

MEMORANDUM

January 10, 2019

TO: City Councils, County Boards of Commissioners, Councils of Government, Economic Development Districts, and Interested Organizations and Individuals

FROM: Chris Cummings, Assistant Director, Economic Development Division, Business Oregon

SUBJ: 2019 Proposed Method of Distribution (MOD) for Community Development Block Grant Guidelines—Request for Comments

A copy of the “2019 Proposed Method of Distribution” Community Development Block Grant Program Guidelines is available on the department’s website at:

<https://www.orinfrastructure.org/Infrastructure-Programs/CDBG/>

Please take time to review this message and the proposed Guidelines. If you are unable to download a copy of the guidelines, Business Oregon staff will gladly forward a hardcopy to you upon request.

The state of Oregon expects to have approximately \$12 million in federal funds for awards to rural cities and counties in the year 2019. The money comes from the federal Community Development Block Grant Program administered through U.S. Department of Housing and Urban Development. These grant funds must be awarded under a system with published rules and criteria, which are adopted following an opportunity for public comment.

Beginning in 2017, the department created the Annual Action Development Committee, a sub-committee of the Infrastructure Finance Authority Board. The committee, comprised of internal and external partners representing cities, counties, water districts, and housing advocates met to consider the CDBG program as a whole and propose revisions to the MOD focusing on project readiness and a projects ability to draw funds expeditiously. The department is proposing to make changes to the program guidelines adopted for year 2019 funds. The attached “Summary of Significant Changes Proposed for 2019” describes the proposed changes. Your comments and suggestions will help us to improve service in 2019.

The deadline for written comments is 5:00 p.m. on March 15, 2019. You can send your comments and suggestions in writing, either by letter or e-mail. Letters should be addressed to: Fumi Schaadt, Business Oregon, 775 Summer Street, Suite 200, Salem, Oregon 97301. E-mail responses can be sent to: fumi.schaadt@oregon.gov.

Thank you for your interest and participation in this important process. If you have questions, please contact Fumi Schaadt at (503) 986-0027.

Business Oregon

Community Development Block Grant Program Summary of Significant Changes Proposed for 2019

Comments Requested:

Please review the following summary and the Proposed Method of Distribution (program guidelines) for the 2019 Community Development Block Grant program. Comments and suggestions are encouraged and welcomed.

Comment Period and Public Hearing:

Comments on the 2019 Community Development Block Grant Program Proposed Method of Distribution can be submitted either orally or in writing (regular mail or e-mail). The 30-day public comment period ends at 5:00 p.m. on March 15, 2019. You can send your comments and suggestions in writing, either by letter or e-mail. Letters should be addressed to: Fumi Schaadt, Business Oregon, 775 Summer Street, Suite 200, Salem, Oregon 97301. E-mail responses can be sent to: fumi.schaadt@oregon.gov.

Public Hearing Date: March 11, 2019
Time: 12:00 p.m. (noon) to 1:00 p.m.
Location: Business Oregon
775 Summer Street NE, Ste. 200
Salem, OR 97301
Conference Room 201
Second Floor of State Lands Building

Summary of Significant Changes for 2019

Chapter 1—Funding Priority Targets

The table below shows 2019 projected available funds and targeted percentages and 2019 estimated available funds and target percentages. Funding priority target percentages remain the same as 2018.

Funding Category	Funds Available*	2019 Target Percentage
Microenterprise Assistance	\$255,349	2%
Public Works	\$6,766,754	53%
Community/Public Facilities	\$2,553,492	20%
Regional Housing Rehabilitation	\$3,191,865	25%
Total Proposed Funding Available for Projects	12,767,461	

*These figures are estimates based on the previous years' allocation, which is the anticipated funding for 2019. Any recaptured funds and/or unobligated amounts from previous years will be added to this figure.

Chapter 7—CDBG Application Procedures

- **Application Round**—The agency is proceeding with one application round per year. For 2019, the application round will open on July 1, 2019, with applications due on September 30, 2019. Applications received after that date will not be accepted. If sufficient funds remain from this application round, another application round **may** be opened. If an additional competitive application round will be held, notice will be provided via website postings, e-newsletters, and listserv distributions.
- **Application Procedures and scoring**—The agency continues to restructure the CDBG program to bring greater emphasis on funding projects ready to proceed. In light of that, there have been significant changes throughout Chapter 7 emphasizing project development and the funding of focused projects. Business Oregon is directing its funding to projects showing project completion can be achieved within the two-year timeframe.
 - **Project Notification and Intake Form**—Citizen Participation requirement of the 1st Public Hearing is now a part of the Project Notification and Intake Form. 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.
 - **Core points and bonus points**—The bonus point scoring introduced in 2018 will now be included into the core points. Please review the tables throughout Chapter 7 outlining the scoring criteria. Please note in the Public Community Facilities, other community services/projects has been broken out to reflect agency priorities.
 - **Financial Readiness to Proceed**—the point criteria has been eliminated.
 - **Financial Review**—is a new title replacing a category that was referred to as “Financial Need” in prior years. This section is enhanced to include an over-arching review of the financial health and need of the project and the applicant.
 - **CDBG Administration Capacity**—The point structure has been updated and enhanced to include previous applicant’s staff experience in administering other federally funded projects.
- **Minimum Threshold score**—With a focus on project development and readiness to proceed, 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 applications below the 80% minimum points requirement and may be in the form of a “conditional award.” A table summarizing the maximum points for each project type and the minimum threshold score is provided toward the end of Chapter 7.