

MEMORANDUM

May 27, 2021

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, Business Oregon

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

A copy of the “Amended 2019 Method of Distribution and 2021 Proposed Method of Distribution” Community Development Block Grant Program Guidelines is available on the [department’s website](#).

Please take time to review this message and the proposed guidelines. It is amended to incorporate the method of distribution for the routing of The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) through the state CDBG program. 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 \$26,302,175 million in federal funds through CDBG Cares Act Fund (CV1, CV2, and CV3). 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.

The department is proposing to make changes to the program guidelines adopted for year 2019 and funds and the program is reiterated in the 2021 MOD. The attached “Summary of Significant Changes Proposed for 2019” describes the proposed changes. Your comments and suggestions will help us to implement the additional assistance in the impact due to the Covid-19 pandemic.

The deadline for submitting written comments is midnight June 7, 2021. You can send your comments and suggestions, either by letter or e-mail. Letters should be addressed to: Fumi Schaadt or Rena Schoen, Business Oregon, 775 Summer Street, Suite 200, Salem, Oregon 97301. E-mail responses can be sent to Fumi Schaadt, Community Development Block Grant Program and Policy Coordinator, or via email: fumi.schaadt@oregon.gov or rena.schoen@oregon.gov.

Thank you for your interest and participation in this important process. If you have questions, please contact Fumi Schaadt at (971) 239-9020 or Rena Schoen at (503) 949-6294

Summary of Significant Changes for Amended 2019 Method of Distribution and 2021 Proposed Method of Distribution

Comments Requested:

Please review the following summary and the Amended Method of Distribution (program guidelines) for the 2019 Community Development Block Grant program then again reiterated within 2021 MOD to include the updated breakdown of the CDBG Cares Act covering all CV-1, CV-2, and CV-3. Comments and suggestions are encouraged and welcomed.

Comment Period:

Comments on the Amended 2019 Method of Distribution and 2021 Proposed Method of Distribution can be submitted in writing (regular mail or e-mail). As the amendment is related to the CDBG-CV, (Cares Act funded) the agency is under HUD waiver to allow the expedited public comment period of 5 days. The 5-day public comment period ends at midnight June 7, 2021. You can send your comments and suggestions in writing, either by letter or e-mail. Letters should be addressed to: Fumi Schaadt or Rena Schoen, Business Oregon, 775 Summer Street, Suite 200, Salem, Oregon 97301. E-mail responses can be sent to: fumi.schaadt@oregon.gov or rena.schoen@oregon.gov.

Summary of Significant Changes for Amendment to 2019 CDBG Method of Distribution (MOD) and 2021 CDBG Proposed MOD

CDBG CARES ACT Funding

In response to the economic impact of the COVID-19 pandemic, the Community Development Block Grant (CDBG) program has been highlighted as a vehicle for providing financial relief to states and communities. This insight considers the significant role of the flexibility of CDBG program as economic development countermeasures to the coronavirus outbreak.

Background information of the state CDBG CV (Cares Act) with following detail:

	CDBG-CV1	CDBG-CV2	CDBG-CV3	Total	
CDBG-CV Allocation from HUD	\$8,004,314	\$10,749,023	\$7,548,838.00	\$26,302,175	
State Administration 7%	\$560,302	\$752,432	\$528,419	\$1,841,152	
CDBG-CV Allocation Available for Projects	\$7,444,012	\$9,996,591	\$7,020,419	\$24,461,023	100%
Housing Related Assistance	\$2,233,203.61	\$2,998,977	\$2,106,126	\$7,338,306.83	30%
Covid-19 Impact Assistance	\$2,233,203.61	\$2,998,977	\$2,106,126	\$7,338,306.83	30%
Small Business/ MicroEnterprise assistance	\$2,977,604.81	\$3,998,637	\$2,808,168	\$9,784,409.10	40%

This amendment is reflecting additional flexibility provided by HUD guidance that was released on April 30, 2021. And these adjustments are reflected within Chapter 15 and 16 of both CDBG 2019 MOD and 2021 Proposed MOD, The highlights of the additional flexibilities are based on the assurance for the program to Prevent, Prepare and Respond (PPR) to the pandemic are:

- Allowance to use SBMA for job training/ workforce training for LMI workers
- Allowance to fund up to \$250,000 in assistance to provide broadband assistance to LMI families and broadband planning work to extend services to the LMI communities.
- Allowance to award up to \$750,000 for public facilities improvements which encompassed acquisition, construction and rehabilitation of the followings:
 - Homeless shelters (including funding for project turnkey)
 - Food Banks
 - Water line (distribution system improvements)
- Allowance to fund up to \$250,000 under public services to assist in funding operation of project turnkey (homeless shelters)
- Housing Related Assistance:
 - Allowance to fund utility assistance (Electricity & Gas only) for LMI family
 - Mortgage Assistance
 - Housing Rehabilitation Assistance

The state will provide call for applications for these funds through a series of Notice of Funding Availability (NOFA). Application details and a more detail program guidelines will be identified in the NOFA and the applicant guide. The NOFA will be released to the public once all grant agreements with HUD have been signed and HUD releases the CARES Act funds.