver documentation will be provided to the applicant.
- The applicant must include the written waiver documentation with the application.

(Note: The expected date of funding determination is not considered a “commitment” as there is no guarantee that a project will be funded.) If all project funds are not committed, and the funds are anticipated to come from a private funding source, the applicant must provide a back-up financing plan.

Project Readiness to Proceed:

- Business Oregon expects all awarded projects will start drawing funds in accordance to the Business Oregon approved Project Management Plan.
- If the project overlaps municipal boundaries, attach a draft of an intergovernmental cooperation agreement that lays out the duties and obligations of each entity.
- If the project benefits a region such as a Housing Rehabilitation, Micro-Enterprise or Regionalized food-bank facility projects, attach an executed participation agreement between the jurisdictions that are benefitting from the project.
- If the applicant will own the facility and another nonprofit or other entity will operate the facility, attach a draft of the operating agreement between the parties.
- If applicable, all land use approvals needed for the project have been secured; documentation must be included with the application.

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 and returned it to the department within 120 days of receipt of contract from Business Oregon.
- None of the grant activities have commenced within 4 months after execution of the grant contract and no funds have been drawn down on the project.
- 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 sanction will be issued by the state until the recipient has been notified in writing and has been given 30 days to appeal the decision and to correct the deficiencies. Only the local government (grant recipient) has standing to submit an appeal. During this 30-day period, the grant recipient can submit documentation to Business Oregon disputing the appropriateness of the proposed sanction determination by the state. After the 30-day period is concluded and assuming Business Oregon is not persuaded to rescind the potential sanction, Business Oregon will issue a letter to the grant recipient formally issuing the sanction. Once the formal sanction letter is issued, it will not be rescinded by Business Oregon.

Unexpended Grant Funds

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

Use of CDBG Funds for Facilities Owned and/or Maintained by a State or Federal Agency

Grants will not be awarded for facilities owned and maintained by another state or federal agency. CDBG funds cannot be used to offset locally budgeted funds or to replace state or federal funds. All CDBG projects must comply with OMB Circular A-87 "Cost Principles for State and Local Governments." In addition, 24 CFR 570.489(d) requires that CDBG funds are not used for general expenses required to carry out other responsibilities of state and local governments. Maintenance and upgrades to roadways or property of the Oregon Department of Transportation (ODOT) and federally owned property (or maintenance agreements) is not eligible under the CDBG program.

Waivers

The director of Business Oregon, or his or her designee, may waive non-statutory program requirements. 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.

The director of Business Oregon cannot waive an Oregon CDBG program requirement if the requested waiver conflicts with the Housing and Community Development Act statutes, the HUD regulations, or the state's community development objectives.

Waivers requested by the grant recipient or applicant must be requested in writing. The written request must contain: 1) the reason(s) for the waiver including justification of the reasons beyond the recipients control to warrant a waiver; 2) the actions taken by the recipient to overcome the problem(s); 3) the specific CDBG requirements that are proposed to be waived; and, 4) identification of the plan to complete the project. The written request must be submitted to the department's Regional Project Manager. Waivers must be prepared by the CDBG Program and Policy Coordinator and approved by Business Oregon management prior to the action needing the waiver is completed.

Waivers initiated by Business Oregon must contain written supporting documentation identifying: the reason(s) that warrant a waiver; 2) the actions taken to overcome the problem(s); 3) the specific CDBG requirements that are proposed to be waived; and, 4) identification of the plan to complete the project/activity. Waivers must be prepared by the CDBG Program and Policy Coordinator and approved by Business Oregon management prior to the action needing the waiver is completed.

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.

Note: 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 and receive department approval **prior** to submitting an application.

Definitions

Combination Facility

A combination facility is a building in which all activities offered are eligible under the CDBG Method of Distribution. Please refer to Chapter 11 for more information on combination facilities.

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 amount necessary, when combined with other resources, to ensure the completion of the project. Refer to the specific project type chapters for more details of the financial review required for each type of project.

Household

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

Income

Annual Household Income—The total income earned before taxes by all household members, including job earnings (wages, salary, tips, bonuses, commissions), interest, dividends, child support, alimony, welfare, social security, disability, unemployment, retirement payments, net income from business activities, farms, rents, royalties, trusts, estates and any other income received regularly by all household members.

Annual Household Income—The total income earned before taxes for everyone that lives within the residence whether they are related or not including job earnings (wages, salary, tips, bonuses, commissions), interest, dividends, child support, alimony, welfare, social security, disability, unemployment, retirement payments, net income from business

activities, farms, rents, royalties, trusts, estates and any other income received regularly by all household members.

Low and Moderate Income

"Low income" means income equal to or less than 51 percent of the area median (adjusted by household size). "Moderate income" means income equal to or less than 80 percent of the area median (adjusted by household size). Applicable income limits are determined by HUD on an annual basis for all Oregon counties and metropolitan statistical areas.

Permanent Resident

A person that resides within a residential dwelling unit for six months or more out of the year.

Table F – Guide for Activity Delivery 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 \$35,000. For Housing Rehabilitation Projects Only: 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	
Limited English Proficiency translation services to translate documents directly needed for the CDBG project.	No	Yes	No	Maximum \$3,000 per project.
Cultural Resource Monitoring	No	Yes	No	No maximum—reasonable and necessary to complete the activity.
Preparation of the environmental assessment or other environmental documents and publishing required notices.	No	Yes	No	Maximum \$20,000 per project.
Federal 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 \$20,000 per project.

Attorney fees for preparing or reviewing contract documents or property acquisition activities.	No	Yes	No	No maximum—reasonable and necessary to complete the activity.
Audit Costs.	No	Yes	No	Refer to Chapter 5 for details
Funding application preparation to ensure the planned Public Water or Wastewater project is designed and constructed.	No	Yes	No	Maximum \$7,500 per project
Professional appraiser fees related to property acquisition.	No	Yes	No	No maximum—reasonable and necessary to complete the activity.
Construction Contingency	No	Yes	No	10% of the estimated construction cost
Architectural	No	Yes	No	12% of project construction and construction contingency costs combined
Engineering	No	Yes	No	20% of project construction and construction contingency costs combined
Marketing Grant Activities to clients.	No	No	Yes	Up to 20% of the grant award, plus \$20,000 for the combined costs associated with grant administration and program management. Grant administration is limited to \$25,000. Refer to Chapter 5 for more information.
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	

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Chapter 6 – 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 Chapter. Some of the requirements will be checked by the Business Oregon 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. The first public hearing notice must be advertised or posted at least 7 full days in advance of the time the public hearing is to be held by the local government.**

Requirements

Every applicant must provide evidence and certify in the application and, if funded, in 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.

a. 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 that 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:

1. The amount of funds available for proposed community development and housing activities;
2. The range of activities that may be undertaken; and
3. 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.

b. 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).

c. Required Information

The local government must furnish citizens information, including, but not limited to:

1. The amount of CDBG funds expected to be made available for the current fiscal year (including the grant and anticipated program income);
2. The range of activities that may be undertaken with the grant funds;
3. 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
4. The proposed activities likely to result in displacement and the local government's anti-displacement and relocation plans required under 24 CFR Part 570.488, Part 570.606, and Part 42.

State Standard: The "Public Notice and Notice of Public Hearing" included within this Chapter must be used for this first hearing and for meeting this federal regulation. **The first public hearing notice must be advertised or posted at least 7 full days in advance of the time the public hearing is to be held by the local government.**

Note: Applications must provide documentation that items a-d, referenced above, were included in the public hearing notice and articulated to the citizens attending the public hearing. Failure to include this information will result in the application not moving forward in the scoring process.

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.

The **final approved meeting minutes** must record/document that items a-d above were addressed during the public meeting. Final approved meeting minutes may be submitted in an audio recording format. If submitting final approved meeting minutes in this manner, the applicant must provide documentation certifying the meeting minutes were approved and the location or counter information on the audio recording of the CDBG portion of the public hearing. This will allow staff to efficiently review the minutes. The audio recording format should be in a format that can be easily retrieved and does not require any unusual or additional technological equipment. Otherwise the final approved meeting minutes must be submitted in writing.

d. 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.

e. 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. To meet the reasonable notice requirement **the first public hearing notice must be advertised or posted at least 7 full days in advance of the time the public hearing is to be held by the local government.** 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 final approved meeting minutes along with the public hearing notice documentation must be submitted with the Project notification form (Intake). An invitation to apply will not be extended until it is determined that the citizen participation requirements were properly met.

The notice form included in this Chapter must be used for the first hearing. **The first public hearing notice must be advertised or posted at least 7 full days in advance of the time the public hearing is to be held by the local government.** The first public hearing must be no more than 12-months old and preferably conducted during the same program year using the appropriate notice contained within this Method of Distribution. Meeting minutes may be submitted in audio recording format. If submitting final approved meeting minutes in this manner, the applicant must provide documentation certifying the meeting minutes were approved and the location or counter information on the audio recording of the CDBG portion of the public hearing. The audio recording format should be in a format that can be easily retrieved and does not require any unusual or additional technological equipment. Otherwise the final approved meeting minutes must be submitted in writing.

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 hearing notices must be **advertised or posted at least 7 full days in advance of the time the public hearing is to be held by the local government.** Applicants must provide copies of the public notice, affidavit of publication or certification of posting, and final approved 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.

Note: Meeting minutes may be submitted in audio recording format. If submitting final approved meeting minutes in this manner, the applicant must provide documentation certifying the meeting minutes were approved and the location or counter information on the audio recording of the CDBG portion of the public hearing. The audio recording format should be in a format that can be easily retrieved and does not require any unusual or additional technological equipment. Otherwise the final approved meeting minutes must be submitted in writing.

In the grant application, the city or county must describe how it determined whether or not non-English speaking residents were expected to participate. This information can be accessed on the American Fact Finder website. The information includes statistics about the languages spoken at home, ability to speak English, and linguistic isolation of persons living in each city and county. If any non-English language population constitutes five percent (5%) or more of the population, then 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.

Note: Refer to the “Note” in Chapter 7 for a description of the environmental and uniform relocation and real property assistance (URA) trigger guidance. More detailed information can be found in the current Grant Management Handbook.

f. 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.

g. 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 fifteen (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 final approved meeting minutes must record/document that this requirement was met.*

Meeting minutes may be submitted in audio recording format. If submitting final approved meeting minutes in this manner, the applicant must provide documentation certifying the meeting minutes were approved and the location or counter information on the audio recording of the CDBG portion of the public hearing. The audio recording format should be in a format that can be easily retrieved and does not require any unusual or additional technological equipment. Otherwise the final approved meeting minutes must be submitted in writing.

The notice must be published or posted by the applicant at least 7 full days in advance of the time the public hearing is to be held by the local government.

Public Notice and Notice of Public Hearing

The **(city/county)** is eligible to apply for a 2020 Community Development Block Grant from the Business Oregon. 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 \$12 million will be awarded to Oregon non-metropolitan cities and counties in 2020. The maximum grant that a city or county can receive is **(maximum grant allowed for the project type)**

The **(city/county)** is preparing an application for a 2020 Community Development Block Grant from the Business Oregon 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 contact **(name of contact person/office)** at **(telephone number)** 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 that 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 2020 del Community Development Block Grant que a su vez viene del Business 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 \$12 millones serán otorgados en 2020 a ciudades y condados no-metropolitanos de Oregon. El máximo de subsidios que la ciudad o el condado puede recibir es \$2,500,000.

La **(ciudad/condado)** está preparando una aplicación en 2020 para el subsidio del Community Development Block Grant que viene del Business Oregon 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.

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Chapter 7 – CDBG Application Procedures

These procedures apply to CDBG applications submitted to Business Oregon. These procedures do not apply to the following types of CDBG projects:

1. Community Capacity/Technical Assistance Projects (see Chapter 13); and
2. Emergency Grant Projects (see Chapter 14).

Deadline(s): Applications will be accepted as outlined below.

For 2020, the application round will open on:

- o February 1, 2020 and applications will be accepted up to close of business on April 30, 2020.
- o July 1, 2020 and applications will be accepted up to close of business on September 30, 2020.

Applications will be rated and ranked and awards announced within 60 days after the application deadline. If sufficient funds remain from an application round, another application round *may* be opened. If an additional competitive application round will be held, notice will be provided to all known eligible applicants via website postings, e-newsletters, and listserv distributions.

In general, the application and award process for CDBG funding consideration shall follow the established application policies and practices established by Business Oregon, for its funding programs, as modified for the CDBG program.

Summary of CDBG Application Process

Step #	Step–Title	Timeline	Lead
Step 1	Initial Business Oregon Contact/Pre-Project Development	No defined timeline	Project Proponent and RDO/CDBG RPM are the lead, Project Development Team meeting lead by RDO/RPM.
Step 2	Project Notification and Intake Form	No defined timeline	RDO/CDBG RPM and project proponent
Step 3	Invitation to Apply for CDBG Funding	No defined timeline	RDO/CDBG RPM–Sends invitation to apply and application forms to project proponent
Step 4	Application :Preparation and Technical Assistance	Electronic submission due by close of business on application deadline.	Applicant seeks guidance and technical assistance from RDO and CDBG RPM as needed. Guidance, questions, draft application review can be requested by the applicant prior to application submission.
Step 5	Application Submission and Ranking	30-45 days	Application Ranking Team (ART), consulting as needed with PSM and assistant director
Step 6	Funding Recommendations Developed and Approved		Application Ranking Team, assistant director, PSM, AOC, and LOC
STEP 7	Notice of Decision	Awards announced within 60 days after application is received in Step 4 above.	RDO/CDBG RPM

Step 1 – Initial Business Oregon Contact / Pre-Project Development

The project proponent contacts the department prior to being invited to submit an application. The project proponent contacts the respective Regional Development Officer (RDO) serving their region to review the proposed project concept and to obtain pre-project development assistance. Contact information for the RDO's can be found on the [department's website](#).

The RDO, the Community Development Block Grant Regional Project Manager (CDBG RPM) and the CDBG Program and Policy Coordinator (CDBG PPC) will work with the proponent to provide pre-project development information, including the following:

- There is every reasonable likelihood that the proposed project will meet a federal national objective;
- The applicant is not otherwise ineligible to apply under the program, refer to Chapter 2 for more information;
- The proposed sub-grantee's for housing rehabilitation and microenterprise assistance grants are a certified non-profit meeting the requirements found in the respective chapters of this 2020 Method of Distribution;
- The proposed matching funds, if any, will be secured and readily available at time of application; and
- A preliminary financial review of any proposed water and wastewater final design and/or construction project show that the project is eligible for funding and the monthly user rates are at or will exceed the Threshold Rate Criteria at construction completion of the proposed project. Refer to Chapter 10 for more details.

The proposed project will go through an initial preliminary review by the Project Development Team (PDT) for program eligibility, financial feasibility and readiness to proceed. Once the PDT provides written determination that the project appears ready to proceed, the project can proceed to Step 2, Project Notification and Intake Form (PNIF). The Project Development Team will be comprised of, at a minimum, the RDO, the CDBG RPM, CDBG PPC, and Finance Officer. Projects may be reviewed before or after a "One Stop" meeting.

A "One Stop" meeting may be scheduled, if warranted, or upon request by the proponent. The "One Stop" meeting will provide broad funding perspective and multiple program eligibility considerations and may include several federal and state agencies. "One Stop" meetings are generally held after the project proponent has completed a master plan or facilities plan and/or has estimated costs for final design and construction of the desired improvements.

Step 2–Online Project Notification and Intake Form (PNIF)

Once the project has been reviewed by the PDT and appears ready to proceed and complies with the CDBG program eligibility requirements, the RDO/RPM and potential applicant will prepare an Online Project Notification and Intake Form (PNIF).

Citizen Participation Requirements:

(Please refer to chapter 6 for specific information)

The 1st public hearing final approved meeting minutes along with the public hearing notice documentation must be submitted with the Project notification form (Intake). An invitation to apply will not be extended until it is determined that the citizen participation requirements were properly met.

Note: Contact the CDBG RPM for assistance. Refer to the current Grant Management Handbook for more detailed information. An abbreviated summary of the requirements is identified below:

Environmental: According to the NEPA (40 CFR 1500-1508) and Part 58, the responsible entity (RE) (grant recipient) is required to ensure that environmental information is available before decisions are made and before actions are taken. In order to achieve this objective, Part 58 prohibits the commitment or expenditure of CDBG funds until the environmental review process has been completed and if required, receives a Release of Funds from Business Oregon.

The RE is advised to begin the environmental review process as soon as they determine the projected use of HUD assistance (58.30(b)). Therefore, the date on which a project becomes subject to the environmental review requirements is the date the potential applicant commences with STEP 2 of the required application process identified within the Method of Distribution or: 1) the initial indication of the Recipient's approval of a specific site for assistance under the program. For other actions that will trigger the environmental review requirements, please refer to the Grant Management Handbook.

Uniform Relocation Assistance and Real Property Acquisition Requirements (URA): In accordance with 49 CFR 24.2(a)(22) URA requirements apply to any project where federal financial assistance is received or anticipated in any phase. Therefore, the date on which a project becomes subject to the URA requirements is the date the potential applicant commences with STEP 2 of the required application process identified within the Method of Distribution. From this point forward all the federal and state CDBG program requirements apply to the project.

In accordance with HUD Handbook 1378, Chapter 1-4-I-2, please note that other actions will also trigger the URA requirements and the need for General Information Notices (GIN), which are explained in more detail in the Grant Management Handbook.

Step 3–Invitation to Apply for Funding Consideration

The RDO/RPM will route the PNIF form for internal agency review and comment. After internal comment, if the proposed project is determined to qualify for CDBG funding, the proposed eligible applicant will be invited, in writing, by the RDO/RPM to submit a complete application for CDBG funding consideration. All applicants must have been invited to apply for CDBG funding at **least 4 weeks prior** to the application deadline.

If the PNIF is not approved, the project proponent may be asked to improve the project information, or be considered for other Business Oregon programs or referred to other agencies' programs for potential funding consideration.

The 1st public hearing final approved meeting minutes along with the public hearing notice documentation must be submitted with the Project notification and Intake form. An invitation to apply will not be extended until it is determined that the citizen participation requirements were properly met. Please carefully refer to chapter 6 on the required steps for the public hearings.

Step 4–Application Preparation and Technical Assistance (ART)

At the request of the applicant, the RDO and the RPM will provide technical assistance on the proposed project and clarification on questions related to the application along with application completeness review prior to application submission. Technical assistance on application completeness review will be provided up to four weeks before the application deadline, please allow up to 10 business days to complete the review.

The ART will review the application to determine if the application contains all the required information, and that the proposed project meets the CDBG threshold requirements, including but not limited to:

- All parts of the application have been properly completed and all attachments were provided;
- Requested amounts are within the program limits i.e., max grant limit, grant administration, engineering/architectural, environmental review, labor standards, construction contingency etc.;
- Applicant is eligible;
- Outcome and performance data was provided;
- National objective
- Readiness to proceed data was provided;
- Financial viability of the project, and
- All activities are eligible under the CDBG program.

NOTE: Applications will be submitted electronically. Therefore, once an application is submitted, no additional changes, amendments will be possible. Applicants are strongly encouraged to work with the RDO and RPM, or with finance team if needed, to ensure the project is well developed and the application adequately reflects the required information along with all supporting documentation.

If, at any point during the application development process, it is determined the project does not meet the requirements or that it needs further development (e.g., to meet the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act or the Federal Environmental Review requirements), a recommendation will be made to the applicant to continue to develop the project but consider submitting the application in a future funding round. The RDO, RPM and/or CDBG PPC will provide project development and technical assistance to the applicant and work with the potential applicant on possible submission in a future competitive application round.

During the review process, the state will determine that the applicant is an eligible recipient in accordance with 2 CFR 200, OMB circular A-133 and Section 0.102 of Oregon Accounting Manual 04 03 00.P0 (effective June 1, 1998) and any relevant superseding regulation. If a recipient accepts a CDBG award from the state they agree to monitor any local government or nonprofit organization sub-grantee to whom it may pass the funds to.

Step 5–Application Submission and Ranking

The application must be submitted electronically through Business Oregon E-application portal on the application deadline date mentioned above. Applications transmitted by any other means would not be accepted.

Submitted applications will go through a preliminary review process. Applications deemed complete will be provided to the Application Ranking Team (ART). The Application Ranking Team (ART) will rank (score) all complete applications in accordance with the criteria contained in the 2020 Method of Distribution. The ART will include at least one CDBG PPC, and at least two other internal staff and/or management personnel.

In the event, that demand exceeds available funding, the ranking 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 committee to support the recommendation.

NOTE: Once submitted, applications cannot be changed, amended, added to or revised. Please ensure all required documentation and information is included with the application upon electronic submission. This includes all attachments. If attachments are not included the application will not be accepted. During the

ranking process ART may pose clarifying questions on the application. Response must be provided to Business Oregon within 48 hours of receipt.

Step 6—Final Review and Recommendations

Funding recommendations prepared by the Application Ranking Team (ART) will be forwarded to the program services manager and assistant director for review. Once the recommendations are finalized, the ART will forward the recommendations to representatives of the League of Oregon Cities (LOC), Association of Oregon Counties (AOC) and Senior Management for concurrence.

- A summary of the approved funding awards will be presented to the Infrastructure Finance Authority (IFA) Board for their information. The IFA Board has delegated their decision-making authority to the Assistant Director, AOC and LOC representatives, and senior management review process described in this step.
- All funding decisions made through the board delegated process are final. The department reserves the right to not fund any application that it deems not eligible, properly developed, ready to proceed or supported by the available program resources.
- Business Oregon may award a CDBG grant amount that is different from the amount requested by the applicant. Applicants are not penalized for requesting the maximum grant amount but the department reserves the right to award a grant amount it deems appropriate to complete the project.

Step 7—Notice of Decision

The department will notify applicants in writing of their funding status approximately 60 days after the deadline for applications. The award letter for each project will be signed by the CDBG RPM or RDO.

Summary of Maximum Rating and Ranking Points

Scoring Category	PW-Design	PW-Const.	CF	Micro-E	HR
Project Need – Solution	60	60	40	55	80
Project Feasibility	30	30	30	15	25
Financial Match	20	20	20	20	N/A
Financial Review	30	30	30	N/A	20
Project Readiness	62	80	80	45	45
LMI population to be served (non-housing rehab)	25	25	25	25	N/A
Number of units to be rehabilitated (Housing Rehab Only)	N/A	N/A	N/A	N/A	25
CDBG Administration Capacity	20	20	20	20	20
Total Number of Open Grants (Housing Rehabilitation & Micro Enterprise Only)	N/A	N/A	N/A	10	10
Recent CDBG awards	10	10	10	10	10
Bonus – HR Manufactured Park Incentives	N/A	N/A	N/A	N/A	10
Bonus – Energy Efficiency Practices (CF & HR)	5	5	5	N/A	5
Bonus – Seismic Resiliencies Practices (CF & HR)	5	5	5	N/A	5
Total Points Possible	257*	275*	255*	190	235*
80% Point Threshold	206	220	204	152	188

Note: Priority for funding will be given to applications reaching 80% of the minimum total points possible. Based on funding availability Business Oregon reserves the right to award application below the 80% to no less than 50% minimum point requirement. Such award may be in the form of a conditional award. For those below 50% of the points possible Business Oregon reserve the right to return the application for further development to submit in the next funding cycle and provide technical assistance, if requested.

*Total possible points for PW, CF, and HR do not reflect the possible bonus points.

Ranking / Scoring Criteria

Scoring criteria will be used at Step 5 by the ART. Scores will be used to rank applications for funding. **Carefully read scoring criteria and provide full and complete answers.** Applications from one category will not compete with applications from another category. For example, public works applications will only compete against other public works applications not against housing rehabilitation applications.

Maximum point scores will be determined in part by 1) the severity of the identified problem compared to those of other applications received within that funding category; and 2) the severity of the identified impact of the problem and the efficacy of the proposed solution. A strong application will show how the proposed use of funds will address the identified need(s) and that the applicant has anticipated and planned for the many factors that can affect successful completion of the project. To view maximum points possible, please refer to the respective detailed tables on the pages to follow. **Applicants should clearly and fully address the items requested within the application.**

Project Need and Solution Part 1 – Project Type

Public Works Need and Solution Points (Design or Construction)

NEED <i>(select one that applied)</i>	Score
Is the project necessary to bring Water/ Sewer System into / remain into compliance with the Safe Drinking Water Act (SDWA) or Clean Water Act (CWA) - with existing compliance	25
Projects necessary for the provision of safe, healthy, reliable drinking water and proper sanitary wastewater service to the entire community	15

Delivery of Solution <i>(select all that applied)</i>	Score
Is the project part highest priority activities identified in the system's latest planning document approved by regulatory agency or feasibility study for those systems that are not required to have a regulatory agency approved planning document	10
Is the project is necessary to mitigate and risk of contamination into drinking water or to reduce/control Inflow & Infiltration for sewer system	10
Is energy efficiency incorporated into the project design (business case is provided), which might include water conservation implementation.	5
Is disaster mitigation (seismic resiliencies) component incorporated into the project design?	5

Public/Community Facilities Core Points

Project Category	Project Type	Maximum Points Possible
Projects that reduce homelessness and hunger or pertain to life threatening situations	Homeless Shelters, Food Banks, Shelters for victims of domestic violence. Senior Centers will be included in this category if the primary purpose of the facility (verified through documentation) is to provide meals through its Meals on Wheels type program.	40

Essential community needs	Shelters/workshops for people with disabilities, Health Clinics, Mental Health treatment centers, Drug and Alcohol treatment facilities, , Head Start facilities	30
Other community services	Libraries, Fire Stations, Senior Centers	20
Other community projects	Community Centers, Family Resource Centers	10
Bonus Points	Is energy efficiency incorporated into the project design (business case is provided)	5
	Is disaster mitigation (seismic resiliencies) component incorporated into the project design?	5
Note:	<p>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. Applications 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.</p> <p>For a combination Senior Center/Food Bank facility, up to 10 additional points may be granted, based on the ratio of use of the facility, for a maximum of 50 points. Financial need will remain at 20 points.</p>	

Microenterprise Assistance Public Services Need and Solutions Points

Project Need	Maximum Points Possible
3 communities participating in microenterprise assistance project	45
2 communities participating in microenterprise assistance project	25
1 community participating in microenterprise assistance project	5

Delivery of Solution	Maximum Points Possible
Sub-grantee, based on the identified training need, create and conduct the training	5
Sub-grantee, based on the identified training need, provide training by utilizing existing training (through local training providers such as Community colleges, SBDC)	5

Housing Rehabilitation Need and Solution Points

Project Category	Project Type	Maximum Points Possible
Housing Rehabilitation – Priority #1	Eligible health and safety activities including lead-based paint abatement/removal, septic tanks, private sewer lines and drainfields, private water lines and wells and asbestos tests, inspections and assessments.	56-80

	Improvements necessary to fulfill reasonable accommodation requests.	
Housing Rehabilitation – Priority #2	Construction, rehabilitation, reconstruction, or the installation of improvements to upgrade substandard electrical, plumbing, roofing, siding, insulation, weatherization, heating systems; water heaters, and dry rot repairs	31-55
Housing Rehabilitation – Priority #3	Purchase and installation of equipment that is an integral structural fixture. (Items not normally removed from the home, such as installed light fixtures, and built-in appliances).	0-30
Housing Rehabilitation – Bonus Points	Policies and procedures must clearly state all housing rehab projects will use energy efficiency best practices and define those practices.	10
NOTE:	Applications with a combination of priority projects reflected on the wait list will be scored on a percentage basis. For example: Based on a 25-person wait list, 10 projects fall under Priority #1 representing 40% of the total list and the remaining fall under Priority #2, representing 60%. Therefore 40% of the maximum 80 points allowable under Priority #1 would equal 32; 60% of 55 points possible would be 33 for a combined total of 65.	

Project Feasibility

Project Feasibility	Public Works	Community Facilities	Micro-Enterprise
Best Solution: Application must list the alternatives presented to the governing body and discussion of the factors that support the proposed project.	5	5	5
Adequate Budget: The Applicant must provide a detailed project budget that includes contingencies and breakout of project costs in accordance with the Program Policies and Definitions in Chapter 5 of the Method of Distribution.	5	5	5
Community Support: Describe, in detail, the level of community support or buy-in, investment of money, time and resources or various studies the applicant has put into the development of the project. Provide supporting documentation.	5	5	5
Cost Effective Solution: Provide evidence the applicant has analyzed the project cost (or completed value engineering) to ensure the proposed project is a cost effective solution.	5	5	NA
<p>Operational Feasibility:</p> <p><u>PW Projects:</u> Provide justification and documentation on how the applicant will sustain operations and adequately budget for future Operations, Maintenance and Replacement (OM&R) costs upon completion of the project.</p> <p><i>Note: Analysis will, at a minimum, consist of cost of project construction estimate, expected cost of maintenance and costs expected for annual operations (breakdown of specific estimates; utilities, chemicals, hours of personnel, etc.)</i></p> <p><u>CF Projects:</u> Provide justification and documentation on how the applicant or nonprofit, if applicable, will sustain operations and adequately budget for maintenance costs upon completion of the project for the 5-year continued use period.</p> <p><i>Note: Analysis will, at a minimum, consist of project construction activities, expected cost of maintenance and costs expected for annual operations (breakdown of specific estimates; utilities, hours of personnel, etc.)</i></p>	5	5	NA
<p>Revenue Source Ongoing:</p> <p><u>PW Projects:</u> Revenue source for repayment of loan (if applicable) and future OM&R has been reviewed and updated (rate schedule is updated and ready for adoption or revised rate schedule has been adopted). Provide supporting documentation.</p> <p><u>CF Projects:</u> Revenue source for loan repayment (if applicable), operations, and maintenance have been reviewed and updated. Provide supporting documentation.</p>	5	5	NA
Total Possible Score	30	30	15

Project Feasibility	Housing Rehabilitation
Best Solution: Application must list the alternatives presented to the governing body and discussion of the alternatives that support the proposed project.	5
Adequate Budget: The Applicant must provide a detailed project budget that includes contingencies and breakout of project cost in accordance with the Program Policies and Definitions in Chapter 5 of the Method of Distribution.	5
Community Support: Describe, in detail, the level of community support or buy-in, investment of money, time and resources or various studies the applicant has put into the development of the project. Provide supporting documentation.	5
Bonus: Manufactured Park Incentive: Additional \$100,000 in home repair assistance to homeowners in manufactured parks: Provide evidence the applicant has determined the need for the additional funds, no additional funding is available to fill the gap and how the funds will be tracked separately within the project. Documentation should include implementation process and deliverables/milestones.	10
Total Possible Score	15

Financial Match – 20 points

Applicants will receive points based upon the percentage of the committed/secured match funds in the project, compared to the CDBG grant requested. (Does not apply to housing rehabilitation projects).

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 15 points.

Percent Match Funds in the Project	Maximum Possible Points
51 – 100%	20 points
26–50%	15 points
1–25%	10 points
0%	0 points

Financial Review–30 Points:

To document financial review, refer to the applicable chapter of this MOD for details: Chapter 9 Microenterprise; Chapter 10 Public Works; Chapter 11 Community Facilities; and Chapter 12 Housing Rehabilitation. The ART and the public finance officer complete this review. Below is some general guidance on the documents needed, and review requirements:

- If 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 recommended for funding.**
- If an applicant is the owner and operator of the facility, the applicant’s financial records will be analyzed for ability to service debt.
- If an applicant 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 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 or construction grant applicants undergo a financial review to ensure that the monthly user rate at construction completion of the proposed project meets the threshold rate criteria.
- Housing rehabilitation projects will be evaluated by the gap identified between the grant request and the non-profit's balance of available funds consisting of cash on-hand (including any prior open CDBG grants) and any other funds readily available to carry-out the proposed owner occupied housing rehabilitation program to meet the identified need.
- The regional housing rehabilitation programs will also be evaluated by the number of open CDBG grants the sub-grantee (non-profit) is currently managing and the total unexpended balance. Applications for regions with unexpended CDBG funds will not compete as well as applications for regions with no unexpended CDBG funds.

Financial Review Matrix – PW

Financial Assessment

Assessment	Maximum points to earn
Applicant MHI vs State MHI	6
Current rate against affordability rate	6
Project cost burden to user rate if funded by loan only	6
Total	18

Financial Health Assessment

Assessment	Maximum point to earn
Operate at (Loss, Even or Positive) cash flow and reserve	4
Unrestricted Reserve review	2
User Rate management	3
Total	9

Return on Investment Analysis

Assessment	Maximum point to earn
CDBG investment per connection	3

Total Financial Review for Public Works	33
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Financial Review Matrix – CF

Financial Assessment

Assessment	Maximum point to earn
Applicant MHI vs State MHI	7
Operating revenue assessment	7
Total	14

Financial Health Assessment

Assessment	Maximum point to earn
Number of year in operation	7
Condition of Operation Cash Flow	5
Reserves	4
Total	16

Return on Investment Analysis

Assessment	Maximum point to earn
CDBG investment per Beneficiary	3

Total Financial Review for Community Facilities	33
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Financial Review Matrix– HR

Assessment	Maximum points to earn
Financial Capacity:	
Does the applicant or the sub-grantee have financial underwriting capacity? Do they have a project manager/inspector on staff or on contract?	5
Revolving Loan Fund:	
Does the applicant or the sub-grantee have a RLF? What's the amount available for this project? Have all the funds been dedicated to current households on a waitlist?	5
Return on Investment:	
Has this applicant or the sub-grantee managed housing rehab in the past, if yes, what is the total number of homes vs amount expended within the last year. Is the value of investment evidenced?	5
Reinvestment:	
Are the funds used for reinvestment into the community or recapitalization of program costs?	5
Total Financial Review for Housing Rehabilitation	20

Project Readiness to Proceed–Core points by project type

Application must clearly show the following information:	PW-Design	PW-Const.	CF	Micro	HR
<p>Provide workplan with achievable quarterly milestones which will be incorporated contractually into monitoring requirements and shows funds will start to be drawn within 4 months after award and project will be completed within allotted project completion time. Workplan must include, but is not limited to, target timeline that would address CDBG programmatic requirements as identified within the most recent CDBG Grant Management Handbook Chapter 2 (Checklist); government/regulatory agency decision making and review time; and specific project implementation time. (Final design/construction public water/sewer or public/community facility grants must be administratively closed within 24 months of grant execution. Design only projects and Housing Rehabilitation projects must be administratively closed within 24 months of grant execution. Microenterprise assistance projects must be administratively closed within 12 months of grant execution.)</p> <ul style="list-style-type: none"> • Note: <ul style="list-style-type: none"> ○ <i>Failure to provide sufficient detail will negatively impact the application score. Timeline should be realistic.</i> ○ <i>If selected, an applicant's failure to complete and meet targeted milestones identified in the timeline will hold consequences up to and including withdrawal of funding.</i> 	20	20	20	20	20
Proposed project site is free and clear of any restrictions that impede the ability to start the project in a timely fashion (i.e. Liens, deed restrictions, homestead limitations or conditions for which a waiver(s) need to be obtained)		5	5		
Proper land use entitlements and other attainable permits (obtainable before construction) have been obtained for the project type and will run for the duration of the proposed project (land use approvals, zoning, removal of structures, allowable uses, etc.). Documentation listing all permits along with the status of and projected timeline to secure permits must be included with the application.	5	5	5		
Total Core Points:	25	30	30	20	20

Additional Project Readiness to Proceed per Project Type

Project Readiness Criteria	Points	PW-Design Only	PW-Const. Only	CF	Micro-E	HR
Applicant or the related governing body attended either an asset management training or effective utility management training in the past 12 months	2 points	✓	✓			
Complete Business Oregon reviewed Section 3 Plan	2 points	✓	✓	✓	✓	✓
Complete Business Oregon reviewed Limited English Proficiency Plan	2 points	✓	✓	✓	✓	✓
Adopted a Fair Housing Resolution	2 points	✓	✓	✓	✓	✓
Completed/Updated Section 504 Checklist	2 points	✓	✓	✓	✓	✓
Environmental Review Record level is correctly identified	2 points	✓		✓	✓	✓
Regulatory agency approved planning document/feasibility study (PW)	15 points	✓				
Architectural design(CF) or System improvement design work done and approved by regulatory agency (PW)	15 points		✓	✓		
ERR is completed per CDBG requirements (ready to publish)	15 points		✓	✓	✓	✓
Property/easements acquired (site control)	10 points	✓	✓	✓		
Total		37	50	50	25	25

To receive credit for any or all points, clear documentation must be included in the application.

Percent of Low- and Moderate- Income (LMI) population to be served – 25 points

Non-Housing Rehab Projects	
% LMI of Target Population	Max Points
90%–100%	25
80%–89%	20
70%–79%	15
60%–69%	10
51%–59%	5

Low- to Moderate-Income Persons to be served by the Facility/Project

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 that 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 that 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 household 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 household 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).

Housing Rehabilitation – Number of units to be rehabilitated – 25 Points

Housing rehabilitation projects will be scored by the total number of proposed owner-occupied housing rehabilitation units, which are reasonably expected to be rehabilitated as follows:

Housing Rehabilitation Projects	
# Units	Maximum Points
40 or more	25
30-39	20
20-29	15
10-19	10
0-9	5

CDBG Administration Capacity–20 points

Capacity	Maximum points
Applicant's staff has CDBG program administration experience in the past five to seven (5-7) years.	5 points
Applicant's staff has other federally funded project administration experience in the past five to seven (5-7) years.	5 points
Applicant procured an experienced Grant Administrator with a successful CDBG track record, OR	10 points
Applicant is intending to procure an experienced Grant Administrator with a successful CDBG track record	5 points

A maximum of 20 points for capacity is available to applicants with a grant administration plan and history that demonstrates that the grant award and project will be managed effectively. The application should document and/or clearly show:

- 1) Applicant is currently administering other CDBG grant(s) within the allotted timeframes.
- 2) Applicant has demonstrated successful completion and closeout procedures with prior CDBG projects. This includes an analysis of the applicants CDBG program history and past programmatic performance.
- 3) Experience in handling other federally funded project and the depth of administration responsibilities

- 4) Applicant has experienced staff in grant administration or will secure a grant administrator with successful grant administration experience of CDBG projects.

Sub-Grantee (non-profit) Capacity–10 points–Housing Rehabilitation Only

- In addition to applicant capacity, each housing rehabilitation applicant must provide a list of all the open CDBG funded housing rehabilitation CDBG grants within the non-profit’s region where the non-profit is the sub-grantee responsible for carrying out the grant activities. This list must include the following for each open grant: the name of the grant recipient, the project number and the total award amount.

Total Number of open grants	Maximum Points
2	4
1	6
0	10

Points for no recent CDBG awards–10 points

The applications are reviewed for geographic distribution and the number of awards the applicant has received from the program. Ten points will be received by any applicant that has not had a grant from the CDBG program since 2011 or earlier. For housing rehabilitation projects, the points will be based on applicant or geographic location.

Recent CDBG Awards	Maximum Points
No awards from Business Oregon in the past 4 or more years	10 points
No awards from Business Oregon in the past 3-4 years	7 points
No awards from Business Oregon in the past 2-3 years	4 points

Chapter 8

Table 8-1

Requirement/Summary Table Maximum Grant/Project Completion/Financial Review/Allowed National Objective

Grant Category	Project Type	Maximum Grant	Project Completion Period (from date of execution of contract with the state)	Financial Review Required	Applications Accepted	Allowed National Objective
Microenterprise Assistance	N/A	\$100,000	12 months	No	Semi-annual	LMI-Limited Clientele
Public Works	Water/Wastewater preliminary engineering/planning-Phase 1	Total all three phases over a five-year period cannot exceed \$2,500,000. There is a cap on the preliminary/engineering planning grant of \$150,000.	24 months	No	Semi-annual	LMI-Area Wide
	Water/Wastewater final design-Phase 2		24 months	Yes	Semi-annual	LMI-Area Wide
	Water/Wastewater construction-Phase 3		24 months	Yes	Semi-annual	LMI-Area Wide
	Water/Wastewater (Design only/construction only award)		36 months	Yes	Semi-annual	LMI-Area Wide
Public/Community Facilities	Combined design & construction award	\$1,500,000	36 months	Yes	Semi-annual	LMI-Area wide LMI-Limited Clientele
Housing Rehabilitation	Regional Rehabilitation Revolving Loan Funds	\$400,000	24 months (original grant must be loaned/granted within 24 months or unused funds will be recaptured by the state.)	Yes	Semi-annual	LMI-Housing-direct benefit
	Emergency Home Repair Grant Program					
Community Capacity/Technical Assistance	Community Technical Assistance	No Limit	12 months	No	Year round	Dependent upon project type.
Emergency Grants	N/A	\$500,000	24 months	Yes	Year round-Must be received within 12 months of the event that created the emergency	Urgent Need

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Chapter 9 – 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 to provide recruitment, screening and classroom training to microenterprise owners and persons developing microenterprises. 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 recipient's jurisdiction by either sub-granting the funds to a nonprofit or by procuring a for-profit entity.

Maximum Grant

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

Definition

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

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 household 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 percent or more low- to moderate-income persons who are owners of, or are developing, a qualifying microenterprise consisting of 5 or fewer employees including one or more persons who own the microenterprise. Refer to Chapter 3 for details.

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.

Area of Use

The services provided by the microenterprise grant are restricted in use within the grant recipient's jurisdiction or with the jurisdictions participating in the regional microenterprise assistance project. The residential address for each potential microenterprise owner or person developing a microenterprise must be used for this determination and documented in the recipient's file(s).

Eligible Projects

- Provide general classroom training in 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. This training can be done by creating a class that will assist 51% or more LMI Microenterprise or by enrolling the LMI microenterprise to existing training in the locally offered classes (such as community colleges, SBDC, etc.). The latter option must benefit 100% LMI microenterprise.

Eligible Activities

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

- Limited one-on-one assistance directly associated with the initial recruitment and screening to evaluate entrepreneurial readiness and to determine degree of business feasibility or if a student has questions for the instructor immediately following the general classroom training session.
- The **direct** costs associated with the provision of general classroom training to microenterprise (5 or fewer employees, including one or more who own the microenterprise) of which 51% must be documented to be low and moderate income, as allowed under Section 105(a) of the HCDA.
- Limited English Proficiency Translation Services—Refer to Chapter 5 for details.

Classroom Training:

- **Business Strategy Training**—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.
- **Planning a Business Training**—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.
- **Market Research Training**—Conduct market research to determine target markets and identify ways to penetrate each market, to assist microentrepreneurs in shaping their unique “message” and determine most effective means to deliver their message.

Ineligible Costs

- Indirect costs. Refer to Chapter 5 for details.
- Assistance to small businesses that do not meet the definition of a microenterprise on page 9-1.
- Assistance to microenterprises that are relocating or who have relocated. To maintain compliance with the federal anti-pirating rule, the state's CDBG program will not allow or assist with any business/microenterprise relocation.
- Assistance to microenterprise owners or persons developing a microenterprise that reside within an Entitlement area.
- Direct one-on-one assistance/mentoring in excess of the initial recruitment and screening, or if a student has questions for the instructor immediately following the general classroom training session.
- Pre-award costs. Refer to Chapter 5 for details.
- Unauthorized pre-agreement costs. Refer to Chapter 5 for details.
- The use of CDBG funds to replace any already budgeted federal, state, local, or community college funds. Refer to Chapter 5 for details.
- The use of CDBG funds to pay for already budgeted full-time staff of the Small Business Development Centers or community colleges. Refer to Chapter 5 for details.
- The cost of food, beverages, snacks, or related equipment and eating utensils.
- Grant administration and/or program management costs. Refer to Chapter 5 for details.

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 2020 CDBG Method of Distribution lists the entitlement areas in Chapter 2.

Matching Funds Requirement

There is no minimum match requirement. Any matching funds necessary to complete the proposed CDBG project must be available and committed at the time the application is received by the department. Funds necessary to complete the project must be in the form of cash. No in-kind services or costs are allowed as match.

Financial Review

Microenterprise assistance project applications are not subject to financial review.

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	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 who benefit.
			Number of communities assisted.	Number of persons benefiting from new
			Race, ethnicity, disability (current categories for beneficiary reporting still apply).	microenterprise services including the percentage of low- and moderate-income persons who benefit.

Minimum Information needed with application:

- A draft sub-grantee agreement between the city/county grant recipient and the microenterprise service provider.
- A copy of the written agreement between all participating communities, signed by all parties involved.
- A clear and concise description of the items to be paid for in whole or in part with CDBG funds, and the amount of CDBG funds budgeted for each activity.
- The written procedures identifying how the low- and moderate-income national objective will be complied with, monitored and maintained throughout the project, which must include procedures for identifying how each potential microenterprise owner or person developing a microenterprise will be screened for:
 - Meeting the definition of a microenterprise contained on page 9-1;
 - Residing within the defined service area;
 - Are not residing within an Entitlement area; and
 - Are not relocating or have not relocated their microenterprise.
- A draft of the household size and income forms that include the data collection necessary to meet the requirements of a-d listed above.

Chapter 10 – Public Works

Public Works Projects

Business Oregon will finance, or help finance, publicly owned, public works projects using Community Development Block Grants (CDBG) and other sources of funds. Publicly owned water and wastewater system improvement projects are 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 the national standards. The funding sources and grant amounts for each project will depend on the type of facility and other circumstances of the project.

The CDBG program will only fund the planning, design and or construction of comprehensive system wide improvements addressing a 20 year time frame. All design or construction projects must be in accordance with a regulatory agency approved water master plan or wastewater facilities plan and be comprehensive system improvement projects meeting the needs of the community for the next 20 years.

Public Water and Sewer Systems – necessary for the health and economic well-being of every community. Maximum grant amount \$2,500,000.

Business Oregon Water Meter and User Rate Policy

Business Oregon encourages water utilities to conserve water. It is our policy to require the installation of water meters within the project area as part of an infrastructure improvement project funded by our agency. Once the project is completed, the utility must routinely read the meters installed with the project and bill those customers, in part, according to their water consumption. Business Oregon encourages the water utility to adopt an ascending rate water fee structure.

Matching Funds Requirement

There is no minimum match requirement. Any matching funds necessary to complete the proposed CDBG project, must be in the form of cash or debt service. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by the department. Refer to the "Readiness to Proceed" definition in Chapter 5 for more details.

Financial Review

All applications for public works projects 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.

- **If an applicant (city or county) is the owner and operator** of the facility, the applicant's financial records will be analyzed for ability to service debt.
- **If an applicant (city or county) is applying on behalf of a nonprofit or other public entity (water or wastewater district)** 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 the nonprofit's or other public entity's financial records will be analyzed for the ability to service debt, if any is a part of the project.
- The financial review must determine that the operating entity of the proposed facility, whether it be a non-profit, other government entity or the city/county applicant has adequate and consistent

annual revenue projections to cover the annual operation and maintenance expenses associated with the facility, throughout the five year continued use period.

- **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 processed.**
- 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 in lieu of the requested documentation.

Water and wastewater final design

In addition to the financial review described above, ALL, water and sewer applications for final design or construction will undergo a financial review to ensure that the monthly user rate at construction completion of the proposed project meets the threshold rate criteria.

Threshold Rate Criteria

The projected annual utility rate for the respective system (water or wastewater), with the requested CDBG assistance, at construction completion of the proposed project must be at or exceed the current percentage (1.25%) of the current Median Household Income (MHI) as defined by the most recent American Community Survey 5 year estimate. The user rate must provide adequate operations, maintenance and debt service. If the proposed project annual utility rate meets this figure, the project will be eligible 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 disposal 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 years 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. The figure does not include system development charges.

The median household income is based on the most recent American Community Survey (ACS) 5 year estimate corresponding 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 ACS 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 department's customary practice.

NOTE: If the user rate actually needed, and projected by the project proponent, to adequately cover operation, maintenance and replacement (OM&R) at construction completion is higher than the department's threshold rate, the higher rate shall apply to the project and will be required within any grant contract issued for this project.

Public Water and Sewer Systems

Business Oregon is committed to helping Oregon 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 two phases (final design or 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 \$2,500,000. The \$2,500,000 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 also is 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 125 residential connections served by the water or sewer system project in order for the applicant to be considered for the maximum grant of \$2,500,000. Water or sewer systems currently serving, or at construction completion will be serving less than 125 residential connections may only be awarded a maximum of \$20,000 per available residential connection, subject to the other program requirements.

Maximum Award During a Five-Year Period

The \$2,500,000 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 planning document 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 \$2,500,000 in grant funds within a five-year period. The department's financing goal is to award the minimum amount of grant funds necessary to complete the project activity successfully.

For example: Greentree applied for a \$500,000 (amount used as an example, only) design grant for their Phase I water system improvements design on March 31, 2016. Greentree is not eligible for an additional \$2,500,000 grant because they have already received \$500,000 in prior grants for their water system improvements design (Phase I) over the last five years. They would not be eligible for another \$2,500,000 for their water system improvements until 2021. However, after March 31, 2016, they could apply for \$2,000,000 from the program for the construction of the water system improvements. This would assume they have a project meeting the eligibility requirements for construction phase of the project.

Example Schedule of Events

2016	2017	2018	2019	2020	2021	2022
Phase I Design		Phase II Construction				
Design		Construction		Final Design or Construction		
Awarded 3-31-2016 \$500,000		Awarded 8-8-2017 \$2,000,000		Application received 3-31-2020 \$2,500,000 NOT ELIGIBLE But would be eligible for \$500,000		Eligible for another \$2,000,000 (in 2022)

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 available to applicants for public water and sewer system improvements.

In order to document that the area served by the system that was assisted in whole or in part with CDBG funds is providing an area wide LMI national objective benefit everyone served by that system must be physically connected to the water or wastewater system by construction completion.

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 must 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 must complete and submit the following tables to the department for a project eligibility/capacity review determination. It is recommended that this eligibility/capacity review determination be made prior to the submission of a PNIF or prior to conducting a one stop during project development.

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.

Equivalent Dwelling Unit (EDU)

USE	Current		Future (20-year projected capacity)	
	EDU's	Flow	EDU's	Flow
Residential Permanent				
Commercial & Business				
Industrial				
Other				
Total				
Percent Residential	%	%	%	%

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 more than the Total Future EDU's? Yes or No

Capacity Building – Total Current (Flow x 2):

Is it more than the Total Future Flow? Yes or No

Percent Residential – (Residential / Total) x 100%:

Is the residential component more than 51% Yes or No

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

Funding Criteria

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 more than 51 percent permanent residents (both currently and in the future) i.e., permanent residents must reside within their residence 6 months or more out of the year;
- The permanent residents must be comprised of more than 51 percent 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 percent 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 Health Authority – Drinking Water Program (OHA-DWP) and the Oregon Department of Environmental Quality (DEQ);

- Projects where the municipal system has not been issued a notice of non-compliance from the Oregon Health Authority-Drinking Water Program, 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 (OHA-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 effect within the next two years.
- Water system design and planning activities that are directly necessary for the construction project or construction projects necessary to eliminate water rationing. The applicant must demonstrate past (within last 2 years) and/or consistent water rationing events due to insufficient drinking water quality or supply.
- Design and planning activities that are directly necessary for the construction project or construction projects necessary for the provision of dependable and efficient water storage, treatment and/or transmission to meet domestic drinking water needs;
- Design and planning activities that are directly necessary for the construction project or construction projects necessary for the provision of dependable and efficient wastewater collection, treatment and disposal/re-use, and
- 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 Authority – Drinking Water Program, Safe Drinking Water Program.

Ineligible Projects

- Projects primarily needed for capacity building purposes. (Explained in more detail on Page 10-4);
- 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;
- Deferred maintenance and/or and operational expenses.
- Work on private property.
- Projects primarily needed for fire suppression.

Eligible Activities

- 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;
- Television inspection and internal grouting of wastewater collection lines if approved in advance by the department. Since this work also can 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 and final engineering, surveying, architectural and other support planning 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.
- Refer to Chapter 5 for additional information on eligible and ineligible costs under the program.

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 Requirement

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 also must 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 or 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 if these conditions are violated. Refer to Chapter 5 for more information.

Engineering Requirements

All applicants must provide the following documents prepared, stamped and signed by a registered professional engineer licensed to do work within the state of Oregon.

- **Planning and Final Design Only** – A water system master plan or wastewater facilities plan reviewed and approved by the appropriate regulatory agency and a detailed cost estimate, and diagram that identifies the improvements of the project to be funded.
- **Construction Only** – Plans, specifications and bid and contract documents reviewed and approved by the appropriate regulatory agency and a detailed cost estimate of the project to be funded. ***Note:** Construction only grant applicants must also submit a complete environmental review record prepared in accordance with Chapter 3 of the Grant Management Handbook. Publication of environmental notices should not take place before a funding decision is made on the application.*

For Funded Projects - Final design engineering documents and construction oversight in projects funded in full or in part with CDBG funds must be prepared, stamped and signed or conducted by a registered professional engineer licensed to do work within the State of Oregon.

	Planning and Final Design	Construction
Grant Maximum	The only limitation to the size of these grants is the limit of \$2,500,000 (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	<ul style="list-style-type: none"> • Preliminary Engineering • Final engineering designs, bid specifications, and updated cost estimates • Project financial feasibility information • water management and conservation plans (as required by the Oregon Water Resources Department through permitting processes) • Environmental review of project (does not include publishing of notices for public comment) • Preparation of application for construction financing to department or other agencies for construction funding • Grant administration and audit • Rate Studies • Land Appraisals • Legal fees • LEP Translation Services 	<ul style="list-style-type: none"> • Construction • Construction engineering • Acquisition of property, including easements • Grant administration and audit • Legal fees • Cultural Monitoring • LEP Translation Services • Federal Labor Standards compliance
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
	*Community Development Block Grants awarded prior to 2015 do not count against the \$2,500,000 limit.	

Planning and Final Engineering Grants

Grant funds are available to help the applicant obtain the products listed below that will be required elements of a construction application. The only limit to the size of these grants is the limit of no more than \$2,500,000 in Community Development Block Grant assistance for a community's overall project within a five-year period. Eligible projects must be in accordance with a regulatory agency approved water system master plan, wastewater facilities plan or other regulatory approved planning document. A copy of the planning document and the subsequent 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;
- Water management and conservation plans (as required by the Oregon Water Resources Department through permitting processes)
- Preliminary Engineering
- Pre-design reports, final engineering design and bid specifications. Refer to Chapter 5 for more information on the limits of engineering costs;
- Completion of ready to advertise bid document
- 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 the 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 must be done as part of the final engineering grant project. Refer to Chapter 5 for details;
- Grant Administration/Audit. Refer to Chapter 5 for more information;
- Construction funding application preparation to the department or other funding agencies. Refer to Chapter 5 for details;
- Rate studies;
- Legal fees;
- LEP Translation Services. Refer to Chapter 5 for details;
- Land appraisals;
- Other planning activities necessary and directly related to the construction of comprehensive system-wide improvements addressing a 20-year time frame; and
- Refer to Chapter 5 for additional information on eligible and ineligible costs under the program.

In addition to the above products, the applicant may 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: Applicants who already have completed the work involved in what these rules term a planning project may apply directly for a final engineering grant. The department may determine upon review of the application that an award for planning grant is necessary to obtain information to justify a final engineering award.

Construction Grants

Maximum Grant

\$2,500,000, minus any prior CDBG award for 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. 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:

- 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;
- Federal Labor Standards Compliance. Conducting on-site employee interview/verifying certified payroll report data. Refer to Chapter 5 for details;
- Acquisition of real property including permanent easements, preparation of as-built drawings, operation and maintenance manuals;
- Grant administration/audit. Refer to Chapter 5 for more information;
- Cultural Monitoring;
- LEP Translation Services;
- Legal Fees; and
- Refer to Chapter 5 for additional information on eligible and ineligible costs under the program.

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

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 (Pick One)	Indicators	Performance Measures	State Measurement
Suitable Living Environment	<ul style="list-style-type: none"> • Availability/ Accessibility • 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 who 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	Number of persons benefiting from new or improved facilities including the percentage of low- and moderate-income persons who benefit from the improvements
			Race, ethnicity, disability (current categories for beneficiary reporting still apply)	

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Chapter 11 – 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 deliver services to persons with specific needs.

Maximum Grant Amount

The maximum grant amount for a single community facility project is \$1,500,000. The \$1,500,000 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.

Combination Facilities

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

- a. 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).
- b. The combination facility must **only** house eligible community facility projects, as listed in this Chapter, and eligible activities identified within this 2020 Method of Distribution.

A combination facility will not be considered two separate projects and the applicant will only be eligible for the maximum single community facility award of \$1,500,000. Applications will be rated and ranked, if necessary 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.

Grants for combination facilities will only be awarded at the department’s discretion.

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 the supportive documentation identified in Chapter 3.

Maximum Grants of \$1,500,000 are available only for the facilities contained within the list below.

Facility/Project Type	National Objective the Project must qualify under
Shelters for Victims of Domestic Violence	Low and Moderate Income–Limited Clientele
Homeless Shelters	Low and Moderate Income–Limited Clientele
Head Start Centers	Low and Moderate Income–Limited Clientele Low and Moderate Income–Nature and Location
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 meal service five days/week) The senior center must exclusively serve persons 60 years of age and older.	Low and Moderate Income–Limited Clientele Or Low and Moderate Income–Nature and Location
Community Centers (Only cities are eligible to apply for community center projects. 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 city and constructed on land owned by the applicant city. Refer to Chapter 5 for a definition of publicly owned.)	Low and Moderate Income–Area Wide Benefit
Family Resource Centers–These multi-service centers must operate 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 LMI persons.	Low and Moderate Income–Area Wide Benefit
Food Banks – Food Banks collect, sort, store and distribute surplus food products and edible but unmarketable food that has been acquired from growers, grocers and other sources in food boxes to food pantries and low- and moderate-income persons for free.	Low and Moderate Income–Nature and Location
Fire Stations	Low and Moderate Income–Area Wide Benefit
Libraries	Low and Moderate Income–Area Wide Benefit

Definitions:

Head Start Programs–0-4 years of age (per Federal Headstart Program Definition)

Child–Persons 0-12 years of age.

Youth–Persons from 12-21 years of age.

Adult–Persons 21 years of age and older.

Senior/Elderly–Persons 60 years of age and older.

Eligible Activities

CDBG funds may be used for the following activities. Refer to Chapter 5 for more details about the eligible costs under the program:

- 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;
- Environmental Review Record Preparation;
- Relocation assistance to meet federal requirements. [Due the specialty calculations and detailed requirements for relocation activities, any applicant with a proposed project that involves relocation will be required by Business Oregon to hire a Business Oregon approved specialist to complete the required URA relocation process.];
- Federal labor standards compliance. Conducting on-site employee interviews/verifying certified payroll report data;
- Administrative services needed to ensure federal requirements for the grant project are met. Refer to Chapter 5 for more information;
- Legal/Audit;
- Cultural Monitoring;
- LEP Translation Services; 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.

Entitlement Area Review

State Community Development Block Grant resources cannot be used to benefit entitlement counties and cities. If the service area of the Community Facility 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 2020 CDBG Method of Distribution lists the entitlement areas in Chapter 2.

Matching Funds Requirement

There is no minimum match requirement. Any matching funds necessary to complete the proposed CDBG project must be in the form of cash or debt service. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by the department. 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 and ability to operate and maintain the facility.

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 and ability to operate and maintain the facility.

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 and ability to operate and maintain the facility.

The financial review must determine that the operating entity of the proposed facility, whether it be a nonprofit, other government entity or the city/county applicant has adequate and consistent annual revenue projections to cover the annual operation and maintenance expenses associated with the facility, throughout the five year continued use period.

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 processed.

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 in lieu of the requested documentation.

**Table O
Public/Community Facilities Activities**

Eligibility, Activity Type, and Maximum Grant Awards

	Final Design and/or Construction
Grant Maximum	\$1,500,000 (Includes all prior Community Development Block Grant awards for 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 Acquisition of property/permanent easements Grant administration and audit Legal fees Cultural Monitoring LEP Translation Services Federal Labor Standards Compliance
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 who are 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.	

Architectural/Engineering Requirements

Preliminary engineering/planning documents, final design engineering documents and construction oversight in projects must be prepared and stamped or conducted by a registered professional engineer or architect licensed to do work within the state of Oregon.

Final Design and/or 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. 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 the 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;
- Legal fees; 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 Shelter activities: <ul style="list-style-type: none"> Number of homeless persons given overnight shelter Number of beds created in overnight shelter 	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 who 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	Number of persons benefiting from new or improved facilities including the percentage of low- and moderate-income persons who benefit from the improvements
			Race, ethnicity, disability (current categories for beneficiary reporting still apply)	

Chapter 12 – Housing Rehabilitation

Business Oregon will finance low- and moderate-income owner-occupied, single family housing rehabilitation projects through awards granted to city/county applicants. The applicant will sub-grant the funds to eligible non-profits who serve a locally determined regional service area. The department offers two types of housing rehabilitation assistance:

Type 1–Regional Housing Rehabilitation Revolving Loan Fund—A regional revolving loan fund that provides loans to low- and moderate-income homeowners to repair their owner-occupied homes, using construction contractors licensed by the Oregon Construction Contractors Board (CCB) and the Oregon Corporate Division.

Type 2–Regional Housing Rehabilitation Grant Fund—A fund that provides grants to low- and moderate-income homeowners to repair their owner-occupied homes, using construction contractors licensed by the Oregon Construction Contractors Board (CCB) and the Oregon Corporate Division.

Incentive to Type 1 or Type 2 – Applicant can request an additional \$100,000, increasing the maximum amount allowable for housing rehabilitation to \$500,000 with one exception—the additional funds must be dedicated to income qualified, single-family homeowners to provide repairs to owner-occupied homes in manufactured parks. Applicant must outline how the funds will be tracked separately from the initial \$400,000 award showing project implementation, disbursement schedule and deliverables. Remaining programmatic requirements will remain the same and funds for Grant Administration, Program Management, Environmental Review and other associated project costs will not increase.

Note: A sole proprietor does not have to be registered with the Oregon Corporate Division’s Business Registry unless they are using an assumed business name.

General Description

City/County applicants must sub-grant the funds to a 501(c)(3) or (c)(4) nonprofit organization that is eligible under 105(a)(15) of the Housing and Community Development Act (HCDA) to carry-out housing rehabilitation activities.

Under Type 1—The original eligible non-profit that receives the CDBG sub-grant from the local government must own and administer all the loan repayments and interest earnings, associated with the CDBG funded housing rehabilitation revolving loan fund program. Income generated by the CDBG loans originated from the award (repayments and interest earnings) must be repaid to the same original eligible non-profit which met the requirements of 105(a)(15) of the HCDA. The generated income must be used for the continuance of the housing rehabilitation activities or other eligible neighborhood revitalization, community economic development, or energy conservation projects in accordance with 105(a)(15) of the HCDA.

Under Type 2—There will be no income generated since the funding assistance to the low- and moderate-income homeowners will be in the form of a grant, not a loan.

Joint Projects

A combination of cities and counties can be involved in a regional or joint project. However, only one jurisdiction can be the applicant in the given CDBG program year. The jurisdiction that applies and receives an award incurs the responsibility for the CDBG funds. Joint applications submitted for review in which two or more units of local government are equally responsible will not be accepted. Either jurisdiction may take the lead and still allow the

funds to be used in all jurisdictions as outlined in the Intergovernmental Agreement (IGA) or other Business Oregon approved form of local government agreement for the region.

Intergovernmental Agreement (IGA)

The service area of the proposed housing rehabilitation project must be clearly defined and acknowledged by all the participating jurisdictions through an IGA or other Business Oregon approved form of local government agreement. The IGA must be signed by all participating jurisdictions.

At a minimum, the applicant must partner with at least two other city/county jurisdictions to form a regional housing rehabilitation program. At a minimum, the agreement must clearly define:

- The lead applicant;
- The participating city/county jurisdictions;
- The eligible 105(a)(15) non-profit organization that will be carrying-out the housing rehabilitation program on behalf of the lead applicant; and
- A clear description of the area to be served with the requested grant. All activities funded with CDBG funds must be within the defined service area contained in the IGA.

NOTE: The IGA does not apply to any income (repayments and interest earnings) generated by the loans under the Type 1 grants.

Maximum Grant Amount

The maximum CDBG grant in this category is \$400,000. A regional housing rehabilitation program area may only apply for one Type 1 or Type 2 award once per year. If the program will be servicing manufactured homes the application can include an additional \$100,000 request.

Project Timeline

All the initial loans/grants from the CDBG funded housing rehabilitation award must be made within 24 months after execution of the funding contract with Business Oregon. Any unobligated funds, in the CDBG award **will** be recaptured by the state after 24 months.

Matching Funds Requirement

There is no minimum match requirement. Any matching funds necessary to complete the proposed CDBG project, must be in the form of cash or debt service. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by the department. Refer to the "Readiness to Proceed" definition in Chapter 5 for more details.

National Objective

All housing rehabilitation projects must meet the housing/direct benefit federal national objective as identified in 24 CFR 570.483(b)(3). One-hundred percent (100%) of the benefitted owner occupied household occupants must have incomes below the federal low- and moderate-income limit (80% of the median household income as adjusted by household size). Refer to Chapter 3 for more information.

Financial Review

During staff review of the application, if direct and clear evidence is obtained by the department that the CDBG funds are not needed and that the project can or will be carried out by the applicant or non-profit sub-grantee, whether or not the funding is awarded, the application will not be rated and ranked or recommended for an award.

Program Structure

Community Development Block Grant funds are regulated by 24 CFR Part 570.489(e)(2)(ii). The city/county grant recipient is required to:

- Enter into a sub-grant agreement with an eligible nonprofit organization meeting the requirements of the Housing and Community Development Act 105 (a) (15) to carry out the housing rehabilitation activities.
- The (sub-grantee) eligible non-profit organization must carry out the housing rehabilitation activities on behalf of the grant recipient. The city/county grant recipient retains ultimate responsibility for compliance with all state and federal program requirements and must ensure the (sub-grantee) eligible non-profit adheres to these requirements.
- The eligible non-profit is in control of all decisions regarding the Community Development Block Grant funds. The nonprofit may undertake all activities or may utilize a professional services agreement to accomplish grant administration and limited program management work.
- **Type 1**—The original (sub-grantee) eligible non-profit organization must be the owner and lender of all loans against the property title, responsible for all loan and program decisions and must comply with all federal and state rules and statutes. All loan repayments must be received and re-conveyed by the original (sub-grantee) eligible non-profit certified under 105(a)(15) of the HCDA. The (sub-grantee) eligible non-profit will use the funds to support housing needs in accordance with the requirements of 105(a)(15) of the HCDA for continuance of the housing rehabilitation activities or neighborhood revitalization, community economic development, or energy conservation projects.
- **Type 2**—The (sub-grantee) eligible non-profit must award all funds in the form of grants to qualified homeowners.
- **Energy efficiency** – Programs are encouraged to use energy efficiency standards or materials for each of the homes receiving a benefit. The program policies and procedures must provide detail as to how the program will use energy efficient practices. Some examples of energy efficient practices include but are not limited to;
 - Effective Insulation
 - High performing windows
 - Sealing holes and cracks in the envelope of the home
 - Sealing holes and cracks in the ducting
 - Using energy star appliances, water heaters, etc.

Eligible Homes

All of the single-family owner-occupied housing units must have had a HUD, Section 8, housing quality standards evaluation that resulted in substandard conditions.

Under the Type 2 Regional Housing Rehabilitation Grant Fund, the (sub-grantee) eligible non-profit may award grant funds to low- and moderate-income homeowners who own their manufactured home and reside in mobile home parks (except as noted below for pre-1977 mobile homes).

HUD prohibits the use of CDBG funds to repair or rehabilitate any manufactured home made before June 15, 1976. Therefore, the state CDBG program prohibits the expenditure of any CDBG funds to rehabilitate a pre-1977 manufactured home. While replacement or substantial reconstruction of a pre-1977 mobile home is allowed by regulation, it will not be allowed as an eligible activity under the state's CDBG program due to the cost prohibitive

nature and complexity of the program. De-federalized funds from previous housing rehabilitation revolving loan fund awards could be used for this purpose.

Eligible Activities

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

Eligible Activities	Maximum Allowed in Original Grant from Business Oregon	Maximum based on \$400,000 grant request	"De-Federalized" Loan Re-payments Requirements (Type 1 projects)
Grant Administration: Work related to overall grant management, coordination, monitoring, and evaluation. Meeting the grant contract requirements and federal requirements. Refer to Chapter 5 for more details.	Maximum allowed 10% of the requested grant, but no more than \$25,000.	\$25,000	No federal requirements.
Program Management*: Work related to carrying out housing rehabilitation activities, working directly with the LMI clients; such as: screening applicants, processing loans/grants, and loan servicing. Program management is considered direct service to clients. Refer to Chapter 5 for more details.	Up to 20% of the award, plus an additional \$20,000 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 must be used for program management.	\$75,000 Calculated as follows: $20\% \times \$400,000 = \$80,000$ $\$80,000 + \$20,000 = \$100,000$ $\$100,000 - \$25,000 = \$75,000$	A maximum of 20% of the annual loan repayments and interest earnings.
Environmental Review—Refer to Chapter 3 of the Grant Management Handbook for more details.	Up to \$20,000 per project	\$20,000	No federal requirements.
LEP Translation Services —Refer to Chapter 5 for details.	Up to \$3,000 per project	\$3,000	No federal requirements.
Legal	There is no maximum limit	There is no maximum limit	None
Audit	Refer to Chapter 5 for details	Refer to Chapter 5 for details	No federal requirements.
Activities 1) Eligible health and safety activities including lead, septic tanks, and private sewer lines and drainfields, private water lines and wells, and asbestos tests, inspections, and assessments. 2) Improvements necessary to fulfill reasonable accommodation requests. 3) Construction, rehabilitation, reconstruction, or the installations of improvements to upgrade substandard electrical, plumbing, roofing, siding, insulation, weatherization, heating systems, water heaters, and dry rot repairs. 4) Purchase and installation of equipment that is an integral structural fixture. (Items not normally removed from the home, light fixtures and built-in appliances.) 5) Substantial Rehabilitation which could exceed the 50% market value of a home. The scope must include code concerns. Policies must clearly define substantial rehabilitation. 6) Repairs to manufactured homes	Maximum Grant \$400,000 less the items listed above. Eligible for additional \$100,000	\$295,000, less costs for legal, audit, and LEP	The loan repayments and interest earnings less the allowance for program management can be used for either continuing the HRRLF or they can be used for other community economic development, energy conservation and/or neighborhood revitalization projects, as allowed by 105(a)(15) of the HCDA.

Program management services are performed by the sub-grantee for the city or county grant recipient. Sub-grantees 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, owner's certification that improvements were accepted, and other necessary documents.

Ineligible Activities

- No indirect costs are allowed under the program;
- Costs associated with providing Regional Housing Center services;
- Any equipment that is not fixed and structurally integral to the residence such as: washing machines, clothes dryers, freezers, and window-mounted air conditioners;
- Fees that are considered part of the program management costs already reimbursed with CDBG funds:
 - Application fee
 - Credit Report fee
 - Loan origination fee
 - Loan Servicing fee
 - Grant Processing fee
 - Homeowner training class fees
 - General home inspection fee's by the eligible sub-grantee
 - Miscellaneous fees that are undefined or are considered program management activities already being paid for with CDBG funds. Consult the department's RPM about the eligibility of these fees.
 - All fees need to be reviewed and approved by Business Oregon's RPM for an eligibility determination with the CDBG program requirements and for compliance with the amended program income requirements enacted on May 23, 2012.

Sub-Grant

The city or county grant recipient enters into a sub-grant agreement with an **eligible nonprofit organization** to implement and **carryout** the housing rehabilitation activities. **All federal CDBG compliance requirements assigned to the (sub-grantee) eligible non-profit remain the obligation of the original city/county funding recipient until administrative closeout of the CDBG grant with the state.** No formal procurement process is necessary by the city or county when the funding recipient sub-grants the funds to an eligible non-profit.

Eligible Nonprofit (sub-grantee)

The nonprofit must meet the following requirements of a sub-grantee 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.
- Provide a copy of their reasonable accommodation policies.
- The sub-granted nonprofit must comply with all CDBG requirements.
- The sub-granted nonprofit must approve all loans and be named as the lender of the loans against property titles or be the grantor of all grants and owner of all the grant agreements/contracts.
- All loan repayments must be received and reconveyed by the original sub-granted non-profit.

Carry-Out (Program Implementation)

The original sub-granted non-profit must carry-out the housing rehabilitation project.

- The sub-granted nonprofit is responsible for carrying out (implementing) the housing rehabilitation activities and will be the owner of all program policies and procedures.
- The sub-granted non-profit will be responsible for these minimum activities:
 - All final loan/grant decisions, owner of all loan portfolios, owner of all grant agreements/contracts, compliance with all CDBG requirements, owner of future loans and repayments, and final accountability for all CDBG funds.
 - Lender of all the loans and grantor of all grants.
 - **Type 1 only**—All loan repayments must be received and owned by the original eligible non-profit. Loans made by the sub-granted non-profit cannot be sold or transferred.
 - **Type 1 only**—The subsequent loan repayments are not subject to the program income requirements as long as the sub-granted non-profit uses the funds to continue the housing rehabilitation revolving loan fund program or uses them for other community economic development, energy conservation and/or neighborhood revitalization projects, as allowed by 105(a)(15) of the HCDA.
 - The grants and initial loans must be used for activities that will meet the CDBG low and moderate housing direct national objective CFR 570.483(b)(3).

Reasonable Accommodation Policies

As federally required, each sub-grantee (eligible non-profit) must have reasonable accommodation policies. A copy of their reasonable accommodation policies must be submitted with the application.

Lead-Based Paint

All applicants must demonstrate how the rehabilitation work will be conducted in accordance with the Lead Based Paint Poisoning Prevention Act and HUD implementing regulations at 24 CFR 570.487(c) and any subsequent amendments. Effective September 15, 2000, revisions to the Lead Based Paint regulations 24 CFR Part 35 were implemented. More information about these requirements can be found in the Grant Management Handbook.

Entitlement Area Review

State Community Development Block Grant resources cannot be used to benefit entitlement counties and cities. If the geographic area served by the sub-grantee (eligible non-profit) Housing Rehabilitation Program contains an entitlement county or city (entitlements include the counties of; Multnomah, Washington, and Clackamas, and the cities of Albany, Ashland, Beaverton, Bend, Corvallis, Eugene, Grants Pass, Gresham, Hillsboro, Medford, Portland, Redmond, Salem, and Springfield) within their service area that applicant must provide documentation to satisfy the following with the application:

- Documentation of the screening procedures, forms and policies used to determine if the beneficiaries of the Housing Rehabilitation activities are entitlement or non-entitlement residents.
- Documentation that ensures that CDBG funds are only benefitting non-entitlement residents.

TYPE 1—Additional Requirements

Eligible Non-Profit Asset Reversion

If for some reason the original eligible non-profit dissolves or is re-organized under state law and an asset reversion occurs contact Business Oregon for assistance. An asset reversion could change the federal identity of these funds.

De-Federalization of Loan Repayments

The housing rehabilitation revolving loan fund category is designed under 105(a)(15) of the HCDA so the loan repayments lose their federal identify (de-federalized) as long as the income generated by the loan repayments and interest earnings continue to be used by the original sub-grantee (eligible non-profit) to continue housing rehabilitation activities, provide neighborhood revitalization, community economic development, or energy conservation projects.

This section is meant as a guide to assist applicants and sub-grantee (eligible non-profit) in pursuing this outcome. By not following this guide an entity risks failing to de-federalize their repaid funds resulting in the retroactive application of HUD rules on all expenditure of these repaid funds.

1. A city/county grant recipient must sub-grant the CDBG funds to a 105(a)(15) HCDA-eligible nonprofit entity.
2. The sub-grantee (eligible non-profit) entity will carry out the program with its own staff or, will contract for professional staff (enter into a **professional services agreement**), or a combination of the two.
3. A **professional services agreement** between the sub-grantee (eligible non-profit) and the professional services provider for grant administration and limited program management is acceptable to Business Oregon, and must be entered into for any contracted staff. This contract must:
 - Pay for eligible CDBG expenses on a reimbursement basis. This basis may be by the hour, by the number of successfully completed rehabilitation projects, or lump sum,
 - Clearly define the roles and responsibilities of the professional services covered by the agreement,
 - Direct the contracted staff to follow the policies and procedures set by the sub-grantee (eligible non-profit),
 - Clearly define the sub-grantee (eligible non-profit) as the final authority for all decisions pertaining to the housing rehabilitation activities.
- The sub-grantee (eligible non-profit) must retain control of the funds, manage the bank accounts and disbursements through its Secretary/Treasurer, even if it has no employed staff. The non-profit board must retain approval authority for all expenditures.
- The composition of the sub-grantee (eligible non-profit) board must be established as outlined in the By-laws and Articles of Incorporation of the eligible non-profit entity, cannot be comprised substantially of individuals of any one government agency to where it contains a quorum of any one government entity and must be independent and void of any conflict of interest with any government agency.
- The eligible sub-grantee (eligible non-profit) cannot relinquish its responsibility for the oversight and management of the CDBG funds.
- Contracts/agreements must be approved by Business Oregon to determine that the sub-grantee (eligible non-profit) entity is maintaining control and will carry out the activities as the active and responsible party of the CDBG funds.

Loan Portfolio Requirements

The state is requiring that loan portfolios will not be sold or transferred and that all loans must be repaid to the original sub-grantee (eligible non-profit) under 105(a)(15) of the Housing and Community Development Act.

Defaults

Business Oregon encourages the sub-grantee (eligible non-profit) to set-aside 10 percent of the loan receivables to cover legal remedies in pursuit of default collection.

Outcome and Performance Measures for Both Type 1 and Type 2 projects:

Decent affordable housing as a housing program that meets individual household 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
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 completed 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)
			Number of persons, households or units assisted (pick the one most appropriate to your project—pick only one)
			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)
			Number of units rehabilitated

Certified Sub-grantee Program

To become a certified sub-grantee, a potential grantee must submit the required documentation identified within each funding category under “eligible nonprofit (sub grantee)” and evidence that the sub-grantee has a qualified grant administrator employed to manage the Community Development Block Grant sub-grants. In addition, each request from a sub-grantee also must contain a copy of their existing reasonable accommodation policies.

Within 30 days of receipt of the information identified above the 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-grantee)” with the application. They need only submit a copy of the state’s certification with the application.

Sub-grantee certification expires 5 years after issuance or on 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. If 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 has been rectified and the appropriate documents submitted to the state for review and approval.

The following items must be submitted in order to complete the certification process:

- Certificate from the IRS regarding current nonprofit status
- Articles of Incorporation – must include housing statement
- By-Laws
- Documentation that one of the organizations primary purpose is to provide decent, safe, sanitary affordable housing for LMI households
- Documentation that the organization serves the development needs of the communities; neighborhood revitalization, community economic development, or energy conservation
- Program policies, this should include reasonable accommodation, fair housing, LEP, record retention
- Define service area
- Organization must demonstrate capacity to run the Housing Rehabilitation Program
- Documentation of all board members
- Organization financial documents, include balance of revolving loan fund if applicable
- All loan/grant documents that will be used to run the program

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Chapter 13 – Community Capacity/Technical Assistance

Community Development Block Grant (CDBG) 1 percent 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 state's 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 percent of their annual HUD allocation on state administrative costs and spend \$0 on Technical Assistance, or they could spend up to 3 percent 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 and to focus the funding on priority training for the state's 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; In general, the department will strive to equitably fund each workshop using the following:
 - \$3,000 for each full day
 - The workshop sponsor can demonstrate the topics/content will improve local 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 percent 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. Any matching funds necessary to complete the proposed CDBG project, must be in the form of cash or debt service. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by the department. Refer to the “Readiness to Proceed” definition in Chapter 5 for more details.

Financial Review

No financial review is conducted for these projects.

Applications Accepted

Applications are accepted year-round. Contact a regional development officer 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 Business Oregon’s CDBG program and policy coordinators (PPC) 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 will be used, a scope of work, the deliverables, a detailed budget, time lines for completion etc. The Project Notification and Intake Form can be used for this purpose, but is not required.

Step 2—(Review)

The 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 carry out the activity; and
- The project is ready to proceed.

Step 3—(Processing)

Proposal will be reviewed the PPC for completeness and preparation of the initial staff recommendation. The initial staff recommendation will be reviewed by the program services manager and the CDBG program and policy coordinator for development of a funding recommendation.

Step 4—(Decision)

The funding recommendation will be forwarded to the assistant director for review and approval.

The department reserves the right to not fund any proposal that it deems not eligible, properly developed, or not ready to proceed. All funding decisions made by the department's assistant director 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 complete concept for funding.

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Chapter 14 – 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.

Note: An applicant for a CDBG award is considered a recipient under the Environmental Review and URA requirements starting with the date of submission of a CDBG application. An “Applicant” is one who submits an application, request, plan or statement required to be approved by an official as a condition of eligibility for federal financial assistance.

The federal program regulations, under Part 58-Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities, Subpart C, 58.22(a), specifies that neither a recipient nor any participant in a HUD CDBG funded project may commit HUD assistance on an activity or project until HUD or the state has approved the recipient’s Request for Release of Funds (RROF) and related certification from the responsible entity (recipient). In addition, until the RROF and related certification have been approved, neither a recipient nor any participant may commit non-HUD CDBG funds on or undertake an activity or project if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives. Under 58.22(b), if a project or activity is exempt or categorically excluded, no RROF is required and the recipient may undertake the activity immediately after the responsible entity has documented its determination activity but must comply with applicable requirements. Before committing any HUD and non-HUD funds to a project or activity, the recipient should consult with the department’s Regional Development Officer (RDO).

HUD Handbook 1378 provides HUD policy guidance on acquisition and relocation under the federal Uniform Relocation Assistance and Real Property Acquisition Act (URA) and other HUD requirements. Chapter 1-4-I-2, identifies the date of submission of an application as an event that establishes a rebuttable presumption that a project begins and triggers the Initiation of Negotiations requirement of URA and the need for issuance of the Notice of Eligibility for Relocation Assistance or Notice of Non-displacement. Before initiating any real property acquisition activity, an applicant should consult with the department’s Regional Development Officer.

Available Funds

Funds available for emergency grants will not exceed 10 percent of the state's annual allocation from the U.S. Department of Housing and Urban Development. Actual funds available at any given point in time may be less than the 10 percent of the annual allocation.

Note: the funding for this criteria has been re-allocated for COVID-19 Emergency Assistance as laid out within Chapter 15.

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 also is limited to the amount required by the local government to match the federal disaster grant funding, but in no case shall it exceed \$500,000.

Matching Funds Requirement

There is no minimum match requirement. All matching funds necessary to complete the proposed CDBG project, must be in the form of cash or debt service. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by the department. 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 18 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 carry out 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 applicant's 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 jurisdiction's hazard mitigation plan and/or hazard element of the local land use plan.

Eligible Projects

The proposed project must be for an activity that is eligible under Section 105(a) of the Housing and Community Development Act. The portions of the Act, applicable to the state's 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 twelve month 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 non-entitlement 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 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; (B) finance the acquisition by low- and moderate-income home buyers of housing that is 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 household. 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 (Refer to Chapter 5 for more details about 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 the National Environmental Policy Act (NEPA) and other applicable federal authorities implemented by HUD. Refer to Chapters 4 and 5 for more information.
- Architectural/engineering design, oversight and construction management, including as-built drawings 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. Complete the specialty calculations and detailed requirements for relocation activities, any applicant with a proposed project that involves relocation will be required by Business Oregon to hire a specialist acceptable to Business Oregon to complete the required URA relocation process.
- 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 Chapters 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 Development Officer (RDO) for assistance and more information. Complete applications for emergency projects must be received by the department within 18 months of either the Governor’s 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 department’s RDOs will be assigned to work with the project proponent to develop and review the proposed concept.

The RDO will work with the proponent and the department’s program and policy coordinators to provide project development and to determine if the proposed project will meet the CDBG funding criteria and is ready to proceed with a well-defined statement and scope of work, including the following:

- 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 carry-out the activity; and
- The project meets the readiness to proceed criteria contained in Chapter 5.

A “One Stop” meeting will be scheduled if warranted or requested by the proponent. A Project Notification and Intake Form will be developed and the RDO will then route the form for internal agency comment.

Step 2–(Invite Application)

The RDO will inform the proponent and the unit of general local government (city or county) about the department’s review of the Project Notification and Intake Form. If the proposed project is determined to qualify for CDBG funding by the program services manager, the applicant will be invited in writing to submit a complete application for CDBG funding.

Step 3–(Application)

A completed e-application must be received by Business Oregon through the Business Oregon Portal no later than 18 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 RDO will review applications for completeness and prepare the initial staff report. The CDBG program and policy coordinator will evaluate the initial staff report for final recommendation.

Step 5–(Decision)

The final recommendation prepared by the CDBG program and policy coordinator will be forwarded to Business Oregon program services manager and the assistant 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.

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Chapter 15 – COVID 19 Emergency Assistance

On March 13, 2020, the President of the United States and on March 30 the Governor of the state of Oregon declared a national/state disaster due to the outbreak of coronavirus disease 2019 (COVID-19). The CDBG program administered under Oregon Business Development Department (Business Oregon) may be used for a range of eligible activities that prevent and respond to the spread of infectious diseases such as the COVID-19.

This chapter applies to all CDBG activities to address impacts of the COVID-19 crisis. Those activities consist of:

- Emergency Small Business and Micro-Enterprise Assistance Grant
- Special Economic Development Assistance
- Buildings (including Public Facilities) and Improvements
- Public Services

Availability of funds for this chapter:

- Emergency Small Business and Micro-Enterprise Assistant Grant : \$2,000,000
- Special Economic Development Assistance, Buildings (including Public Facilities) and Improvements and Public Facilities : \$1,750,000

Detail of each type of activities are as follows:

Emergency Small Business & Micro-Enterprise Assistance Grant Program:

Due to the outbreak, social distance made it difficult for small business to stay open. On March 23, 2020, the governor declared a stay at home order, only essential business or business that could practice six feet social distancing could remain open. Many businesses especially small businesses and Micro-Enterprise are impacted and in need of assistance to remain in business and to sustain jobs.

Funds for the Small Businesses and Micro-Enterprise Assistance Grant Program and detail application process will be available through a published Notice Of Funding Availability (NOFA). There will be no deadline, application funds will be awarded to the first eligible project and each thereafter until all funds are exhausted.

In an effort to provide assistance to small businesses in non-entitlement area of Oregon, the state CDBG program will be providing the following assistance:

- New businesses or business expansion to create jobs and manufacture medical supplies necessary to respond to COVID-19.

- Avoid job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons.
- Provide technical assistance, grants and other financial assistance to establish, stabilize, and expand microenterprises that provide medical, food delivery, cleaning, and other services to support home health and quarantine. (A microenterprise is defined as a commercial enterprise that has five or fewer employees, one or more of whom owns the enterprise)
- The Emergency Business Assistance grant program is intended to;
 - Help businesses remain solvent through the crisis and be ready/able to rebuild and or reopen
 - Fill specific cash flow gaps in businesses' larger efforts to scale down, reduce expenses, and take any additional defensive measures to survive the crisis.

Who Can Apply

The state CDBG program is only available to non-entitlement cities or counties (cities or counties that don't have a direct allocation of CDBG funds from HUD).

The non-entitlement city or county grant recipient must sub-grant the funds to either one of the following the non-profit organizations:

- For Small Business Assistance: a statewide or local Economic Development, Non-profit organization certified and experienced in providing/ administering small business financing programs (such as the following but not limited to: EDA, SBA, USDA, CDFI).
- For microenterprises businesses: secure services of a microenterprise support organization experienced in providing/ administering small business/ micro-enterprise financing programs

As mentioned above, funds for this program will be available through a published NOFA. There will be no deadline for applications but funds will be awarded to the first eligible projects until all set-aside funds are exhausted.

National Objective:

Small Businesses and Micro-Enterprise Assistance Grant Program must meet the federal national objective of benefiting low- to moderate-income persons based on household 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 or jobs created/retain by small businesses/microenterprise grant assistance program.

Federal Requirements

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 within Chapter 7 of this Method of Distribution. More detailed information can be found in the Grant/Project Management Handbook and other

resources available from Business Oregon. The CDBG Grant Management Handbook (2017 Edition) or most current edition, can be found on the [department's website](#). Business Oregon encourages potential applicants to review the Grant Management Handbook prior to committing to submit an application in order to familiarize themselves with the wide array of program requirements.

Note: An applicant for a CDBG award is considered a recipient under the Environmental Review and URA requirements starting with the date of submission of a CDBG application. An "Applicant" is one who submits an application, request, plan or statement required to be approved by an official as a condition of eligibility for federal financial assistance.

Regional Projects

This program is to benefit two or more local governments (for example, a city and a county, or two cities). In such cases, only one jurisdiction can be the applicant and act as the responsible party under the contract with the state. Joint applications where 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.

Joint Projects

This program is to benefit more than one jurisdiction combination of cities and counties in a regional or joint project. However, only one jurisdiction can be the applicant. The jurisdiction that applies and receives an award incurs the responsibility for the CDBG funds. Joint applications submitted for review in which two or more units of local government are equally responsible will not be accepted. Either jurisdiction may take the lead and still allow the funds to be used in all jurisdictions as outlined in the Intergovernmental Agreement (IGA) or other Business Oregon approved form of local government agreement for the region.

Intergovernmental Agreement (IGA)

The service area of the proposed Business Assistance Grant Program must be clearly defined and acknowledged by all the participating jurisdictions through an IGA or other Business Oregon approved form of local government agreement. The IGA must be signed by all participating jurisdictions.

At a minimum, the applicant must partner with at least one other city/county jurisdictions to form a regional Small Business Assistance program. At a minimum, the agreement must clearly define:

- 1) The lead applicant;
- 2) The participating city/county jurisdictions;
- 3) The eligible non-profit organization that will be carrying-out the business assistance grant program on behalf of the lead applicant; and
- 4) A clear description of the area to be served with the requested grant. All activities funded with CDBG funds must be within the defined service area contained in the IGA.

Maximum Grant Amount

The maximum CDBG grant in this category is \$150,000.

Grant Administration

Up to 10 percent of the grant award, but not more than \$15,000

Work Plan

Each application must contain a work plan that provides for a minimum performance measure of assisting at least:

- One (1) Low Moderate Income job created/retain for every \$2,500 awarded to the applicant. Or,
- One (1) microenterprise for every \$10,000 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.

Program Structure

CDBG funds are regulated by 24 CFR Part 570.489(e)(2)(ii). The city/county grant recipient is required to:

- Enter into a sub-grant agreement with an eligible nonprofit organization :
 - For Small Business Assistance: a statewide or local Economic Development, Non-profit organization certified and experienced in providing/administering small business financing programs (such as the following but not limited to: EDA, SBA, USDA, CDFI).
 - For microenterprises businesses: secure services of a microenterprise support organization experienced in providing/ administering small business/micro-enterprise financing programs
- The (sub-grantee) eligible non-profit organization must carry out program activities on behalf of the grant recipient. The city/county grant recipient retains ultimate responsibility for compliance with all state and federal program requirements and must ensure the (sub-grantee) eligible non-profit adheres to these requirements.
- The eligible non-profit is in control of all decisions regarding the CDBG program. The nonprofit may undertake all activities or may utilize a professional services agreement to accomplish grant administration and limited program management work.
- This is a grant program only. Recipient of funds will not require repayment from any small business or microenterprise that receives the assistance.
- Eligible businesses
 - Those immediately impact by the public health restrictions

- Were generally stable/strong prior to the crisis
 - Employ low – moderate income individuals
 - Be a microenterprise (5 or few employees, owner is low-moderate income)
 - Must have been in business for a minimum of one year
- All activities must be completed and the Project Completion Report submitted within 12 months from contract execution with the department.

Eligible Nonprofit (sub-grantee)

The nonprofit must meet the following requirements of a sub-grantee by the department:

- Documentation from the Internal Revenue Service (IRS) that certifies the nonprofit organization is organized as a nonprofit or a certified Community Development organization.
- Documentation that the organization must have as one of its primary purposes (as outlined in its bylaws, article of incorporation or charter) to provide financial assistance to small businesses.
- Provide a copy of their program implementation plan and process such as:
 - Application criteria
 - Underwriting and award criteria, including a copy of the application used for emergency assistance.
 - Performance report
- The sub-granted nonprofit must comply with all CDBG requirements.
- The sub-granted nonprofit must be the grantor of all grants and owner of all the grant agreements/contracts with the small business or microenterprise.

Documentation and Reporting

Documents needed to apply will be provided in the NOFA. Sub-grantees must be able to provide program implementation plan that gathers the following information;

- The need is a direct result of the effects of the COVID-19 crisis
- Provide Business Oregon with the application documents and policies the sub-grantee will use to determine business eligibility.
- If job creation/retainage – Provide self-certification job creation/ retainage report

Once all funds have been disbursed the program will be monitored and must report the number of jobs created or retained, the number of microenterprises assisted, and how did the funds impact the community.

All jobs created or retained must be for low- and moderate-income persons. Those employees must complete a self-certification at the time of disbursement. Reporting on all jobs retained or created will be required up to six months after funds are disbursed.

The following Activities types are covered under separate requirements related to the applicable national objectives:

- Special Economic Development Assistance
- Buildings (including Public Facilities) and Improvements
- Public Services

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.

Who Can Apply

The state CDBG program is only available to non-entitlement cities or counties (cities or counties that don't have a direct allocation of CDBG funds from HUD).

Availability of Funds

\$1,750,000 set aside for combined activities under *Special Economic Development Assistance, Buildings (including Public Facilities) and Improvements and Public Services*.

Applications Process

COVID 19 Emergency Assistance applications for these three criteria are accepted year-round until all set-aside funds are exhausted. . Contact a Regional Development Officer (RDO) for assistance and more information. Complete applications for emergency projects must be received by the department within 18 months of either the Governor's 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 department's RDOs will be assigned to work with the project proponent to develop and review the proposed concept.

The RDO will work with the proponent and the department's program and policy coordinators to provide project development and to determine if the proposed project will meet the CDBG funding criteria and is ready to proceed with a well-defined statement and scope of work, including the following:

- 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 carry-out the activity; and
- The project meets the readiness to proceed criteria contained in Chapter 5.

A "One Stop" meeting will be scheduled if warranted or requested by the proponent. A Project Notification and Intake Form will be developed and the RDO will then route the form for internal agency comment.

Step 2–(Invite Application)

The RDO will inform the proponent and the unit of general local government (city or county) about the department's review of the Project Notification and Intake Form. If the proposed project is determined to qualify for CDBG funding by the program services manager, the applicant will be invited in writing to submit a complete application for CDBG funding.

Step 3–(Application)

A completed e-application must be received by Business Oregon through the Business Oregon Portal no later than 18 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 RDO will review applications for completeness and prepare the initial staff report. The CDBG program and policy coordinator will evaluate the initial staff report for final recommendation.

Step 5–(Decision)

The final recommendation prepared by the CDBG program and policy coordinator will be forwarded to Business Oregon program services manager and the assistant 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.

Federal Requirements

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 within Chapter 7 of this Method of Distribution. More detailed information can be found in the Grant/Project Management Handbook and other resources available from Business Oregon. The CDBG Grant Management Handbook (2017 Edition) or most current edition, can be found on the [department's website](#). Business Oregon encourages potential applicants to review the Grant Management Handbook prior to committing to submit an application in order to familiarize themselves with the wide array of program requirements.

Note: An applicant for a CDBG award is considered a recipient under the Environmental Review and URA requirements starting with the date of submission of a CDBG application. An "Applicant" is one who submits an application, request, plan or statement required to be approved by an official as a condition of eligibility for federal financial assistance.

Special Economic Development Assistance

This program grant is dedicated to support new businesses or business expansion to create jobs and manufacture medical supplies necessary to respond to infectious disease.

Required 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 applicant's 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 urgent need in manufacturing medical supplies necessary to respond to infectious disease.

Maximum Grant Amount

The maximum CDBG grant in this category is \$500,000.

Grant Administration

Up to 10 percent of the grant award, but not more than \$35,000

Matching Funds Requirement

There is no minimum match requirement. All matching funds necessary to complete the proposed CDBG project, must be in the form of cash or debt service. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by the department. Refer to the "Readiness to Proceed" definition in Chapter 5 for more details.

Eligible Activities

- Acquisition
- Clearance
- Construction
- Expansion
- Rehabilitation
- Machinery & Equipment
- Working Capital

Ineligible Projects/Costs

- Buildings for the general conduct of government
- Typical government expenses
- Political activities
- 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.

Documentation and Reporting

Eligible business must be able to provide the following prior to receiving CDBG COVID-19 funding;

- The need is a direct result of the effects of the COVID-19 crisis
- Business Plan
- 2019 business financials (Income Statement and Balance Sheet)
- 2019 Personal Financial Statement (if sole proprietor)
- 2017 and 2018 business tax filing
- If job creation/retainage – Provide self-certification job creation/retainage report

Buildings (including Public Facilities) and Improvements

This program is grant dedicated to accommodate facilities necessary to respond to infectious disease.

Required 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 applicant’s 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 urgent need in accommodation of facilities in respond to infectious disease.

Note: 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 Amount

The maximum CDBG grant in this category is \$500,000.

Grant Administration

Up to 10 percent of the grant award, but not more than \$35,000

Matching Funds Requirement

There is no minimum match requirement. All matching funds necessary to complete the proposed CDBG project, must be in the form of cash or debt service. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by the department. Refer to the “Readiness to Proceed” definition in Chapter 5 for more details.

Eligible Activities

Buildings and Improvements, Including Public Facilities	
Acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements.	Construct a facility for testing, diagnosis, or treatment.
	Rehabilitate a community facility to establish an infectious disease treatment clinic.
	Acquire and rehabilitate, or construct, a group living facility that may be used to centralize patients undergoing treatment.
Rehabilitation of buildings and improvements (including interim assistance).	Rehabilitate a commercial building or closed school building to establish an infectious disease treatment clinic, e.g., by replacing the HVAC system.
	Acquire, and quickly rehabilitate (if necessary) a motel or hotel building to expand capacity of hospitals to accommodate isolation of patients during recovery.
	Make interim improvements to private properties to enable an individual patient to remain quarantined on a temporary basis

Eligible Costs (Refer to Chapter 5 for more details about eligible costs)

- Grant Administration, as detailed in Chapter 5.
- Preparation of the environmental review for the proposed project in compliance with the National Environmental Policy Act (NEPA) and other applicable federal authorities implemented by HUD. Refer to Chapters 4 and 5 for more information.
- Architectural/engineering design, oversight and construction management, including as-built drawings 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.
- 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. Complete the specialty calculations and detailed requirements for relocation activities, any applicant with a proposed project that involves relocation will be required by Business Oregon to hire a specialist acceptable to Business Oregon to complete the required URA relocation process.
- 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 Chapters 4 and 5 for more information.
- Pre-agreement costs, requested in accordance with the requirements contained in Chapter 5.

Ineligible Projects/Costs

- Buildings for the general conduct of government
- Typical government expenses
- Political activities
- 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.

Public Services

This program grant is dedicated to provide new or quantifiable increased public services in response to infectious disease.

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 applicant's 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 urgent need in accommodation of Public services in respond to infectious disease.

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 the contract with the state. Joint applications where 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.

Joint Projects

This program is to benefit more than one jurisdiction combination of cities and counties in a regional or joint project. However, only one jurisdiction can be the applicant. The jurisdiction that applies and receives an award incurs the responsibility for the CDBG funds. Joint applications submitted for review in which two or more units of local government are equally responsible will not be accepted. Either jurisdiction may take the lead and still allow the funds to be used in all jurisdictions as outlined in the Intergovernmental Agreement (IGA) or other Business Oregon approved form of local government agreement for the region.

Intergovernmental Agreement (IGA)

The service area of the proposed Business Assistance Grant Program must be clearly defined and acknowledged by all the participating jurisdictions through an IGA or other Business Oregon approved form of local government agreement. The IGA must be signed by all participating jurisdictions.

At a minimum, the applicant must partner with at least one other city/county jurisdictions to form a regional Small Business Assistance program. At a minimum, the agreement must clearly define:

- 1) The lead applicant;
- 2) The participating city/county jurisdictions;
- 3) The eligible non-profit organization that will be carrying-out the business assistance grant program on behalf of the lead applicant; and
- 4) A clear description of the area to be served with the requested grant. All activities funded with CDBG funds must be within the defined service area contained in the IGA.

Availability of Funds

As this criteria is to address Urgent Need, the availability of funds will be in alignment with the Chapter 14 - Emergency projects.

Note: 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 Amount

The maximum CDBG grant in this category is \$50,000.

Grant Administration

Up to 10 percent of the grant award, but not more than \$5,000

Matching Funds Requirement

There is no minimum match requirement. All matching funds necessary to complete the proposed CDBG project, must be in the form of cash or debt service. All project funds necessary to complete the proposed project must be available and committed at the time the application is received by the department. Refer to the “Readiness to Proceed” definition in Chapter 5 for more details.

Eligible Activities

Public Services	
Provision of new or quantifiably increased public services	Carry out job training to expand the pool of health care workers and technicians that are available to treat disease within a community.
	Provide testing, diagnosis or other services at a fixed or mobile location.
	Provide testing, diagnosis or other services at a fixed or mobile location.
	Increase the capacity and availability of targeted health services for infectious disease response within existing health facilities.
	Provide equipment, supplies, and materials necessary to carry-out a public service.
	Deliver meals on wheels to quarantined individuals or individuals that need to maintain social distancing due to medical vulnerabilities.

Eligible Costs (Refer to Chapter 5 for more details about eligible costs)

- Training expenses
- Time and Material expenses to conduct eligible activities mentioned above
- Testing or diagnosis equipment
- Plan/ studies that would support the implementation of training/ all necessary health services for infectious disease response

- Grant Administration, as detailed in Chapter 5.

Ineligible Projects/Costs

- Expenses for already budgeted general conduct of government
- Political activities
- General operating and maintenance expenses
- Income payments—a series of subsistence type grant payments for food, clothing, housing, (rent and mortgage) or utilities.

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Chapter 16 – Outcome and Performance Measure Reporting

Summary of CDBG Projects Funded

During Consolidated Plan Year 2016 – 2020

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 of CDBG Project Funded for 2019

- Program Year 2017 data through December 31, 2019, (including 1st round of application) and accrued data from
- January 1, 2016 to December 31, 2020

Program Year 2019 Data				OUTCOMES [See note #1 below]				
Outcome/ Objective	Funding Category	Performance Indicators [See note #2 below]	Actual Number Funded in 2019	Total Number Funded by 12-31-2020	Short Term Annual Goal	Actual Number Funded in 2019 and % of Annual Goal Achieved	Long Term Goal by 12-31-2020	Actual Number Funded by 12-31- 20 and % of Five Year Goal Achieved
SL3	Public Works – Water/Wastewater	Number Systems Assisted	5	15	Fund 2 systems per year	5(250%)	Assist 10 systems	15(150%)
		Total Persons Assisted	6,949	18,276				
		Total LMI Persons Assisted	3,975	10,987				
		Funds Leveraged	\$13,355	\$4,845,507				
SL1/SL3/DH1		Total Facilities Assisted	1	9		3 (66%)		9 (120%)

	Public/Community Facilities (fire stations, libraries, senior centers, food banks, family resource centers, community centers), (SL1) Public/Community Facilities (drug and alcohol treatment, head starts, mental health, health clinics, shelters/workshops for persons with disabilities (SL3) Public/Community Facilities (domestic violence shelters, emergency/homeless shelters (DHI)	Total Persons Assisted	884	13,981	Fund 1 projects per year		Assist 7.5 facilities	
		Total LMI Persons Assisted	9,456	12,725				
		Funds Leveraged	31,233	3,109,460				
DH3	Housing Rehabilitation	Total Number of Units rehabbed	137	190	Fund 6 projects per year (100 Housing Unit)	7 (116%) 137 unit (137%)	Fund 30 projects	22(73.3%)
		Funds Leveraged	\$0					
EO3	Public Services-Microenterprise Assistance	Total Microenterprises Assisted	100	244	Fund 3 projects per year.	100 (100%)	Fund 15 projects or (500 Microenterprises assisted)	7 (47%) 244 MicroEnterprise assisted (49%)
		Total LMI Microenterprises Assisted	75	200	(100 MicroE Assisted)			
		Funds Leveraged	0	\$0				
SL3	Emergency Projects	The Department does not anticipate future disasters but will ensure that if a bona fide disaster occurs in the future the projects will meet the CDBG program requirements and will be reported accordingly.						
N/A	Community Capacity/Technical Assistance	Number of Training Events Held	2	15	Fund 3 per year	2 (67%)	15 training events funded	16 (106%)
		Number of Attendee's	73	631				

Note #1—Outcomes—Actual Number Funded—The actual number funded is based upon the awards made during the program year. The final actual outcomes/accomplishments from each grant awarded by the state will be collected when the grant activities are complete and the grant contract between the city/county and the state is administratively closed and will be reported in IDIS as part of the CAPER.

Each grant recipient is allowed a specified period-of-time to complete the CDBG funded activities and this time-period varies by type of grant. This time-period is referred to as the Project Completion Date (PCD). The state allows PCD extensions if the local circumstances warrant the extensions. Each PCD extension is reviewed on a case by case basis. A summary of the standard PCD time periods are:

- 1 year PCD—Applies to microenterprise assistance grants.
- 2 year PCD—Planning/Final design only grants, construction only grants, public/community facility and housing rehabilitation grants.

Note #2—The state may select activities/priorities for the 2016-2020 CDBG program from the table above. The proposed outcome and performance measure requirements, performance indicators and the short- and long-term goals for each activity will only be triggered, if the activity is actually offered by the program.